

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has approved the Proposed Regularisation Plan (as defined herein). The approval of Bursa Securities shall not be taken to indicate that Bursa Securities recommends the Proposed Regularisation Plan or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Circular. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Regularisation Plan.

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PERAK CORPORATION BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED REGULARISATION PLAN

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF PERAK CORPORATION BERHAD IN RELATION TO THE PROPOSED JOINT DEVELOPMENT, PROPOSED DISPOSAL OF HINTERLAND AND PROPOSED DISPOSAL OF ZONE 1 BANDAR MERU RAYA

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A



M & A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B



STRATEGIC CAPITAL ADVISORY SDN BHD

Registration No. 199901003253 (478153-U)

The Notice of the Extraordinary General Meeting ("**EGM**") of our Company together with the Form of Proxy are enclosed in this Circular. A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be lodged at the registered office of our Company at No. 1, Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan, not less than 48 hours before the time and date stipulated for the EGM as indicated below. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Day, date and time of the EGM	:	Friday, 27 February 2026 at 10.00 a.m.
Venue of the EGM	:	Casuarina Convention Centre 1, Hotel Casuarina @ Meru, No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan
Last day, date and time for lodging Form of Proxy	:	Wednesday, 25 February 2026 at 10.00 a.m.

This Circular is dated 5 February 2026

THE PROPOSED REGULARISATION PLAN COMPRISES THE FOLLOWING:

- (I) PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF PERAK CORPORATION BERHAD ("PERAK CORP" OR THE "COMPANY") PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SHARE CAPITAL REDUCTION");**
 - (II) PROPOSED JOINT VENTURE BETWEEN PERAK CORP AND PERBADANAN KEMAJUAN NEGERI PERAK ("PKNP"), A MAJOR SHAREHOLDER OF THE COMPANY, TO JOINTLY CARRY OUT THE DEVELOPMENT OF THE SILVER VALLEY TECHNOLOGY PARK INDUSTRIAL HUB, SALE OF INDUSTRIAL PLOTS AND OTHER PRODUCT OFFERINGS TO END PURCHASERS AND END USERS ON THIRTY-NINE PIECES OF PKNP'S LEASEHOLD LANDS MEASURING 746.73 ACRES ("PROPOSED JOINT DEVELOPMENT");**
 - (III) PROPOSED DISPOSAL OF FOUR PARCELS OF LEASEHOLD LANDS, ALL LOCATED AT MUKIM HULU BERNAM TIMOR, DAERAH MUALLIM, NEGERI PERAK COMPRISING THE FOLLOWING:**
 - (A) 73.14 ACRES OF LAND HELD UNDER PN394964, LOT 20570 AND PN394965, LOT 20571 ("PARCEL 1 LANDS") TO MAKMUR IMPIAN PROPERTY SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM21.13 MILLION ("PROPOSED DISPOSAL OF PARCEL 1 LANDS");**
 - (B) 247.85 ACRES OF LAND HELD UNDER PN394961, LOT 20402 ("PARCEL 2 LAND") TO TG MALIM HI-TECH PARK SDN BHD (FORMERLY KNOWN AS ARX-YSC SDN BHD) ("TMHTP") FOR A TOTAL CASH CONSIDERATION OF RM49.50 MILLION ("PROPOSED DISPOSAL OF PARCEL 2 LAND"); AND**
 - (C) 103.71 ACRES OF LAND HELD UNDER PN394962, LOT 20403 ("PARCEL 3 LAND") TO TMHTP FOR A TOTAL CASH CONSIDERATION OF RM18.94 MILLION ("PROPOSED DISPOSAL OF PARCEL 3 LAND");**

(PROPOSED DISPOSAL OF PARCEL 1 LANDS, PROPOSED DISPOSAL OF PARCEL 2 LAND AND PROPOSED DISPOSAL OF PARCEL 3 LAND ARE COLLECTIVELY REFERRED AS "PROPOSED DISPOSALS OF HULU BERNAM LANDS");
 - (IV) PROPOSED DISPOSAL OF THREE PIECES OF LANDS LOCATED AT WILAYAH BATU UNDA, MUKIM LUMUT, DISTRICT OF MANJUNG ("HINTERLAND") TO LUMUT MARITIME TERMINAL SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM8.53 MILLION ("PROPOSED DISPOSAL OF HINTERLAND");**
 - (V) PROPOSED DISPOSAL VIA SETTLEMENT OF THE COMPANY'S ENTITLEMENT PURSUANT TO THE JOINT VENTURE AGREEMENT ENTERED INTO WITH PKNP AND UNI-POH CONSTRUCTION WORKS SDN BHD FOR A PARCEL OF STATE LAND LOCATED AT MUKIM HULU KINTA, DAERAH KINTA, NEGERI PERAK FOR A TOTAL CASH CONSIDERATION OF RM40.38 MILLION ("PROPOSED DISPOSAL OF ZONE 1 BANDAR MERU RAYA");**
 - (VI) PROPOSED ISSUANCE OF REDEEMABLE PREFERENCE SHARES SERIES B ("RPS-B") FOR THE SETTLEMENT OF THE OUTSTANDING LIABILITIES AND DEBT OBLIGATIONS OWING TO SCHEME CREDITORS AMOUNTING TO RM39.73 MILLION PURSUANT TO THE SCHEME OF ARRANGEMENT UNDER SECTION 366 AND OTHER PROVISIONS OF THE COMPANIES ACT, 2016 BETWEEN PERAK CORP, PCB DEVELOPMENT SDN BHD AND ITS SCHEME CREDITORS ("PROPOSED ISSUANCE OF RPS-B");**
 - (VII) PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP TO FACILITATE THE PROPOSED ISSUANCE OF RPS-B ("PROPOSED AMENDMENTS I"); AND**
 - (VIII) PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP TO FACILITATE THE REVISIONS OF THE REDEMPTION DATE OF REDEEMABLE PREFERENCE SHARES SERIES A1 ("RPS-A1") AND REDEEMABLE PREFERENCE SHARES SERIES A2 ("RPS-A2"), REVISIONS OF THE CUMULATIVE COMPOUNDED GROSS PREFERENTIAL DIVIDEND RATE OF RPS-A1 AND RPS-A2 AS WELL AS THE SUBSTITUTION OF THE SECURITY DOCUMENTS PROVIDED UNDER THE SUPPLEMENTAL AGREEMENT DATED 11 SEPTEMBER 2023 TO THE DEBT SETTLEMENT AGREEMENT ENTERED INTO BETWEEN PERAK CORP AND CIMB BANK BERHAD ("CIMB") DATED 8 NOVEMBER 2021 TO SECURE THE ISSUANCE OF 20,900,309 RPS-A1 TO CIMB ("PROPOSED AMENDMENTS II").**
- (COLLECTIVELY REFERRED TO AS THE "PROPOSED REGULARISATION PLAN")**

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

"Act"	:	The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
"Advancecon" "Developer"	or :	Advancecon Development Sdn Bhd [Registration No. 202301041384 (1535303-V)]
"Affin Islamic"	:	Affin Islamic Bank Berhad [Registration No. 200501027372 (709506-V)]
"Affin Islamic DSA"	:	Debt settlement agreement entered into between Perak Corp and Affin Islamic Bank Berhad dated 8 November 2021
"BBBD"	:	Bandar Baru Bagan Datuk
"BDI-SMT"	:	Bagan Datuk International Sea-Hub Multipurpose Terminal
"Board"	:	Board of Directors of Perak Corp
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
"Bursa Securities"	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"CAGR"	:	Compound annual growth rate
"CIMB"	:	CIMB Bank Berhad [Registration No. 197201001799 (13491-P)]
"CIMB DSA"	:	Debt settlement agreement entered into between Perak Corp and CIMB Bank Berhad dated 8 November 2021
"Circular"	:	This circular to shareholders dated 5 February 2026
"Constitution"	:	Constitution of Perak Corp
"Court"	:	High Court of Malaya
"COVID-19"	:	Coronavirus Disease 2019
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation, and amortisation
"EGM"	:	Extraordinary General Meeting
"EPS"	:	Earnings per share
"Firdaus & Associates"	:	Firdaus & Associates Property Professionals Sdn Bhd [Registration No. 200301009118 (611538-W)]
"FYE"	:	Financial year ended/ending 31 December, as the case may be
"FPE"	:	Financial period ended/ending 30 September, as the case may be

DEFINITIONS (Cont'd)

"GL"	:	Gross loss
"GP"	:	Gross profit
"High Court Ipoh"	:	High Court of Malaya in Ipoh, Perak Darul Ridzuan
"Hinterland"	:	3 parcels of industrial land, identified as Plot 1, Plot 2 and Plot 3, all located in Wilayah Batu Undan, Mukim of Lumut, District of Manjung, Negeri Perak
"Hulu Bernam Lands"	:	Collectively, Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land
"Interested Director"	:	Datuk Redza Rafiq Bin Abdul Razak
"Interested Shareholder"	:	PKNP
"LAT"	:	Loss after tax
"Laurelcap"	:	Laurelcap Sdn Bhd [Registration No. 200801005326 (806610-U)]
"LBIT"	:	Loss before interest and tax
"LBITDA"	:	Loss before interest, tax, depreciation, and amortisation
"LBT"	:	Loss before tax
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LMTSB"	:	Lumut Maritime Terminal Sdn Bhd, a 50% plus 1 share subsidiary of PCB Taipan [Registration No. 198901003174 (180480-D)]
"LPD"	:	15 January 2026, being the latest practicable date prior to the printing of this Circular
"LPS"	:	Loss per Share
"Main Market"	:	Main Market of Bursa Securities
"MCO"	:	The 2020 Malaysia movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country on 18 March 2020, and includes all its subsequent phases, being the conditional MCO (" CMCO "), recovery MCO (" RMCO "), enhanced MCO (" EMCO ") and/or variations of these thereof
"MFRS"	:	Malaysian Financial Reporting Standards
"MIP"	:	Makmur Impian Property Sdn Bhd [Registration No. 201801039386 (1301417-K)]
"M&A Securities" "Principal Adviser"	or	M & A Securities Sdn Bhd [Registration No. 197301001503 (15017-H)]
"NA"	:	Net asset(s)
"NL"	:	Net liabilities

DEFINITIONS (Cont'd)

"Order"	:	An order by the Court which will be sought to confirm the Proposed Share Capital Reduction
"Parcel 1 Lands"	:	2 parcels of leasehold lands held under PN394964, Lot 20570 and PN394965, Lot 20571, both located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak
"Parcel 2 Land"	:	a leasehold land held under PN394961, Lot 20402, located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak
"Parcel 3 Land"	:	a leasehold land held under PN394962, Lot 20403, located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PCB Development"	:	PCB Development Sdn Bhd, a former subsidiary of Perak Corp [Registration No. 199701029539 (445038-U)]
"PCB Taipan"	:	PCB Taipan Sdn Bhd, a wholly-owned subsidiary of Perak Corp [Registration No. 199501025610 (354815-T)]
"Perak Corp" or "Company"	:	Perak Corporation Berhad [Registration No. 199101000605 (210915-U)]
"Perak Corp Group" or "Group"	:	Perak Corp and its subsidiary companies
"Perak Corp Share(s)" or "Shares(s)"	:	Ordinary shares in Perak Corp
"PKNP"	:	Perbadanan Kemajuan Negeri Perak
"PN17"	:	Practice Note 17 of the Listing Requirements
"PPC"	:	PPC International Sdn Bhd [Registration No. 199601032659 (405011-U)]
"Proposed Amendments I"	:	Proposed amendments to the Company's existing Constitution to facilitate the Proposed Issuance of RPS-B
"Proposed Amendments II"	:	Proposed amendments to the Company's existing Constitution to facilitate the revisions of the redemption date of RPS-A1 and RPS-A2, revisions of the cumulative compounded gross preferential dividend rate of RPS-A1 and RPS-A2 as well as the substitution of the security documents provided under the supplemental agreement dated 11 September 2023 to the CIMB DSA to secure the issuance of 20,900,309 RPS-A1 to CIMB
"Proposed Disposal of Hinterland"	:	Proposed disposal of Hinterland to LMTSB for a total cash consideration of RM8.53 million
"Proposed Disposal of Parcel 1 Lands"	:	Proposed disposal of Parcel 1 Lands to MIP for a total cash consideration of RM21.13 million
"Proposed Disposal of Parcel 2 Land"	:	Proposed disposal of Parcel 2 Land to TMHTP for a total cash consideration of RM49.50 million

DEFINITIONS (Cont'd)

"Proposed Disposal of Parcel 3 Land"	:	Proposed Disposal of Parcel 3 Land to TMHTP for a total cash consideration of RM18.94 million
"Proposed Disposals of Hulu Bernam Lands"	:	Collectively, Proposed Disposal of Parcel 1 Lands, Proposed Disposal of Parcel 2 Land and Proposed Disposal of Parcel 3 Land
"Proposed Disposals of Landbank Assets"	:	Collectively, Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya
"Proposed Joint Development"	:	Proposed joint venture between Perak Corp and PKNP, a major shareholder of the Company, to jointly carry out the development of the SVTP Industrial Hub, sale of industrial plots and other product offerings to end purchasers and end users on thirty-nine pieces of PKNP's leasehold lands measuring 746.73 acres
"Proposed Regularisation Plan"	:	Collectively, the Proposed Share Capital Reduction, Proposed Joint Development, Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Hinterland, Proposed Disposal of Zone 1 Bandar Meru Raya, Proposed Issuance of RPS-B, Proposed Amendments I and Proposed Amendments II
"Proposed Disposal of Zone 1 Bandar Meru Raya"	:	Proposed disposal via settlement of the Company's entitlement pursuant to the joint venture agreement entered into with PKNP and Unipoh for Zone 1 Bandar Meru Raya for a total cash consideration of RM40.38 million
"Proposed Share Capital Reduction"	:	Proposed reduction of the issued share capital of Perak Corp pursuant to Section 116 of the Act
"Protege" or "IMR"	:	Protégé Associates Sdn Bhd [Registration No. 200401037256 (675767-H)], the Independent Market Researcher in relation to the Proposed Regularisation Plan
"Record of Depositors"	:	A record of securities holders provided by Bursa Depository under the rules of Bursa Depository
"Reporting Accountant"	:	Crowe Malaysia PLT [Registration No. 201906000005 (LLP0018817-LCA) & AF1018]
"RM"	:	Ringgit Malaysia and sen, respectively
"RPS-A1"	:	20,900,309 redeemable preference shares issued to CIMB at an issue price of RM1.00 per RPS-A1
"RPS-A2"	:	14,914,671 redeemable preference shares issued to at an issue price of RM1.00 per RPS-A2
"RPS-B"	:	Redeemable preference shares series B
"SCA" or "Independent Adviser"	:	Strategic Capital Advisory Sdn Bhd [Registration No. 199901003253 (478153-U)]
"SOA"	:	Scheme of arrangement under section 366 and other relevant provisions of the Act between Perak Corp, PCB Development and its scheme creditors, which was approved by the scheme creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021
"sq ft"	:	Square feet

DEFINITIONS (Cont'd)

"sqm"	: Square metre
"SST"	: Sales and service tax
"SVTP"	: Silver Valley Technology Park
"TMHTP"	: Tg Malim Hi-Tech Park Sdn Bhd (formerly known as ARX-YSC Sdn Bhd) [Registration No. 201201021828 (1006320-K)]
"Unipoh"	: Uni-Poh Construction Works Sdn Bhd [Registration No. 199401026331 (312012-P)]
"Urbax"	: Urbax Properties Sdn Bhd [Registration No. 202301023374 (1517297-K)]
"Zone 1 Bandar Meru Raya"	: Part of a government land, zone 1-F, G (Part of Plot 8A and 10A), located at Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. All references to "Our Company" in this Circular are to Perak Corp, references to "Our Group" are to our Company and our subsidiaries, collectively, and references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, shall include our subsidiaries.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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(The definitions of the agreements referred to in Appendix I to Appendix XVI are set out in the Executive Summary of this Circular.)

PART A

**LETTER FROM OUR BOARD TO
THE SHAREHOLDERS OF PERAK CORP IN RELATION TO
THE PROPOSED REGULARISATION PLAN**

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED REGULARISATION PLAN. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN AT THE FORTHCOMING EGM OF OUR COMPANY TO BE CONVENED.

Key information	Summary	Reference to Circular
Details of the Proposed Regularisation Plan	: Our Group is proposing to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements which comprises the following:	Section 2

Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails the reduction of the Company's issued share capital from RM272.77 million to RM87.77 million by the cancellation of the issued share capital of Perak Corp of RM185.00 million pursuant to Section 116 of the Act.

The Proposed Share Capital Reduction will give rise to a credit of RM185.00 million, which will be utilised to set-off the accumulated losses of our Company.

Proposed Joint Development

Perak Corp has on 8 January 2024 entered into a joint venture agreement with PKNP to establish a synergistic collaboration and to jointly carry out the development of SVTP Industrial Hub, sale of industrial lots with main infrastructure on thirty-nine (39) pieces of leasehold lands all located in Mukim Hulu Kinta, Perak and subsequently sale or lease of other product offerings to end purchasers and end users ("**JVA II**"). In tandem with the execution of JVA II, Perak Corp has on even date entered into a joint development agreement with Advancecon for the construction, development and completion of all main infrastructure for SVTP Industrial Hub and sale of completed industrial lots with main infrastructure ("**SVTP Industrial Hub Project**") ("**JDA with Advancecon**").

Proposed Disposals of Hulu Bernam Lands

The Company has on 16 August 2023 entered into a supplemental agreement ("**SA JVA I**") to the joint venture agreement dated 10 September 2019 ("**JVA I**") with TMHTP to vary, amend and/or to supplement certain terms of the JVA I for the proposed joint development of the Hulu Bernam Lands.

(a) Proposed Disposal of Parcel 1 Lands

On 10 September 2019, the Company has entered into the sale and purchase agreement dated 10 September 2019 with MIP for the disposal of Parcel 1 Lands for a disposal consideration of RM24.97 million ("**SPA I**"). Subsequently, the Company has on 17 August 2023 entered into a supplemental agreement ("**SA SPA I**") to the SPA I to vary the terms of the conditions precedent, payment terms and to extend the time period for the fulfilment of the condition's precedent in the SPA I for the disposal of Parcel 1 Lands. For

EXECUTIVE SUMMARY (Cont'd)

Key information	Summary	Reference to Circular

the avoidance of doubt, the disposal consideration of Proposed Disposal of Parcel 1 Lands pursuant to SA SPA I is approximately RM23.26 million.

On 13 November 2024, the Company entered into a second supplemental agreement to the SPA I ("**Second SA SPA I**") with MIP to vary the terms in the SPA I and the SA SPA I. In particular, the method of settlement for the disposal consideration for Parcel 1 Lands have been revised to RM21.13 million in cash and RM2.13 million in land premium to be paid by MIP on behalf of Perak Corp to the State Authority of Perak.

(b) Proposed Disposal of Parcel 2 Land

Subsequent to the execution of SA JVA I, the Company has on 2 February 2024 entered into a second supplemental agreement with TMHTP for an early settlement of Perak Corp's entitlement of Parcel 2 Land for a total consideration of RM63.50 million ("**Second SA JVA I**").

On 13 November 2024, the Company entered into a supplemental agreement to the JVA I with TMHTP to revoke the SA JVA I and Second SA JVA I and vary the terms of the JVA I and for TMHTP to settle the Company's entitlement in respect of Parcel 2 Land and Parcel 3 Land in accordance to JVA I ("**Third SA JVA I**"). In tandem with the execution of the Third SA JVA I, the Company has on even date entered into a sale and purchase agreement with TMHTP to transfer Parcel 2 Land to TMHTP for a cash consideration of RM49.50 million (excluding RM14.00 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak) ("**SPA II**").

(c) Proposed Disposal of Parcel 3 Land

Subsequent to the execution of SA JVA I and the Third SA JVA I, the Company has on 13 November 2024 entered into a sale and purchase agreement with TMHTP to transfer Parcel 3 Land to TMHTP for a disposal consideration of RM18.94 million (excluding RM3.05 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak) ("**SPA III**").

Proposed Disposal of Hinterland

In accordance with the execution of the MDA (as defined herein), the Company and PKNP intended to broaden and further expand the Group's current port and logistics activities and services for the Lumut Maritime Terminal. In line with the aforementioned, the Company and PKNP have on 13 February 2025 entered into a sales and purchase agreement with LMTSB, for the disposal of (3) pieces of state land, all located at Wilayah Batu Undan, Mukim Lumut, District of Manjung with land areas measuring approximately 3.70 acres, 5.95 acres and 7.70 acres for a total cash consideration of RM8.53 million ("**SPA IV**").

EXECUTIVE SUMMARY (Cont'd)

**Key
information****Summary****Reference
to Circular**

Proposed Disposal of Zone 1 Bandar Meru Raya

Following the execution of the MDA (as defined herein), the Company has on 8 March 2024 entered into a joint development agreement with PKNP to jointly collaborate and carry out the development of Zone 1 Bandar Meru Raya ("**JDA I**"). In tandem with the execution of JDA I, the Company, PKNP and Unipoh entered into a joint venture agreement to jointly undertake the construction and completion of a gated and guarded housing scheme in Zone 1 Bandar Meru Raya as well as to market and carry out sales of the units to end purchasers ("**JVA III**").

Subsequently, on 13 February 2025, the Company entered into a supplemental agreement to the JVA III with Unipoh and PKNP to modify, vary and supplement the terms of the JVA III and to stipulate and specify the agreed settlement of Perak Corp's entitlement pursuant to JVA III and the new mode of payment of the same ("**SA JVA III**"). For avoidance of doubt, the pre-determined and pre-agreed settlement of Perak Corp's entitlement amounts to RM40.38 million.

Proposed Issuance of RPS-B

The SOA under Section 366 and other relevant provisions of the Act between Perak Corp, PCB Development (collectively referred as "**Scheme Companies**") and their respective scheme creditors (consisting of non-financial institutions ("**Non-FI(s)**") of Perak Corp and PCB Development that are owed to) ("**Scheme Creditors**"), which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021, involves the settlement of the liabilities owed to the Scheme Creditors as at the cut-off date of 30 June 2020 via the combination of the following:

- (i) issuance of RPS-B to be allotted on a pari passu basis to all Scheme Creditors; and
- (ii) upon the issuance of RPS-B, any remaining balance debts not settled to the Scheme Creditors above shall be waived in full. All existing corporate guarantees and/or personal guarantees (if any) given by the Scheme Companies to Scheme Creditors shall accordingly be discharged.

Proposed Amendment I

The Company proposed to amend its Constitution to facilitate the Proposed Issuance of RPS-B.

Proposed Amendment II

On 8 November 2021, the Company had entered into the CIMB DSA and Affin Islamic DSA for the proposed debt settlement of debts owing by the Company. As a result, RPS-A1 and RPS-A2 had been allotted to CIMB and Affin Islamic on 31 January 2022 respectively.

EXECUTIVE SUMMARY (Cont'd)

Key information	Summary	Reference to Circular
	On 11 September 2023, Perak Corp and CIMB entered into a supplemental agreement to the CIMB DSA to substitute the charge over Parcel 2 Land with a piece of land belonging to Perak Corp held under Geran 178754, Lot 516683, located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak. In addition, CIMB, vide its letter dated 10 January 2025, approved the mandatory redemption of RPS-A1 together with all accrued and unpaid dividend payable to be made by 30 September 2025. Similarly, Affin Islamic, vide its letter dated 27 January 2025, is agreeable to grant an extension of time up to 30 September 2025 for Perak Corp to fully redeem RPS-A2, along with the cumulative compounded gross preferential dividend at a rate of 5% per annum until 31 January 2025 and thereafter 8% per annum until the RPS-A2 Maturity Date (as defined herein). Subsequently, CIMB, vide its letter dated 30 September 2025, granted an extension of time up to 31 March 2026 for Perak Corp to fully redeem RPS-A1, along with the cumulative gross preferential dividend at a rate of 8% per annum commencing from 1 October 2025 until the RPS-A1 Maturity Date (as defined herein). Similarly, Affin Islamic, vide its letter dated 4 November 2025, granted an extension of time up to 31 March 2026 for Perak Corp to fully redeem RPS-A2. As a result, the Company proposed to amend its Constitution to facilitate the amendments and modifications in relation to RPS-A1 and RPS-A2.	
Rationale for the Proposed Regularisation Plan	: The Proposed Regularisation Plan serves to regularise the financial condition of the Perak Corp Group in order to address and uplift the affected listed issuer status of the Company. Through the Proposed Regularisation Plan, the Group would be able to strengthen the Group's cash flow position via the Proposed Disposal of Parcel 1 Lands, Proposed Disposal of Parcel 2 Land, Proposed Disposal of Parcel 3 Land, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya, which would in turn augur well for the Group's on-going plan to revitalise its business operations. The Board believes that the anticipated enhanced financial position of the Group following the implementation of the Proposed Regularisation Plan is expected to improve the financial performance and condition of the Group and eventually lead to the regularisation of Perak Corp's PN17 status.	Section 4
Approvals required	: The Proposed Regularisation Plan is subject to the following approvals being obtained: (a) Bursa Securities, for the Proposed Regularisation Plan, which had been obtained on 19 January 2026;	Section 8

EXECUTIVE SUMMARY (Cont'd)

**Key
information****Summary****Reference
to Circular**

The approval of Bursa Securities is subject to the following conditions:

No.	Condition	Status of compliance
(1)	Perak Corp and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;	To be complied
(2)	Perak Corp 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;	To be complied
(3)	Perak Corp and M&A Securities to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Perak Corp at the general meeting for the Proposed Regularisation Plan	To be complied
(4)	Perak Corp and M&A Securities to inform Bursa Securities upon the completion of the Proposed Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval; and	To be complied
(5)	To incorporate the comments made in the circular to shareholders.	Complied
(b)	shareholders of Perak Corp for the Proposed Regularisation Plan at the forthcoming EGM to be convened;	
(c)	Confirmation of the Court for the Proposed Share Capital Reduction;	
(d)	Consent of CIMB and Affin Islamic for the Proposed Share Capital Reduction and Proposed Amendments I;	
(e)	Consent of Majlis Mesyuarat Kerajaan Negeri Perak for the transfer of the land titles of Hulu Bernam Lands and Hinterland; and	
(f)	any other relevant authorities/parties, if required.	

EXECUTIVE SUMMARY (Cont'd)

Key information	Summary	Reference to Circular
Parties involved and the element of conflict of interests	: Save for the following, none of the Directors, major shareholders, chief executive of Perak Corp and/or persons connected with them have any interest, direct or indirect, in the Proposed Regularisation Plan: (a) PKNP, being the major shareholder of the Company as well as having common Directors in Perak Corp Group and PKNP; and (b) Datuk Redza Rafiq Bin Abdul Razak, being the non-independent, non-executive chairman of Perak Corp, is also the Chief Executive of PKNP.	Section 10
Directors' statements and recommendation	: Our Board of Perak Corp (save for the Interested Director), having considered all aspects of the Proposed Regularisation Plan, including but not limited to the rationale and effects of the Proposed Regularisation Plan, is of the opinion that the Proposed Regularisation Plan are fair and reasonable and are in the best interests of our Company and its shareholders. Accordingly, our Board (save for the Interested Director) recommends that you vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM to be convened.	Section 14

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PERAK CORPORATION BERHAD

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

Registered Office:

No. 1, Jalan Lasam
30350 Ipoh
Perak Darul Ridzuan

5 February 2026

Board of Directors

Datuk Redza Rafiq bin Abdul Razak *(Non-Independent Non-Executive Chairman)*
Dato' Seri Ir Mohamad Othman bin Zainal Azim *(Independent Non-Executive Director)*
Datuk Seri Dr Hj Hasim bin Hasan *(Independent Non-Executive Director)*
Andy Liew Hock Sim *(Independent Non-Executive Director)*
Tan Chee Hau *(Independent Non-Executive Director)*
Ahmad Yani bin Aminuddin *(Independent Non-Executive Director)*
Faizul Hilmy bin Ahmad Zamri *(Independent Non-Executive Director)*
Noor Azlin binti Zainal Abidin *(Independent Non-Executive Director)*

To: The Shareholders of Perak Corp

Dear Sir/Madam,

PROPOSED REGULARISATION PLAN

1. INTRODUCTION AND EVENTS LEADING TO THE COMPANY'S PN17 POSITION

On 11 February 2020, the Company announced that it had been classified as an affected listed issuer under PN17. This was due to Perak Corp having triggered Paragraph 8.04 of the Listing Requirements and Paragraph 2.1(f) of PN17 as Perak Corp Group has defaulted in its repayment of principal in respect of the following facilities:

- (a) Musharakah Mutanaqisah Term Financing-i and Tawarruq Revolving Credit-i facilities ("**Financing Agreements**") of up to RM100.00 million granted by Affin Islamic.
- (b) subsequently, on 28 February 2020, CIMB had declared that an event of cross default by Perak Corp and PCB Taipan, in respect of the revolving credit facilities of up to RM90.00 million granted, following the declaration of an event of default by Affin Islamic for financing extended to Perak Corp. CIMB had demanded full payment of the said revolving credit facilities of RM91,291,558.98.

Bursa Securities had on 26 March 2020 announced additional relief measures to alleviate the impact of COVID-19 on capital market players, among others, the extension of time for listed issuers to submit its regularisation plans for PN17 of the Listing Requirements from 12 months to 24 months from the date the listed issuer first announced their PN17 classification ("**First Announcement**"), whose First Announcement was made between 2 January 2019 to 31 December 2020. As such, the Company has until 10 February 2022 (i.e. 24 months from 11 February 2020, the date of the First Announcement) to submit its regularisation plan to the regulatory authorities.

On 19 April 2021, the Company and PCB Development had obtained approval from their Scheme Creditors on the SOA at the court convened meeting which was held on even date ("**Adjourned Court Convened Meeting**") pursuant to the provisions of Section 366 of the Act. Subsequently, on 7 May 2021, the High Court Ipoh has approved and sanctioned the SOA.

On 4 February 2022, M&A Securities, on behalf of the Board, announced that it has submitted an application for an extension of time of 12 months up to 9 February 2023 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 28 February 2022, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 28 February 2022, resolved to grant the Company for an extension of time of 6 months up to 10 August 2022 to submit its regularisation plan to the regulatory authorities.

On 9 August 2022, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 12 months up to 9 August 2023 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 2 September 2022, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 2 September 2022, resolved to grant the Company for an extension of time of 6 months up to 10 February 2023 to submit its regularisation plan to the regulatory authorities.

On 9 February 2023, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 12 months up to 9 February 2024 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 13 April 2023, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 13 April 2023, resolved to grant the Company for an extension of time of 6 months up to 9 August 2023 to submit its regularisation plan to the regulatory authorities.

On 9 August 2023, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 10 months up to 8 June 2024 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 6 November 2023, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 6 November 2023, resolved to grant the Company for an extension of time of 6 months up to 10 February 2024 to submit its regularisation plan to the regulatory authorities.

On 9 February 2024, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 12 months up to 9 February 2025 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 10 May 2024, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 9 May 2024, resolved to grant the Company for an extension of time of 6 months up to 10 August 2024 to submit its regularisation plan to the regulatory authorities.

On 9 August 2024, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 10 months up to 10 June 2025 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 17 September 2024, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 17 September 2024, resolved to grant the Company for an extension of time of 6 months up to 9 February 2025 to submit its regularisation plan to the regulatory authorities.

On 7 February 2025, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 6 months up to 9 August 2025 to Bursa Securities for the submission of its regularisation plan.

On 18 February 2025, M&A Securities, on behalf of our Board, announced that our Company is proposing to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements.

Subsequently, on 20 February 2025, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 20 February 2025, resolved to grant the Company for an extension of time of 6 months up to 9 August 2025 to submit its regularisation plan to the regulatory authorities.

On 9 May 2025, M&A Securities, on behalf of our Board, announced that the draft Circular in relation to the Proposed Regularisation Plan had been submitted to Bursa Securities.

On 19 January 2026, M&A Securities, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 19 January 2026, approved the Proposed Regularisation Plan subject to conditions as stated in Section 8 of this Circular.

Further details of the Proposed Regularisation Plan are as set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED REGULARISATION PLAN, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED REGULARISATION PLAN AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED.

2. DETAILS OF THE PROPOSED REGULARISATION PLAN

2.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails a reduction of the Company's issued share capital from RM272.77 million to RM87.77 million by the cancellation of the issued share capital of Perak Corp of RM185.00 million pursuant to Section 116 of the Act. As at the LPD, the issued share capital of Perak Corp is RM272.77 million comprising 100,000,000 Perak Corp Shares and the Company does not hold any treasury shares.

The Proposed Share Capital Reduction of RM185.00 million was determined by the Board, after taking into consideration, amongst others, the issued share capital of the Company as well as the audited accumulated losses of the Group as at 31 December 2024 of RM174.92 million.

The credit arising from the Proposed Share Capital Reduction will be utilised to set-off against the accumulated losses of the Company, and any surplus after the elimination of the accumulated losses of the Company shall be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Listing Requirements as well as the Constitution of the Company.

For the avoidance of doubt, the Proposed Share Capital Reduction will not result in:

- (i) any change in the total number of Perak Corp Shares in issue or the number of Perak Corp Shares held by the shareholders of the Company;
- (ii) any adjustment to the share price of Perak Corp Shares;
- (iii) any payment to the shareholders of Perak Corp; and
- (iv) any cash outflow or change in the NA of the Group, save for the estimated expenses to be incurred in relation to the Proposed Regularisation Plan.

For illustrative purposes, the pro forma effects of the Proposed Share Capital Reduction on the accumulated losses of the Company and the Group based on the latest audited financial statements of the Group for FYE 2024 are as follows:

	Audited	
	As at 31 December 2024	
	Company	Group
	RM'000	RM'000
Accumulated losses	(361,383)	(174,917)
Add: Credit arising from the Proposed Share Capital Reduction	185,000	185,000
Less: Estimated expenses to be incurred in relation to the Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income	(6,300)	(6,300)
Resultant (accumulated losses)/retained earnings	(182,683)	3,783

An Order by the Court will be sought to confirm the Proposed Share Capital Reduction pursuant to Section 116 of the Act after receipt of approvals from the shareholders of the Company at the forthcoming EGM to be convened and consent of CIMB and Affin Islamic for the Proposed Share Capital Reduction. The effective date of the Proposed Share Capital Reduction will be the date of the lodgement of a sealed copy of the Order of the Court with the Registrar of Companies.

2.2 Proposed Joint Development

On 12 August 2022, Perak Corp had entered into a memorandum of understanding with PKNP with the intention to jointly collaborate for the following:

- (i) utilise Perak Corp's expertise to develop PKNP's strategic landbanks;
- (ii) appoint Perak Corp as the master developer of PKNP's industrial development area in the SVTP; and
- (iii) any other projects deemed suitable and appropriate by mutual agreement of Perak Corp and PKNP.

Subsequently, on 31 March 2023, Perak Corp entered into the master development agreement with PKNP to define the general and overarching terms and conditions governing the development initiatives to be undertaken by Perak Corp and PKNP ("**MDA**").

The MDA involves Perak Corp and PKNP to jointly develop the following assets from PKNP, including appointing Perak Corp to become the master developer to undertake the following development activities:

Location	Type of development to be undertaken
38 parcels of land measuring approximately 56.29 acres located at Teluk Dalam, Mukim Lumut, Perak	Mixed property development comprising residential, commercial recreational, medical and health tourism components.
Hinterland for Lumut Maritime Terminal (" LMT ")	To broaden and further expand the Group's current port and logistics activities and services for the LMT.
SVTP Industrial Hub	Master developer for 816.00 acres of commercial/industrial lands within the SVTP Industrial Hub, comprising industrial and commercial developments, to be undertaken in 3 phases.
Land measuring approximately 43.79 acres located at Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Perak	To undertake future development of the Bandar Meru Raya housing projects.

For the development of SVTP Industrial Hub, Perak Corp has on 8 January 2024 entered into the JVA II with PKNP to establish a synergistic collaboration and to jointly carry out the development of SVTP Industrial Hub, sale of industrial lots with main infrastructure on thirty-nine (39) pieces of leasehold lands all located in Mukim Hulu Kinta, Perak and subsequently sale or lease of other product offerings to end purchasers and end users. In tandem with the execution of JVA II, Perak Corp has on even date entered into the JDA with Advancecon for the construction, development and completion of the SVTP Industrial Hub Project. Under the JDA with Advancecon, Perak Corp is mainly responsible for ensuring the readiness and facilitating the access and use of the SVTP Industrial Hub for development purposes as well as bearing all costs and taking necessary actions to resolve squatter issues, while Advancecon is mainly responsible for the funding, management and execution of the SVTP Industrial Hub Project.

Salient terms of MDA, JVA II and JDA with Advancecon is set out in Appendix I, Appendix II and Appendix III of this Circular, respectively.

2.2.1 Information on SVTP Industrial Hub

PKNP is the registered and beneficial owner of SVTP Industrial Hub. SVTP Industrial Hub comprises 39 leasehold lands with a term of 99 years expiring on 28 June 2112 measuring a total area of approximately 746.73 acres. The details of the SVTP Industrial Hub are as follows:

Land	Acreage
SVTP Industrial Hub	
(i) Saleable land area	530.71
(ii) PKNP's reserved lands for SVTP Industrial Hub development known as Lot 8 and Lot 10 (" PKNP's Reserved Lands ")	88.05
(iii) Other reserved lands for development	127.97
Total	746.73

SVTP Industrial Hub is free from all encumbrances and is in the industrial and commercial zone under industrial and commercial categories for land use.

PKNP retains all rights over PKNP's Reserved Lands and has full rights to deal with the PKNP's Reserved Lands as PKNP deems fit. As at the LPD, PKNP has sold Lot 10 and the subdivided Lot 8 (approximately 38.57 acres of 62.01 acres) to separate third parties. However, PKNP does not retain all rights over the other reserved lands for development, measuring 127.97 acres, as these lands are reserved for roads and common areas for SVTP Industrial Hub Project.

Pursuant to the JVA II and JDA with Advancecon, in respect of PKNP's Reserved Lands, PKNP has instructed Perak Corp and Advanecon to undertake infrastructure works on PKNP's Reserved Lands and PKNP will reimburse the infrastructure cost, to be calculated based on the following:

- (i) for Lot 8, at the commercial value to be determined based on the market value at the point of sale, of which the profits arising from the reimbursement of the infrastructure cost for Lot 8 will be shared between Advancecon and Perak Corp in the similar 35% profit sharing arrangement as the Proposed Joint Development; and
- (ii) for Lot 10, at actual construction cost, administration cost and financial cost estimated at RM13.55 per square foot, subject to final verification. For avoidance of doubt, as the reimbursement is based on actual cost incurred, there is no profits arising from the reimbursement.

The verified and agreed cost for the infrastructure constructed specifically for the PKNP's Reserved Lands will be deducted against PKNP's entitlement under the JDA with Advancecon prior to the release of the remaining PKNP's entitlement.

2.2.2 Information on the SVTP Industrial Hub Project

A summary of the SVTP Industrial Hub Project is set out as follows:

Name of project	: SVTP Industrial Hub
Type of development	: Industrial park development
Project land	: HS(D) 214675 PT 253406 (now known as Lot No. 550959), HS(D) 214685 PT 253416 (now known as Lot No. 550969), HS(D) 214687 to HS(D) 214719 PT 253418 to PT 253450 (now known as Lot Nos. 550971 to 551003), HS(D) 214726 PT 253457 (now known as Lot No. 551010) and HS(D) 214727 PT 253458 (now known as Lot No. 551011), respectively, Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan and includes: (a) PKNP's reserved lands for SVTP Industrial Hub Development held under HS(D) 214684 PT 253415 (now known as Lot No. 550968) ("Lot 8") and HS(D) 214686 PT253417 (now known as Lot No. 550970) ("Lot 10"), Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan; and (b) Reserved Lands for roads and common area for SVTP Industrial Hub Project
Property Type	: Thirty-seven (37) parcels of vacant industrial land and two (2) parcels of vacant commercial land, including PKNP's Reserved Lands
Tenure	: 99-year leasehold interest expiring on 28 June 2112
Estimated gross development value (" GDV ") ⁽¹⁾	: RM1,032.76 million
Estimated gross development costs (" GDC ") ⁽¹⁾	: RM716.96 million
PKNP's revenue share	: A basic revenue share of RM9.70 per sq ft for each industrial and commercial plot sold, with an estimated total of RM224.23 million. PKNP will be entitled to PKNP's additional share of revenue for other product offerings subject to supplemental agreement to be entered by the parties.
Perak Corp's revenue share ⁽²⁾	: Subject to full payment of all development costs, Perak Corp is entitled to a sum equivalent to 35.00% on the net development value of the SVTP Industrial Hub Project (based on the saleable land area of 530.71 acres). Pending full payment of all development costs, Perak Corp shall be paid an amount equivalent to 10.00% from the proceeds of sales of each industrial and commercial lot to end-purchaser(s) or any percentage as mutually agreed by the parties from time to time, after deducting the advances paid by Advancecon on behalf of Perak Corp in relation to Perak Corp's obligations under the JDA with Advancecon.
Current stage or percentage of completion	: 10.01% as at 25 January 2026
Commencement date and expected completion date	: SVTP Industrial Hub Project commenced on 2 May 2025 and is expected to be completed by 1 May 2030.

Status of approvals for development : The Company has obtained the approved Kebenaran Merancang (on 29 April 2009), approved Pelan Ukur (on 9 October 2012) and approvals to commence earthwork (on 2 May 2025).

On 4 August 2025 and 26 December 2025, the Company has submitted and re-submitted the application for road and drainage plan, which is expected to be approved by Majlis Bandaraya Ipoh by the first quarter of 2026.

Notes:

- (1) Based on the estimated GDV and GDC for the development of thirty-seven (37) parcels of vacant industrial land and two (2) parcels of vacant commercial land, including PKNP's Reserved Lands, pursuant to the JDA with Advancecon.
- (2) Perak Corp's revenue share of the net development value (calculated by the GDV of the SVTP Industrial Hub Project net of GDC of the SVTP Industrial Hub Project (including PKNP's revenue share)) ("**NDV**") will be settled progressively as the individual commercial and industrial lot of the SVTP Industrial Hub Project are sold. The NDV is maintained by Advancecon and Perak Corp's revenue share will be determined on a quarterly basis. Accordingly, revenue will be recognised progressively each quarter in line with the sales and collections from the commercial and industrial lots sold at the end of each quarter of the calendar year, while any corresponding costs incurred by Perak Corp will be apportioned based on the number of commercial and industrial lots sold and recognised progressively as well.

A valuation of Perak Corp's joint development interests pursuant to the Proposed Joint Development has been carried out by an independent valuer, PPC, on 12 June 2025, which has indicated a market value of RM44.30 million. In arriving at the market value of Perak Corp's joint development interests pursuant of the Proposed Joint Development, PPC has adopted the income approach via residual/discounted cash flow method.

The details of the GDV and GDC are based on the valuation report for Perak Corp's joint development interests pursuant to the Proposed Joint Development issued by PPC, as follows:

The estimated GDV of the SVTP Industrial Hub Project:

Type	No. of units	Land area (sq ft)	(1)Estimated selling price
			RM'000
Phase I	7	6,277,296	203,382
Phase II	14	7,807,429	276,883
Phase III	16	9,032,252	322,239
Estimated GDV		23,116,977	802,504

The estimated GDC (including PKNP's revenue share) of the SVTP Industrial Hub Project:

Details	RM'000
PKNP's revenue share ⁽¹⁾	163,800
Quit rent and assessment	12,642
Statutory contribution	19,615
Preliminaries work, site clearing and earthworks	175,856
Infrastructure and landscaping works	199,429
Professional fees	18,764
Management and marketing	16,050
Finance charges	21,486
Contingency	12,303
Estimated GDC	639,945

Note:

- (1) For clarity, the PKNP's revenue share disclosed in the valuation report for Perak Corp's joint development interests pursuant to the Proposed Joint Development issued by PPC was computed based on PKNP's revenue share of RM224.23 million, after deducting the estimated reimbursable costs of RM47.78 million for the infrastructure constructed on Lot 8 and Lot 10, as well as the quit rent and assessment of RM12.64 million, in accordance with JVA II.

In accordance to the valuation report of Perak Corp's joint development interests pursuant to the Proposed Joint Development (based on the saleable land area of 530.71 acres) issued by PPC, the NDV is RM162.56 million. In view that Perak Corp is entitled to a 35.00% share of the total NDV (pre-tax) pursuant to the JDA with Advancecon, the estimated NDV for the SVTP Industrial Hub Project is as follows:

	RM'000
Perak Corp's entitlement (35.00% x RM162.56 million)	(1)56,896

Note:

- (1) Based on the valuation report on Perak Corp's joint development interests pursuant to the Proposed Joint Development issued by PPC, PPC has applied a discount rate of 10% to determine the present value of Perak Corp's joint development interests, which amounted to approximately RM44.30 million.

Further details on the valuation of Perak Corp's joint development interests pursuant to the Proposed Joint Development are disclosed in Appendix XXIV of this Circular.

The roles and responsibilities of PKNP, Perak Corp and Advancecon are listed in Appendix II and III of this Circular.

2.2.3 Information on PKNP

PKNP was established in 1967 under the Perbadanan Enactment No. 3/1967. PKNP was founded on four (4) principles, i.e. to promote, to stimulate, to facilitate, and to undertake development initiatives with the goal of bringing development to the state of Perak. This responsibility evolved and expanded to include long term strategic planning of resource utilisation, investment attractions, implementation of projects and value creation embracing all areas of economic and social growth in Perak. PKNP and its group of companies provide support for the creation of a conducive environment for businesses and investments in the state of Perak. As PKNP is a statutory body established under the said enactment, it does not have issued share capital and shareholders.

As at the LPD, the Directors of PKNP are Yang Amat Berhormat Dato' Seri Haji Saarani Bin Mohamad, Yang Berhormat ("YB") Dato' Ahmad Suaidi Bin Abdul Rahim, YB Dato' Azmir Shah Bin Zainal Abidin, YB Dato' Mohd Zaki Bin Mahyudin, YB Tuan Loh Sze Yee, YB Tuan Mohd Azlan Helmi Bin Helmi, YB Dr Mohamad Yusri bin Bakir, Yang Berbahagia ("Y.Bhg.") Dato' Haji Mohamad Fariz Bin Mohamad Hanip, Yang Berusaha ("Y.Brs.") Tuan Jaya Singam A/L A. Rajoo, Y.Brs. Puan Hidah Binti Misran, Y.Brs. Dr. Nirwan Bin Noh and Y.Bhg. Dato' Mohd Azmi Bin Haji Othman.

2.2.4 Information on Advancecon

Advancecon was incorporated in Malaysia on 19 October 2023 as a private limited company. Advancecon's principal activity is that of property investment, development and construction related business. As at the LPD, Advancecon has a total issued and paid-up share capital of RM10.00 comprising 10 ordinary shares. The shareholder of Advancecon is as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Advancecon Ventures Sdn Bhd ⁽¹⁾	10	100.00	-	-

Note:

- (1) Advancecon Ventures Sdn Bhd is a wholly owned subsidiary of Advancecon Holdings Berhad, a company listed on the Main Market of Bursa Securities.

The directors of Advancecon are Dato' Phum Ang Kia and Tung Kai Hung.

2.2.5 Source of funding

Advancecon shall be solely liable for all the costs of development including but not limited to the quit rent and assessment rates of the Project Land incurred or to be incurred from the date of the JDA with Advancecon.

Pursuant to JVA II, the Company must use its best endeavours to procure all necessary funding and finance all items of expenditure relating to the Proposed Joint Development by procuring Advancecon to secure a bridging financing facility or other financial arrangement.

2.2.6 Liabilities to be assumed

Save for the obligations and liabilities arising from or in connection with the JVA II and JDA with Advancecon, there are no other liabilities, contingent liabilities and/or guarantees, to be assumed by Perak Corp Group arising from the Proposed Joint Development.

2.2.7 Estimated additional financial commitment

The development costs for the SVTP Industrial Hub Project shall be solely funded by Advancecon pursuant to the JDA with Advancecon.

2.3 Proposed Disposals of Hulu Bernam Lands

The Company has on 16 August 2023 entered into SA JVA I to the JVA I with TMHTP to vary, amend and/or to supplement certain terms of the JVA I for the proposed joint development of the following 4 parcels of land all located in Mukim Hulu Bernam Timor, Perak:

Land	Individual titles	Current land use	Area Acres
Parcel 1 Lands ^(a)	PN 394964, Lot 20570	Commercial	27.2060
	PN 394965, Lot 20571	Commercial	45.9368
Parcel 2 Land	PN 394961, Lot 20402	Residential	247.8463
Parcel 3 Land	PN 394962, Lot 20403	Residential	103.7099
Total			424.6990

Note:

- (a) Under JVA I, Perak Corp was entitled to a share of profits of RM9.50 per sq ft and 20% profit for land sale above RM9.50 per sq ft, while TMHTP was entitled to a share of profits equivalent to a sum in excess of Perak Corp's aforementioned share of profits ("**TMHTP's Entitlement**").

Proposed Disposal of Parcel 1 Lands

On 10 September 2019, the Company has entered into SPA I with MIP for the disposal of Parcel 1 Lands for a disposal consideration of RM24.97 million. In relation thereto, a 10.00% deposit of TMHTP's Entitlement was paid by MIP to TMHTP, amounting to RM0.19 million, in accordance with the terms and conditions of SPA I. Subsequently, the Company has on 17 August 2023 entered into SA SPA I to the SPA I to vary the terms of the conditions precedent, payment terms and to extend the time period for the fulfilment of the condition's precedent in the SPA I for the disposal of Parcel 1 Lands. For the avoidance of doubt, the disposal consideration of Proposed Disposal of Parcel 1 Lands pursuant to SA SPA I is approximately RM23.26 million. Under SA SPA I, the balance of TMHTP's Entitlement under SPA I was deemed null and waived, therefore there will be no further payments to be made to TMHTP in regards to the disposal of Parcel 1 Lands.

On 13 November 2024, the Company entered into Second SA SPA I with MIP to vary the terms in the SPA I and the SA SPA I. In particular, the method of settlement for the disposal consideration for Parcel 1 Lands have been revised to RM21.13 million in cash ("**Disposal Consideration I**") and RM2.13 million in land premium to be paid by MIP on behalf of Perak Corp to the State Authority of Perak for conversion of the land use category of Parcel 1 Lands from commercial to industry and for the extension of leasehold tenure of Parcel 1 Lands for 99 years.

Proposed Disposal of Parcel 2 Land

Subsequent to the execution of SA JVA I, the Company has on 2 February 2024 entered into the Second SA JVA I for an early settlement of Perak Corp's entitlement of Parcel 2 Land for a total consideration of RM63.50 million.

On 13 November 2024, the Company entered into the Third SA JVA I with TMHTP to revoke the SA JVA I and Second SA JVA I and vary the terms of the JVA I and for TMHTP to settle the Company's entitlement in respect of Parcel 2 Land and Parcel 3 Land in accordance to JVA I. In tandem with the execution of the Third SA JVA I, the Company has on even date entered into SPA II with TMHTP to transfer Parcel 2 Land to TMHTP for a cash consideration of RM49.50 million (excluding RM14.00 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak for conversion of the land use category of Parcel 2 Land from residential to industrial and for the extension of leasehold tenure of Parcel 2 Lands for 99 years) ("**Disposal Consideration II**").

Proposed Disposal of Parcel 3 Land

Subsequent to the execution of SA JVA I and the Third SA JVA I, the Company has on 13 November 2024 entered into SPA III with TMHTP to transfer Parcel 3 Land to TMHTP for a disposal consideration of RM18.94 million (excluding RM3.05 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak for conversion of the land use category of Parcel 3 Land from residential to industrial and for the extension of leasehold tenure of Parcel 3 Land for 99 years) ("**Disposal Consideration III**").

2.3.1 Information on Hulu Bernam Lands

Perak Corp is the registered and beneficial owner of Hulu Bernam Lands. The Hulu Bernam Lands are vacant leasehold lands with a term of 99 years expiring on 5 May 2108, all located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak. Further details of Hulu Bernam Lands are summarised as follows:

Individual titles	Category of land use	Area (acres)
PN 394964, Lot 20570	Commercial	27.2060
PN 394965, Lot 20571	Commercial	45.9368
PN 394961, Lot 20402	Residential	247.8463
PN 394962, Lot 20403	Residential	103.7099
		424.6990

There is restriction of interest endorsed on the titles to all parcels of the Hulu Bernam Lands, namely "*Tanah ini hanya boleh dipindahmilik atau dipajak dengan kebenaran secara bertulis oleh Pihak Berkuasa Negeri Perak*".

Parcel 1 Lands and Parcel 3 Land are free from encumbrances while Parcel 2 Land is currently charged to CIMB for a loan facility granted to PCB Taipan on 23 July 2012.

As part of the Proposed Disposals of Hulu Bernam Lands, the Company has obtained all required letters of consent from the state authority for the transfer of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land. The letter of consent for the transfer of Parcel 1 Lands to MIP was obtained on 1 July 2025, while the letters of consent for the transfer of both Parcel 2 Land and Parcel 3 Land to TMHTP were obtained on 11 April 2025.

Perak Corp acquired Hulu Bernam Lands on 29 November 1997. The original cost of investment and net book values of Hulu Bernam Lands based on the latest audited financial statements as at 31 December 2024 are as follows:

Individual titles	Original cost of investment	Net book value
	RM'million	RM'million
PN 394964, Lot 20570	2.68	3.80
PN 394965, Lot 20571	4.52	6.42
PN 394961, Lot 20402	24.41	25.81
PN 394962, Lot 20403	10.21	11.13
	41.82	47.16

Valuations on Hulu Bernam Lands have been carried out by Firdaus & Associates on 8 September 2025 based on market value basis. The basis of the valuation is the "Market Value" which is defined under the Malaysian Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The respective market values of the Hulu Bernam Lands based on the valuation report dated 18 September 2025 are as follows:

Individual titles	Zoning	Basis of valuation	Market value
			RM'million
PN 394964, Lot 20570	Commercial	Commercial within industrial area	12.60
PN 394965, Lot 20571	Industrial	Commercial within industrial area	18.10
PN 394961, Lot 20402	Industrial	Industrial use potential	57.50
PN 394962, Lot 20403	Industrial	Industrial use potential	31.30
			119.50

In arriving at the market value of the Hulu Bernam Lands, the comparison method has been adopted. The comparison method entails a critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences. In valuing the Hulu Bernam Lands, Firdaus & Associates has taken into consideration all relevant factors, i.e. time, general location, main road frontage/accessibility, shape, terrain, plot size, land use, planning/zoning, tenure and site improvement.

Further details on the valuation of Hulu Bernam Lands are disclosed in Appendix XXV of this Circular.

2.3.2 Information on MIP and TMHTP

(i) MIP

MIP was incorporated in Malaysia on 29 October 2018 as a private limited company. MIP's principal activity is investment holding. As at the LPD, MIP has a total issued and paid-up share capital of RM2,000,000.00 comprising 2,000,000 ordinary shares. The shareholder of MIP is as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
TMHTP	2,000,000	100.00	-	-

The directors of MIP are Doh Tee Leong, Ng Teck Hua and Ivan Ang Ri Xiang.

(ii) **TMHTP**

TMHTP was incorporated in Malaysia on 15 June 2012 as a private limited company under the name of ARX-YSC Sdn Bhd. It changed its name to its present name on 13 May 2024. TMHTP's principal activities are as follows:

- (a) construction, earthwork, developments and other related service activities;
- (b) provision of property consultancy services; and
- (c) real estate activities with own or leased property.

As at the LPD, the total issued share capital of TMHTP is RM2,000,000.00 comprising 2,000,000 ordinary shares. The shareholders of TMHTP are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Arcadia Blossom Sdn Bhd	800,000	40.00	-	-
Setia Awan Land Sdn Bhd	760,000	38.00	-	-
Ivan Ang Ri Xiang	440,000	22.00	-	-

The directors of TMHTP are Ivan Ang Ri Xiang, Doh Tee Leong and Ng Teck Hua.

2.3.3 Basis and justification for the disposal considerations for the Proposed Disposals of Hulu Bernam Lands

In accordance with Paragraph 10.12 of the Listing Requirements, the Proposed Disposals of Hulu Bernam Lands is assessed on an aggregated basis and treated as one transaction, as Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land are contiguous to each other. As such, the combined value of Disposal Consideration I, Disposal Consideration II and Disposal Consideration III, amounting to RM89.57 million ("**Disposal Considerations for Hulu Bernam Lands**"), was arrived at on a willing buyer-willing seller basis, despite the market value of the Hulu Bernam Lands of RM119.50 million, after taking into consideration the following:

- (a) the Disposal Considerations for Hulu Bernam Lands of RM89.57 million represents a premium of RM47.75 million (114.18%) and RM42.41 million (89.93%) from the original total costs of investment of RM41.82 million and total net book values as at 31 December 2024 of RM47.16 million respectively;
- (b) a collective gain of disposal (net of tax) of RM32.21 million arising from the Proposed Disposals of Hulu Bernam Lands;
- (c) the Disposal Considerations for Hulu Bernam Lands of RM89.57 million exclude a total amount of RM19.18 million of land premium to be paid by TMHTP and MIP on behalf of Perak Corp to the State Authority of Perak, for conversion of the respective land use category and extension of leasehold tenure for 99 years of Hulu Bernam Lands, under the respective terms of the Proposed Disposals of Hulu Bernam Lands ("**Land Premium**"). Taking into consideration the Land Premium, the adjusted total disposal consideration to Perak Corp for the Proposed Disposals of Hulu Bernam Lands amounts to RM108.75 million, which represents a discount of RM10.75 million or 9.00% over the market value of Hulu Bernam Lands of RM119.50 million;
- (d) the financial conditions of Perak Corp being an affected listed issuer under PN17 limiting its ability to secure financing and restricting its business activities;
- (e) the Proposed Disposals of Hulu Bernam Lands constitute a critical component to raise immediate funds to redeem the RPS-A1 issued to CIMB and RPS-A2 to Affin Islamic collectively amounting to RM44.88 million, which are due on 31 March 2026, as well as the redemption of Parcel 2 Land amounting to RM25.05 million;

- (f) the consolidated financial statements of the Group and the financial statements of the Company have been prepared on a non-going concern basis as the Group and the Company are unable to realise their assets and discharging their liabilities and obligations in the normal course of business; and
- (g) current market conditions and development in the property market.

2.3.4 Liabilities to be assumed

Save for the obligation and liabilities arising from or in connection with SPA I, SA SPA I, Second SA SPA I, JVA I, SA JVA I, Second SA JVA I, Third SA JVA I, SPA II and SPA III, there are no other liabilities, contingent liabilities and/or guarantees which remains or given by Perak Corp in relation to the Proposed Disposals of Hulu Bernam Lands.

2.4 Proposed Disposal of Hinterland

In accordance with the execution of the MDA, the Company and PKNP intended to broaden and further expand the Group's current port and logistics activities and services for the LMT. In line with the aforementioned, the Company and PKNP have on 13 February 2025 entered into the SPA IV with LMTSB, for the disposal of (3) pieces of state land, all located at Wilayah Batu Undan, Mukim Lumut, District of Manjung with land areas measuring approximately 3.70 acres, 5.95 acres and 7.70 acres for a total cash consideration of RM8.53 million ("**Disposal Consideration IV**"). For avoidance of doubt, the Proposed Disposal of Hinterland is a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

2.4.1 Information on Hinterland

Hinterland comprises of 3 parcels of state-owned industrial land, identified as Plot 1, Plot 2 and Plot 3 and has been designated for PKNP for industrial development. As at the LPD, the individual title deed for Hinterland has yet to be issued by the relevant authority, pending the payment of the land premium for Hinterland to the State Authority of Perak for the issuance of the three individual titles for Hinterland, which in turn will be financed by the Proceeds Raised (as defined herein). Further details are set out in Section 3 of this Circular.

PKNP will be the registered owner of the Hinterland and Perak Corp is the beneficial owner of Hinterland, with Hinterland identified as one of the development initiatives under the MDA. For clarity, Perak Corp is the beneficial owner of Hinterland by virtue of Recital D and E of SPA IV, whereby PKNP, vide its Development and Property Board Committee on 22 August 2024 and board approval/decision on 26 September 2024 and 9 December 2024, has, among others, agreed that Perak Corp shall be the beneficial owner of Hinterland and approves the Proposed Disposal of Hinterland.

There is a restriction of interest to be endorsed on the titles of Hinterland namely "*Tanah ini hanya boleh dipindahmilik atau dipajak dengan kebenaran secara bertulis oleh Pihak Berkuasa Negeri Perak*".

For avoidance of doubt, there is no original cost of investment and net book value for Hinterland recorded in the financial statements of Perak Corp as Perak Corp is the beneficial owner of Hinterland.

A valuation on Hinterland has been carried out by Laurelcap on 8 September 2025 based on market value basis. The market value of the Hinterland based on the valuation report dated 8 September 2025 is RM8.53 million. The basis of valuation adopted is the "Market Value" which is defined in Standard 4 of the Malaysian Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In arriving at the market value of Hinterland, the comparison method has been adopted. The comparison method involved comparing Hinterland with recently transacted properties of a similar nature or offers for sale/rental of similar properties in the area. Adjustments are then made for differences in location, size, site facilities available, market conditions and other factors in order to arrive at a common basis for comparison.

Further details on the valuation of Hinterland are stated in Appendix XXVI of this Circular.

2.4.2 Information on LMTSB

LMTSB, a 50.00% plus 1 share subsidiary of PCB Taipan, which in turn is a wholly-owned subsidiary of the Company, was incorporated in Malaysia on 3 April 1989 as a private limited company. LMTSB is principally involved in provision of maritime services, inclusive of tuggage, pilotage, berthing, stevedorage, cargo handling, storage and ancillary services. In addition, LMTSB is also the operator and manager of Lekir Bulk Terminal, a terminal that handles coal for Janakuasa Sultan Azlan Shah in Sri Manjung, Perak.

As at the LPD, LMTSB has a total issued share capital of RM23,800,000.00 comprising of 23,600,000 ordinary shares and 200,000 preference shares. The shareholders of LMTSB are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
PCB Taipan Sdn Bhd	11,800,001	50.01	-	-
Pelabuhan Lumut Sdn Bhd	11,799,999	49.99	-	-

The directors of LMTSB are Dato' Azian bin Osman, Dato' Dr Aminuddin bin Md Hanafiah, Datuk Redza Rafiq bin Abdul Razak, Dato' Mohd Azmi bin Othman, Datuk Mohd Hisham bin Ab Halim, and Mohammad Zahir bin Ismail.

2.4.3 Basis and justification for Disposal Consideration IV

The Disposal Consideration IV of RM8.53 million was arrived at on a "willing buyer-willing seller" basis after taking into consideration the following:

- (a) the market value of the Hinterland of RM8.53 million;
- (b) the estimated net gain arising from the Proposed Disposal of Hinterland of RM6.01 million at Perak Corp level, after deducting the land premium for Hinterland (to be paid to the State Authority of Perak) of approximately RM0.55 million, surveying fees of approximately RM0.07 million and tax expense in relation to the Proposed Disposal of Hinterland of RM1.90 million from the Disposal Consideration IV;
- (c) to expand LMTSB's operational capacity; and
- (d) to expand the shoreline area and to ensure Lumut Maritime Terminal 2 ("**LMT2**") has more water frontage land.

This Proposed Disposal of Hinterland aligns with the Group's financial and asset management strategy by streamlining ownership structures and placing the ownership of Hinterland under LMTSB, which is the entity directly responsible for the Group's port operations and developments. This rationalisation enhances operational focus and accountability within the Group, while maintaining Perak Corp's overall economic interests on Hinterland. Additionally, the Hinterland holds strategic importance in supporting LMTSB's expansion plans, enhancing port efficiency, and strengthening its service capacity, ultimately contributing to the Group's overall value creation.

2.4.4 Liabilities to be assumed

Save for the obligation and liabilities arising from or in connection with SPA IV, there are no other liabilities, contingent liabilities and/or guarantees which remains or given by Perak Corp in relation to the Proposed Disposal of Hinterland.

2.5 Proposed Disposal of Zone 1 Bandar Meru Raya

Following the execution of the MDA, the Company has on 8 March 2024 entered into the JDA I with PKNP to jointly collaborate and carry out the development of Zone 1 Bandar Meru Raya. In tandem with the execution of JDA I, the Company, PKNP and Unipoh entered into the JVA III to jointly undertake the construction and completion of a gated and guarded housing scheme in Zone 1 Bandar Meru Raya as well as to market and carry out sales of the units to end purchasers.

Subsequently, on 13 February 2025, the Company entered into the SA JVA III to the JVA III with Unipoh and PKNP to modify, vary and supplement the terms of the JVA III and to stipulate and specify the agreed settlement of Perak Corp's entitlement pursuant to JVA III and the new mode of payment of the same. For avoidance of doubt, the pre-determined and pre-agreed settlement of Perak Corp's entitlement amounts to RM40.38 million ("**Disposal Consideration V**"). Under the SA JVA III, Perak Corp is responsible for ensuring the completion of the sewerage treatment plant for Zone 2 to 9 of Bandar Meru Raya Lands ("**STP**") and transferring the titles in tranches from PKNP to Unipoh based on payments made by Unipoh, while Unipoh is responsible for construction and commissioning of STP and payment of the land premium of RM4.86 million on behalf of Perak Corp for the issuance of 361 subdivided titles for the development of Zone 1 Bandar Meru Raya.

2.5.1 Information on Zone 1 Bandar Meru Raya

Pursuant to the State Authority's approval of alienation dated 26 January 2023 bearing file reference No: PTG.PK602/5-189(26) (B), Zone 1 Bandar Meru Raya is part of government land that have been designated for PKNP for development. Pursuant to JDA I, PKNP has designated the Zone 1 Bandar Meru Raya to Perak Corp for development purposes.

As at the LPD, a total of 171 individual titles of Zone 1 Bandar Meru Raya (Phase 1) have been issued by the State Authority of Perak. The remaining 190 titles of Zone 1 Bandar Meru Raya will be issued by the State Authority of Perak according to future development phases.

For avoidance of doubt, Zone 1 Bandar Meru Raya was designated to Perak Corp for development purposes under JDA I without a legal transfer of ownership or acquisition by Perak Corp. As such, there is no original cost of investment and net book value for Zone 1 Bandar Meru Raya recorded in the financial statements of Perak Corp.

A valuation on Zone 1 Bandar Meru Raya has been carried out by Laurelcap on 8 September 2025 based on market value basis. The market value of Zone 1 Bandar Meru Raya based on the valuation report dated 8 September 2025 is RM25.00 million. In arriving at the market value of Zone 1 Bandar Meru Raya, Laurelcap has adopted single valuation approach. Laurelcap is of the opinion that the income approach by way of "residual method" is the best and only approach in this instance due to the following factors:

- (a) The proposed development has obtained the planning approval (Kebenaran Merancang), amended planning approval and the pre-computation from Majlis Bandaraya Ipoh as well as the approval for alienation, which clearly define the developments components and requirements/conditions for developments.
- (b) PKNP, Perak Corp and Unipoh had on 8 March 2024 entered the JVA III to develop the land which further solidify the intention on this project.

The residual method involves determining the GDV, which represents the total expected Market Value of the completed development. From this projected value, the GDC is deducted. The GDC includes preliminary expenses, external and common infrastructure works, construction costs, professional fees, sales, marketing and administration expenses, authority contributions, land expenses, interest on borrowed capital and contingencies. The residual land value is then determined and adjusted to reflect its current market value, accounting for the time required for development.

As at the LPD, in addition to the approved Kebenaran Merancang, the Company has obtained the approved survey plan and earthwork plan, and the proposed development of Zone 1 Bandar Meru Raya has commenced in March 2025 and is expected to be completed by March 2027. As at the LPD, approximately 89% of the earthworks for Phase 1 and 69% for Phase 2 of the proposed development of Zone 1 Bandar Meru Raya have been completed. The main construction and development of Zone 1 Bandar Meru Raya will commence upon completion of the earthworks.

Further details on the valuation of Zone 1 Bandar Meru Raya are stated in Appendix XXVI of this Circular.

2.5.2 Information on Unipoh

Unipoh was incorporated in Malaysia on 18 August 1994 as a private limited company. The principal activity of Unipoh is that of civil engineering, building construction and other construction works.

As at the LPD, Unipoh has a total issued share capital of RM750,002.00 comprising of 750,002 ordinary shares. The shareholders of Unipoh are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Chua Kim Weng	442,502	59.00	-	-
Tham Kok Keong	225,000	30.00	-	-
Chua Chin Yap	82,500	11.00	-	-

The directors of Unipoh are Chua Kim Weng, Tham Kok Keong and Chua Chin Yap.

2.5.3 Basis and justification for Disposal Consideration V

The net Disposal Consideration V of RM18.02 million, after excluding the value of the construction, completion and commissioning of the STP of RM17.50 million ("**STP Contract Sum**") and the portion of the premium of RM4.86 million to be borne by Perak Corp pursuant to the terms set out in SA JVA III, was arrived at on a "willing buyer-willing seller" basis after taking into consideration the following:

- (a) market value of the development rights of Zone 1 Bandar Meru Raya, as appraised by Laurelcap, of RM25.00 million; and
- (b) the Proposed Disposal of Zone 1 Bandar Meru Raya allows the Company to expedite the settlement of Perak Corp's entitlement pursuant to JVA III over a period of 48 months from the date of SA JVA III (with the first instalment to commence on 23 January 2025 and thereafter the subsequent instalments on the 23rd day of each and every succeeding calendar month), which will not be subjected or conditional upon the progress of construction of the development nor the collection of proceeds of sales from end purchasers. This provides certainty and mitigates risks related to project delays and market fluctuations. To date, the Company has received RM4.00 million from Unipoh, which has been utilised for working capital requirements.

For clarity, Perak Corp's entitlement pursuant to JVA III shall be apportioned across the titles to be issued, in proportion to the respective land area of each approved housing lot relative to the total approved housing lots, in accordance with SA JVA III. The applicable titles will be transferred to Unipoh based on payments made by Unipoh towards Perak Corp's entitlement (including by way of contra payments against the STP Contract Sum or payments made on behalf of land premium of RM4.86 million) from time to time. Perak Corp will recognise revenue for the Proposed Disposal of Zone 1 Bandar Meru Raya progressively, upon the transfer of the relevant land titles to Unipoh.

As Perak Corp is classified as an affected listed issuer under PN17, the Disposal Consideration V provides an avenue for Perak Corp to raise funds to channel towards the Group's business operations which will improve the Group's overall cash flow position as well as strengthening its financial position as part of its regularisation effort.

2.5.4 Liabilities to be assumed

Save for the obligation and liabilities arising from or in connection with JDA I, JVA III and SA JVA III, there are no other liabilities, contingent liabilities and/or guarantees which remains or given by Perak Corp in relation to the Proposed Disposal of Zone 1 Bandar Meru Raya.

2.6 Proposed Issuance of RPS-B

The SOA under Section 366 and other relevant provisions of the Act between the Scheme Companies and their respective Scheme Creditors, which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021, involves the settlement of the liabilities owed to the Scheme Creditors as at the cut-off date of 30 June 2020 via the combination of the following:

- (i) issuance of RPS-B to be allotted on a pari passu basis to all Scheme Creditors; and
- (ii) upon the issuance of RPS-B, any remaining balance debts not settled to the Scheme Creditors above shall be waived in full. All existing corporate guarantees and/or personal guarantees (if any) given by the Scheme Companies to Scheme Creditors shall accordingly be discharged.

For avoidance of doubt, notwithstanding the derecognition of PCB Development from the Group in 2021, the SOA sanctioned by the High Court Ipoh on 7 May 2021 includes the settlement of liabilities owed to PCB Development's Scheme Creditors. As such, Perak Corp remains obligated to issue RPS-B as part of the agreed settlement under the SOA. Resultingly, the RPS-B allocated to PCB Development's Scheme Creditors will be recorded as an amount due from PCB Development to Perak Corp. Nevertheless, in view of PCB Development's significant negative financial standing and its non-going concern status, an impairment loss on the amount due from PCB Development of RM26.86 million has been accounted for in the pro forma consolidated statement of financial position of Perak Corp Group as at 31 December 2024, as set out in Appendix XXI of this Circular.

The summary of the outstanding debt owing to the Scheme Creditors by Perak Corp and PCB Development based on the proof of debt ("POD") verification exercise conducted are as follows:

	Amount based on the POD verification exercise	Settlement via Proposed Issuance of RPS-B	Debt Waiver
Scheme Creditors	RM'000	RM'000	RM'000
<u>Perak Corp</u>			
Intercompany creditors	88,030	⁽¹⁾ 8,803	79,227
Other creditors	25,469	2,547	22,922
Contingent creditors	15,278	1,528	13,750

Scheme Creditors	Amount based on the POD verification exercise RM'000	Settlement via Proposed Issuance of RPS-B RM'000	Debt Waiver RM'000
PCB Development			
Intercompany creditors	252,401	25,240	227,161
Other creditors	16,158	1,616	14,542
Total	397,336	39,734	357,602

Note:

- (1) The settlement of intercompany creditors of Perak Corp via the Proposed Issuance of RPS-B will be eliminated at Perak Corp Group level. As such, there is no impact of the settlement of intercompany creditors of Perak Corp at Perak Corp Group level.

2.6.1 Basis of determining and justification for the issue price for RPS-B

The issue price is fixed at RM1.00 per RPS-B ("**RPS-B Issue Price**"). The issue price was mutually agreed by the unsecured creditors after taking into consideration the amount owing to be settled.

2.6.2 Salient terms of RPS-B

The salient terms of RPS-B are as follows:

Terms	Details
Issuer	: Perak Corp
Issue Size	: Up to 39,733,680 RPS-B and in multiples of RM1.00 each
Issue Price	: RM1.00
Subscriber	: Non-FIs of Perak Corp and Non-FIs of PCB Development (comprising creditors whose debt owing are not secured by any security facility including shareholders advances, trade and non-trade creditors, contingent creditors and intercompany creditors of Perak Corp and PCB Development)
Purpose	: As part settlement to Non-FIs of Perak Corp and Non-FIs of PCB Development pursuant to the SOA
Tenure	: Five (5) years commencing from the first date of issuance of the RPS-B
Maturity Date	: The business day immediately preceding the 5th anniversary date of the issuance of the RPS-B (" RPS-B Maturity Date ")
Form and Denomination	: The RPS-B are to be issued in registered form and constituted by Perak Corp's Constitution
Dividend	: (a) The RPS-B shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 2.00% per annum, calculated based on the RPS-B Issue Price and on the basis of the actual number of days lapsed in a 365-day year. (b) The dividend shall be paid from the distributable reserves of Perak Corp. No dividend shall be paid in respect of Perak Corp Shares unless the dividends, including accumulated dividends, on the RPS-B have first been paid.

Terms	Details																					
	(c) The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-B. 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.																					
Redemption	: The RPS-B shall be redeemed commencing from the 1st anniversary from the issuance date of RPS-B subject to a mandatory full redemption by the 5 th anniversary of the issuance of RPS-B, as follows: <table><tr><th>Anniversary of Subscription</th><th>%</th><th>RPS-B (excluding dividend to be declared) (RM)</th></tr><tr><td>1st</td><td>10</td><td>3,973,368</td></tr><tr><td>2nd</td><td>15</td><td>5,960,052</td></tr><tr><td>3rd</td><td>20</td><td>7,946,736</td></tr><tr><td>4th</td><td>25</td><td>9,933,420</td></tr><tr><td>5th</td><td>30</td><td>11,920,104</td></tr><tr><td>Total</td><td></td><td>39,733,680</td></tr></table>	Anniversary of Subscription	%	RPS-B (excluding dividend to be declared) (RM)	1 st	10	3,973,368	2 nd	15	5,960,052	3 rd	20	7,946,736	4 th	25	9,933,420	5 th	30	11,920,104	Total		39,733,680
Anniversary of Subscription	%	RPS-B (excluding dividend to be declared) (RM)																				
1 st	10	3,973,368																				
2 nd	15	5,960,052																				
3 rd	20	7,946,736																				
4 th	25	9,933,420																				
5 th	30	11,920,104																				
Total		39,733,680																				
	Any RPS-B that is not redeemed on the relevant redemption date shall continue to be carried forward.																					
Redemption Price	: Equivalent to the RPS-B Issue Price																					
Ranking	: The RPS-B shall rank <i>pari-passu</i> without any preference or priority among themselves and in priority to all other shares or securities of Perak Corp. The RPS-B shall carry only the rights to dividends and shall not confer on the RPS-B holders the right to participate in any profits of Perak Corp.																					
Conversion Rights	: The RPS-B is not convertible into new Perak Corp Shares.																					
Voting Rights	: The RPS-B shall carry no right to receive notice of or to attend or vote at any general meeting of Perak Corp, save as follows: (a) any resolution is proposed for the winding-up of Perak Corp; or (b) the meeting is convened for the purpose of considering a reduction or repayment in the capital of Perak Corp; or (c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-B. Every RPS-B holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-B of which he is a holder.																					
Rights in an Event of Winding-Up or Liquidation	: In the event of the commencement of any winding up or liquidation of Perak Corp, RPS-B shall rank: (a) <i>pari passu</i> with each other, all other creditors (including the holders of subordinated debts) and with other preference shares issued subsequently which rank <i>pari passu</i> with the consent of the RPS-B holder; and (b) senior to the Perak Corp Shares and any other securities or obligations of Perak Corp that are subordinated to the RPS-B.																					

Terms	Details
	The outstanding RPS-B is immediately due and repayable, and the RPS-B then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.
Listing	: The RPS-B shall not be listed on any stock exchange.
Governing Laws	: Laws of Malaysia.

RPS-A1, RPS-A2 and RPS-B shall rank *pari passu* with each other, without any preference or priority among themselves but shall otherwise rank in priority to all other shares or securities of Perak Corp.

2.7 Proposed Amendments I

Proposed Amendments I involves consequential amendments to the Constitution of Perak Corp to facilitate the issuance of RPS-B to the Scheme Creditors under the SOA which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021.

Kindly refer to Appendix XIX of this Circular for further details of the Proposed Amendments I.

2.8 Proposed Amendments II

On 8 November 2021, the Company had entered into the CIMB DSA and Affin Islamic DSA for the proposed debt settlement of debts owing by the Company. As a result, RPS-A1 and RPS-A2 had been allotted to CIMB and Affin Islamic on 31 January 2022 respectively.

On 11 September 2023, Perak Corp and CIMB entered into a supplemental agreement to the CIMB DSA to substitute the charge over Parcel 2 Land with a piece of land belonging to Perak Corp held under Geran 178754, Lot 516683, located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("**Replacement Security Proposal**").

In addition, CIMB, vide its letter dated 10 January 2025, approved the mandatory redemption of RPS-A1 together with all accrued and unpaid dividend payable to be made by 30 September 2025. Similarly, Affin Islamic, vide its letter dated 27 January 2025, is agreeable to grant an extension of time up to 30 September 2025 for Perak Corp to fully redeem RPS-A2, along with the cumulative compounded gross preferential dividend at a rate of 5% per annum until 31 January 2025 and thereafter 8% per annum until the RPS-A2 Maturity Date (as defined herein).

Subsequently, CIMB, vide its letter dated 30 September 2025, granted an extension of time up to 31 March 2026 for Perak Corp to fully redeem RPS-A1, along with the cumulative gross preferential dividend at a rate of 8% per annum commencing from 1 October 2025 until the RPS-A1 Maturity Date (as defined herein). Similarly, Affin Islamic, vide its letter dated 4 November 2025, granted an extension of time up to 31 March 2026 for Perak Corp to fully redeem RPS-A2.

As such, the Company proposed to undertake the Proposed Amendments II, which involves amendments to the Constitution of Perak Corp to facilitate the following:

- (i) revisions of the redemption dates of RPS-A1 and RPS-A2;
- (ii) revisions of any cumulative compounded gross preferential dividend of RPS-A1 at a rate of 8% per annum, from 1 October 2025 until the RPS-A1 Maturity Date (as defined herein);
- (iii) revisions of the cumulative compounded gross preferential dividend of RPS-A2 at a rate of 5% per annum until 31 January 2025 and thereafter 8% per annum until the RPS-A2 Maturity Date (as defined herein); and

- (iv) substitution of the security documents provided under the supplemental agreement dated 11 September 2023 to the CIMB DSA.

Kindly refer to Appendix XX of this Circular for further details of the Proposed Amendments II.

3. UTILISATION OF PROCEEDS

Save for the Proposed Disposal of Hinterland, the total gross proceeds to be raised from the Proposed Disposals of Landbank Assets is approximately RM129.76 million. The breakdown of the disposal consideration for each transaction is as follows:

Proposal	Disposal consideration RM'mil
Proposed Disposal of Parcel 1 Lands:	
- Lot 20570	(1)7.74
- Lot 20571	(1)13.20
Proposed Disposal of Parcel 2 Land	49.50
Proposed Disposal of Parcel 3 Land	18.94
Proposed Disposal of Zone 1 Bandar Meru Raya ⁽²⁾	40.38
Total	(3)129.76

For avoidance of doubt, the Proposed Disposal of Hinterland will not raise any proceeds to the Group as it is a transaction between Perak Corp and LMTSB, its 50% plus 1 share subsidiary.

Notes:

- (1) After deducting TMHTP's 10% deposit of TMHTP's Entitlement of RM0.19 million for the Proposed Disposal of Parcel 1 Lands in accordance with the terms and conditions of the SPA I and SA SPA I.
- (2) Included in the Disposal Consideration V are the STP Contract Sum of RM17.50 million and the portion of the premium of RM4.86 million to be borne by Perak Corp pursuant to the SA JVA III and deducted directly from the Disposal Consideration V.
- (3) The Company had received a total of RM23.49 million as deposits in accordance with the payment schedule of the respective agreement for the Proposed Disposals of Landbank Assets as at the LPD ("Deposits"), as follows:

Milestones achieved	Amount RM'mil
<u>Proposed Disposal of Parcel 1 Lands</u>	
- Being deposit paid upon execution of SPA I	1.13
- Being deposit paid within 7 working days from the date of execution of SPA I	1.18
- Prior to execution of Second SA SPA I	1.25
- Being deposit paid upon execution of Second SA SPA I	0.25
<u>Proposed Disposal of Parcel 2 Land</u>	
- Being deposit paid upon execution of JVA I	0.76
- Being contra sum of the refundable deposits received from TMHTP and its associates in respect of various other proposed developments	2.30
- Upon execution of Second SA JVA I	2.50
- Being first instalment pursuant to Second SA JVA I	0.90
- Being second instalment pursuant to Second SA JVA I	0.90
- Being third instalment pursuant to Second SA JVA I	0.90
- Being fourth instalment pursuant to Second SA JVA I	0.90
- Being deposit paid for interest due on Parcel 2 Land charged with CIMB	0.50

Milestones achieved	Amount RM'mil
<u>Proposed Disposal of Parcel 3 Land</u>	
- Being deposit paid upon execution of JVA I	1.24
- Being additional deposit paid pursuant to SPA III	1.98
<u>Proposed Disposal of Zone 1 Bandar Meru Raya</u>	
- Being partial land premium for Zone 1 Bandar Meru Raya paid on behalf of the Company to the State Authority of Perak	1.80
- Being monthly instalments pursuant to SA JVA III	5.00
Total	23.49

As at the LPD, the Company has utilised all of the Deposits received in the following manner:

Description of Utilisation	Notes	RM'mil	%
General working capital	(i)	15.43	65.69
Repayment of bank borrowings	(ii)	4.28	18.22
Funding for the Proposed Regularisation Plan	(iii)	3.78	16.09
Total		23.49	100.00

Notes:

- (i) The Company utilised RM15.43 million or 65.69% of the Deposits received to supplement working capital requirements (which include payment of salaries, administrative expenses and professional fees such as tax fees and audit fees).
- (ii) The Company utilised RM4.28 million or 18.22% of the Deposits received to repay interests on loans from CIMB, Affin Islamic and Bank Islam Malaysia Berhad.
- (iii) The Company utilised RM3.78 million or 16.09% of the Deposits received to fund for the Proposed Regularisation Plan, as follows:

Details	RM'mil
Quit rent for SVTP Industrial Hub	0.93
Partial payment of land premium for Zone 1 Bandar Meru Raya	1.80
Professional fees for the Proposed Regularisation Plan (including advisory fees for Principal Adviser and property valuers)	1.05
Total	3.78

Save for the Proposed Disposal of Hinterland and the Deposits (which have been fully utilised), the proposed utilisation of the remaining proceeds raised from the Proposed Disposals of Landbank Assets of RM106.27 million ("**Proceeds Raised**") will be utilised in the following manner:

Description of utilisation	Notes	RM'mil	%	Estimated timeframe for utilisation of proceeds
Redemption of RPS-A1 and RPS-A2	(i)	44.88	42.23	By 31 March 2026
Redemption of Parcel 2 Land	(ii)	19.80	18.63	Immediately
Redemption of RPS-B	(iii)	11.44	10.76	Within 24 months
STP Contract Sum	(iv)	17.50	16.47	Within 36 months
General working capital	(v)	3.12	2.94	Within 48 months
Estimated expenses for the Proposed Regularisation Plan	(vi)	9.53	8.97	Immediately
Total		106.27	100.00	

Notes:**(i) Redemption of RPS-A1 and RPS-A2**

The Company intends to allocate RM44.88 million of the proceeds from the Proceeds Raised to fully redeem RPS-A1 and RPS-A2 (including estimated accumulated unpaid dividends of RPS-A1 and RPS-A2 as at their respective maturity date, i.e. 31 March 2026, of RM9.06 million). The redemption of RPS-A1 and RPS-A2 is mandatory pursuant to the terms and conditions as set out in CIMB DSA and Affin Islamic DSA. Pursuant to the letters dated 30 September 2025 and 4 November 2025, CIMB and Affin Islamic have granted an extension of time up to 31 March 2026 for Perak Corp to fully redeem RPS-A1 and RPS-A2, respectively.

(ii) Redemption of Parcel 2 Land

The Company intends to utilise RM19.80 million of the proceeds from the Proceeds Raised to fully redeem Parcel 2 Land, which is currently charged to CIMB in relation to the banking facility granted by CIMB to PCB Taipan, a wholly owned subsidiary of the Company.

(iii) Redemption of RPS-B

In accordance to the redemption schedule of RPS-B, the Company intends to utilise RM4.77 million of the proceeds from the Proceeds Raised to redeem the RPS-B and the respective accrued dividend by the first anniversary from the issuance date of RPS-B and RM6.67 million of the proceeds from the Proceeds Raised to redeem the RPS-B and the respective accrued dividend by the second anniversary from the issuance date of RPS-B.

(iv) STP Contract Sum

Pursuant to the SA JVA III, Perak Corp, PKNP and Unipoh have agreed that the Company will finance the construction and completion of the STP, amounting to RM17.50 million, as a common infrastructure which can be enjoyed and used by Zone 2 to 9 of Bandar Meru Raya. For the avoidance of doubt, the STP's construction costs will be deducted directly from the Disposal Consideration V under SA JVA III.

(v) General working capital

The Company intends to utilise RM3.12 million of the proceeds from the Proceeds Raised to supplement the Group's working capital requirements (which include payment of salaries, operation overheads and administrative expenses). The allocated proceeds shall be used in the manner set out below:

Details	RM'mil
Payment of salaries, Directors' fees, allowances, staff benefits and statutory payment	2.12
Administrative expenses (such as audit fees, tax agent fees, secretarial fees, legal fees, utilities, office maintenance, IT expenses and insurance expenses)	1.00
Total	3.12

(vi) Estimated expenses for the Proposed Regularisation Plan

The Company intends to utilise RM9.53 million of the proceeds from the Proceeds Raised to defray estimated expenses in relation to the Proposed Regularisation Plan and the Proposed Disposals of Landbank Assets (such as payment of land premium to the State Authority of Perak). The breakdown of the estimated expenses are as follows:

Estimated expenses	RM'mil
Professional fees (including advisory fees for, amongst others, Principal Adviser, valuer, legal solicitors, reporting accountant, independent market researcher and internal control expert)	5.32

Estimated expenses	RM'mil
Land premium for Hinterland and Zone 1 Bandar Meru Raya to the State Authority of Perak ^(a)	3.60
Surveying fees for Hinterland to Lembaga Juruukur Tanah	0.07
Surveying fees for Zone 1 Bandar Meru Raya to Lembaga Juruukur Tanah	0.54
Total	9.53

Note:

- (a) For Zone 1 Bandar Meru Raya, the Disposal Consideration V received by the Company will first deduct directly the STP Contract Sum and the portion of land premium to be borne by Perak Corp amounting to RM4.86 million, pursuant to the term and conditions as set out in the SA JVA III. As at the LPD, the Company has utilised RM1.80 million from the Deposits received to partially pay the land premium for Zone 1 Bandar Meru Raya.

Pursuant to the terms of SA JVA III, the payments of the net Disposal Consideration V of RM18.02 million, after taking into consideration the construction cost of the STP of RM17.50 million and the portion of land premium to be borne by Perak Corp for Zone 1 Bandar Meru Raya of RM4.86 million, is structured based on payments of pre-determined amounts at pre-determined timeframes over a period of 48 months ("**Structured Payments**"). As such, pending the receipt of the Structured Payments, the Company may proceed with its plans as set out in Section 3(i), (ii), (iii), (iv), (v) and (vi) above by utilising the Group's internally generated funds. Thereafter, when the Structured Payments are received, the Company will use the said proceeds to replenish its internally generated funds.

For clarity, the Proceeds Raised are intended to be utilised firstly for the redemption of Parcel 2 Land, followed by the redemption of RPS-A1 and RPS-A2, followed by the estimated expenses for the Proposed Regularisation Plan, followed by the construction costs for the STP, followed by the redemption of RPS-B and lastly for the working capital requirements of the Group.

Pending the utilisation of the proceeds from the various proposed disposals, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments with licensed financial institutions. The interest derived from the deposits with the financial institutions or any gain arising from the money market financial instruments will be used for working capital and capital expenditure purposes.

4. RATIONALE FOR THE PROPOSED REGULARISATION PLAN

The Proposed Regularisation Plan serves to regularise the financial condition of the Perak Corp Group in order to address and uplift the affected listed issuer status of the Company. Through the Proposed Regularisation Plan, the Group would be able to strengthen the Group's cash flow position via the Proposed Disposal of Parcel 1 Lands, Proposed Disposal of Parcel 2 Land, Proposed Disposal of Parcel 3 Land, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya, which would in turn augur well for the Group's on-going plan to revitalise its business operations.

The Board believes that the anticipated enhanced financial position of the Group following the implementation of the Proposed Regularisation Plan is expected to improve the financial performance and condition of the Group and eventually lead to the regularisation of Perak Corp's PN17 status.

4.1 Proposed Share Capital Reduction

The purpose of the Proposed Share Capital Reduction is to reduce the accumulated losses of the Group with a view to rationalise the balance sheet of the Group to reflect more accurately the value of its underlying assets, and thus the financial position of the Group.

The Group would also be in a better position to retain profits and enhance its ability to pay dividends in the future, as and when appropriate, following the elimination of the accumulated losses. The Board will take into consideration the present and future funding needs of the Company and Group before declaring any dividends.

In respect of the remaining accumulated losses of RM182.68 million at Company level (subsequent to the Proposed Share Capital Reduction), the Company plans to eliminate the remaining accumulated losses through a combination of initiatives under the Proposed Regularisation Plan and other ongoing business strategies, as follows:

- (i) Gain on disposals from the Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya.
- (ii) Contributions from ongoing joint development and future business transactions, including the Proposed Joint Development, proposed development projects through Private Financing Initiative ("**PFI**") Scheme in Bandar Meru Raya, proposed development of Bagan Datuk Special Economic Zone ("**BDSEZ**") and the JDA with Urbax for the proposed joint development of Zone 9 Bandar Meru Raya.
- (iii) Reversal of impairment losses on financial guarantee liabilities at Perak Corp level, which will contribute positively to retained earnings of the Company.

For illustrative purposes, taking into consideration the abovementioned initiatives, the pro forma accumulated losses of the Company based on the latest audited financial statements of the Company for FYE 2024 is as follows:

	Audited As at 31 December 2024 Company RM'000
Accumulated losses	(361,383)
Add: Credit arising from the Proposed Share Capital Reduction	185,000
<u>Gains arising from the following:</u>	
- Proposed Disposals of Parcel 1 Lands	8,283
- Proposed Disposal of Parcel 2 Land	18,002
- Proposed Disposal of Parcel 3 Land	5,933
- Proposed Disposal of Hinterland ⁽¹⁾	6,014
- Proposed Disposal of Zone 1 Bandar Meru Raya	26,560
Proposed Issuance of RPS-B	⁽²⁾ 80,243
Reversal of impairment losses on financial guarantee liabilities in relation to corporate guarantee provided by Perak Corp to Suaconcept Pro Sdn Bhd (formerly known as VC Telecoms Sdn Bhd) (" Suaconcept ") for project financing facility extended by Malaysia Debt Ventures Berhad (" MDV ") ⁽³⁾	11,431
Reversal of impairment losses on financial guarantee liabilities in relation to corporate guarantee provided by Perak Corp to PCB Taipan for banking facilities extended by CIMB ⁽⁴⁾	24,286
Less: Estimated expenses to be incurred in relation to the Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income	(6,300)
Remaining accumulated losses	<u><u>(5)(1,931)</u></u>

Notes:

- (1) At Perak Corp (Company) level, the Proposed Disposal of Hinterland will result in a pre-tax gain on disposal amounting to RM7.91 million with an estimated tax expense of RM1.90 million, resulting in net proforma gain on disposal of RM6.01 million.
- (2) Includes debt waivers (net of tax) from the Scheme Creditors amounting to RM27.87 million, debt waiver on amount due to intercompany amounting to RM79.23 million and impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by the Company to PCB Development's scheme creditors amounting to RM26.86 million.

- (3) On 24 May 2022, PCB Equity Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a share sale agreement with Encik Mohd Khalid bin Shuib ("**Purchaser**") and Suaconcept for the disposal of PCB Equity Sdn Bhd's entire equity interest in Suaconcept, representing 49.00% equity interest in Suaconcept, for a total consideration of RM12.50 million ("**SSA**") ("**Proposed Disposal of Suaconcept**"). Pursuant to the SSA, the Purchaser is required to obtain written confirmation from MDV to release the corporate guarantee provided by Perak Corp for the benefits of Suaconcept. However, as at the LPD, the Purchaser has yet to obtain the said written confirmation from MDV as the Purchaser has not satisfactorily provided alternative arrangements to substitute or discharge Perak Corp's corporate guarantee. Nevertheless, Suaconcept has progressively settled the MDV's project financing facility using proceeds generated from its projects. As at the LPD, Suaconcept has certain overdue payments to MDV, of which MDV, through its solicitors, had issued a notice of demand to Suaconcept and its guarantors in respect of the said overdue amounts. However, MDV has allowed Suaconcept to settle all outstanding amounts by April 2026 and has not commenced any legal proceedings against Suaconcept and its guarantors. Accordingly, the Company expects the impairment losses on the financial guarantee liabilities relating to the corporate guarantee provided to Suaconcept to be reversed progressively, in line with the Purchaser's actual repayment performance to MDV, as each repayment reduces the Company's exposure under the said corporate guarantee.
- (4) Pursuant to Section 3 above, the Company intends to utilise RM19.80 million of the proceeds from the Proceeds Raised to fully repay the outstanding balance owing to CIMB by PCB Taipan for redemption of Parcel 2 Land, which will in turn discharge the corporate guarantee provided by Perak Corp, and the relevant impairment losses on financial guarantee liabilities will be reversed.
- (5) The remaining accumulated losses of the Company of RM1.93 million will be eliminated through contributions from ongoing joint development and future business transactions. At this juncture, the contributions from these ongoing joint development and future business transactions cannot be reliably estimated.

4.2 Proposed Joint Development

The SVTP Industrial Hub comprises 39 leasehold lands with a term of 99 years expiring on 28 June 2112, measuring a total gross area of approximately 746.73 acres. In conjunction with the Proposed Joint Development, the Company had entered into the JDA with Advancecon to undertake the SVTP Industrial Hub Project. As a result, the Company shall be entitled to a profit sharing sum, subject to full payment of all development costs, equivalent to 35.00% of the net development value of the SVTP Industrial Hub Project (which is calculated based on the GDV of the SVTP Industrial Hub Project net of the GDC of the SVTP Industrial Hub Project and PKNP's share of the profits of RM9.70 per square foot for each sale of the industrial and commercial lots in SVTP Industrial Hub). Pending full payment of all development costs, Perak Corp shall be paid an amount equivalent to 10.00% from the proceeds of sales of each industrial and commercial lot to end-purchaser(s) or any percentage as mutually agreed by the parties from time to time, after deducting the advances paid by Advancecon on behalf of Perak Corp in relation to Perak Corp's obligations under the JDA with Advancecon.

Pursuant to the JDA with Advancecon, Advancecon shall be solely liable for all the costs of development of the SVTP Industrial Hub Project. As such, the Proposed Joint Development as well as the JDA with Advancecon will allow the Company to participate in the development of SVTP Industrial Hub while generating sustainable and recurring income towards the Group's business operations which will improve the Group's overall cash flow position as well as strengthening its financial position as part of its regularisation efforts.

4.3 Proposed Disposals of Landbank Assets

The Proposed Disposals of Landbank Assets is expected to contribute the following benefits to the Group:

- (i) The Proposed Disposals of Landbank Assets constitute a critical component in the regularisation of Perak Corp Group's financial condition. Since Perak Corp's classification as an affected listed issuer under PN17 of the Listing Requirements, it has limited the ability of the Group to secure financing and thereby restricting its business activities. As such, the Proposed Disposals of Landbank Assets will enable the Group to raise the necessary funds to fully redeem the RPS-A1 and RPS-A2 issued to CIMB and Affin Islamic respectively, fully redeem Parcel 2 Land as well as supplement the Group's working capital requirements.
- (ii) The Group is expected to record a cumulative net pro forma gain on disposal from the Proposed Disposals of Landbank Assets of RM56.87 million based on the audited carrying amount of each of the landbank asset as at 31 December 2024. This indicates that the Proposed Disposals of Landbank Assets will allow the Group to realise the value of its investment in the landbank assets.
- (iii) The total disposal consideration to be received from the Proposed Disposals of Landbank Assets amounting to RM129.76 million will be utilised in the manner as set out in Section 3 of this Circular, specifically the redemption of RPS-A1 and RPS-A2.
- (iv) The cumulative net pro forma gain on disposal from the Proposed Disposals of Landbank Assets of RM56.87 million is expected to increase the Group's NA and earnings. This will positively impact the Group's financial position and performance.

In addition, the Proposed Disposal of Zone 1 Bandar Meru Raya is undertaken to facilitate the timely settlement of Perak Corp's entitlement pursuant to JVA III in the manner as set out in the SA JVA III, while ensuring that the aforesaid settlements are independent of the progress of the construction and/or collection of proceeds from the sale of housing units in the development of Zone 1 Bandar Meru Raya.

4.4 Proposed Issuance of RPS-B

RPS-B are required to be issued to the Scheme Creditors as part of the SOA which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021. In addition, RPS-B is akin to deferred cash payment to the Scheme Creditors, as redemption of the RPS-B is at Perak Corp's option at any time during the 5 year tenure of the RPS-B. However, any RPS-B that are not redeemed on the relevant redemption date shall continue to be carried forward, but all RPS-B shall be fully redeemed by Perak Corp and all outstanding accrued dividends shall be paid to the holder of RPS-B on the maturity date of RPS-B, without the requirement of any notice.

As compared to an onset issuance of new Perak Corp Shares to the Scheme Creditors, the issuance of RPS-B also minimizes immediate dilutive effect on the earnings and shareholding structure of Perak Corp. In addition, the Company retains the option to redeem RPS-B at any time during its tenure.

4.5 Proposed Amendments I

The Proposed Amendments I are undertaken to facilitate the implementation of the Proposed Issuance of RPS-B.

4.6 Proposed Amendments II

The Proposed Amendments II are undertaken to facilitate the following:

- (i) revisions of the redemption dates of RPS-A1 and RPS-A2;
- (ii) revisions of any cumulative compounded gross preferential dividend of RPS-A1 at a rate of 8.00% per annum, from 1 October 2025 until the RPS-A1 Maturity Date (as defined herein);

- (iii) revisions of the cumulative compounded gross preferential dividend of RPS-A2 at a rate of 5.00% per annum until 31 January 2025 and thereafter 8.00% per annum until the RPS-A2 Maturity Date (as defined herein); and
- (iv) substitution of the security documents provided under the supplemental agreement dated 11 September 2023 to the CIMB DSA.

5. OUTLOOK AND PROSPECTS

5.1 Overview and outlook of Malaysia economy

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

Credit to the private non-financial sector grew by 5.9% in the third quarter of 2025 (2Q 2025: 5.2%). Outstanding corporate bonds expanded by 7.3% (2Q 2025: 4.3%) while growth in outstanding loans was sustained at 5.6% (2Q 2025: 5.5%). Business loans grew by 5.4% (2Q 2025: 4.5%) following higher growth in investment-related loans, particularly among non-SMEs. SME loan growth also increased slightly, supported by growth in working capital loans amid a sustained level of applications for this purpose. Meanwhile, household loan growth moderated slightly to 5.7% (2Q 2025: 6%) following slower growth for personal use loans. Notwithstanding, household loan demand remained broadly steady across most purposes and was met by sustained approvals.

Despite the challenging external environment, Malaysia's economic outlook remains on track to achieve growth between 4% and 4.8% in 2025, supported by resilient domestic demand. Household spending will be supported by continued employment and wage growth, as well as income-related policy measures. Investment activity will be sustained by the progress of infrastructure projects, further realisation of approved private investments, and the implementation of national master plans. On the external front, export growth is expected to be impacted by tariffs and more moderate external demand. However, growth would be supported by continued demand for E&E goods, inbound tourism and the recovery in mining-related exports.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2025, Bank Negara Malaysia)

5.2 Outlook of the port market in Malaysia

Malaysia is strategically located within major shipping routes, namely the Straits of Malacca and the South China Sea and allows it to facilitate shipping trade various countries. In particular, the Straits of Malacca has served as the primary connecting link between Europe, the Middle East, and South Asia on one side and Southeast and East Asia on the other. Furthermore, the Straits of Malacca is the shortest shipping route that connects the Indian Ocean to the Pacific Ocean. There are 14 ports in Malaysia, namely Port Klang, Penang Port, Johor Port, Kuantan Port, Bintulu Port, Tanjung Bruas Port, Kuching Port, Miri Port, Rajang Port, Sabah Port, Port of Port Dickson, Kemaman Port, Port of Teluk Ewa and Port of Tanjung Pelepas.

The ports market in Malaysia is active with total cargo throughput (including import, export, and transshipment) at the 14 ports in Malaysia increasing over the last 3 years. In 2024, the total cargo throughput, in terms of twenty-foot equivalent units ("TEUs"), reached 30.8 million TEUs while total cargo throughput in terms of freight weight tonnes ("FWT") reached 583.7 million FWT. The two most prominent ports, Port Klang and the Port of Tanjung Pelepas, accounted for approximately 65.8% or 384.0 million tonnes of cargo throughput in 2024. During the same year, there were 60,173 ships that berthed at ports throughout Malaysia.

The 6 ports along the Straits of Malacca (Penang Port, Lumut Port, Port Klang, Port of Tanjung Bruas, Port of Port Dickson, and Port of Teluk Ewa) recorded a total cargo throughput of 312.0 million tonnes

in 2024. Perak Corp, through its subsidiary, LMTSB, manages the Lumut Port which recorded a total cargo throughput of 15.5 million tonnes during the same period. As such, Perak Corp had a market share of 5.0% of the total cargo throughput along the Straits of Malacca.

The port market in Malaysia is expected to expand despite headwinds in the form of slower economic growth. The factors that are likely to drive demand for the industry moving forward include growing global trade volumes, Malaysia's strategic location along major shipping routes, the growth and prominence of e-commerce, as well as the wide range of end-users and customers it serves. In terms of supply, the Malaysian ports market may be affected by the relatively high barriers to entry that may affect the ability of new entrants to establish new ports and increase the availability of port services. Nevertheless, support from the Government in terms of various policies as well as expansion plans announced by current port operators is likely to upgrade the port services provided by the nation and further drive the growth of the port market moving forward. The ports market is forecast to grow at a CAGR of 4.5% from 30.8 million TEUs handled in 2024 to 38.3 million TEUs handled in 2029.

(Source: Protégé)

5.3 Outlook of the property development industry in Malaysia

Property development generally refers to the process of acquiring land or existing buildings, constructing or improving them to increase their value, and subsequently generating profit by renting and/or selling the improved properties at prices that exceed the investment outlay. Property developers may undertake a variety of property development projects ranging from constructing and developing commercial and residential buildings such as shopping malls, offices, factories, hotels, landed houses, or high-rise condominiums to renovations or modernisation of buildings.

The performance of the property development industry in Malaysia is associated with the level of real estate construction (the construction of residential and non-residential buildings) activities in the country. The value of real estate construction activities in Malaysia is estimated at RM29.09 billion in 2024, an increase of 16.22% from RM25.03 billion in 2023. The growth was largely attributed to robust construction activities in the residential and non-residential subsectors in tandem with increasing demand for affordable houses and vibrant economic activities.

The performance of the Malaysian property development industry typically exhibits a positive correlation with the growth of the property market. In 2024, the Malaysian property market registered a total transaction volume of 420,545, reflecting a 5.4% growth in total transaction volume as compared to 399,008 in 2023. Perak Corp Group did not record revenue in its property development business segment for the FYE 2024. As such, Perak Corp Group held no market share in the property development industry in Malaysia for 2024. The value of property transactions in Malaysia increased alongside the higher number of property transactions, growing from RM196.83 billion in 2023 to RM232.30 billion in 2024. The property development industry in Perak recorded 46,538 property transactions worth RM12.42 billion in 2024, an increase from 44,468 transactions worth RM11.32 billion in 2023. The industrial sector in Perak is gaining traction as seen by the development of 4 additional industrial parks in Perak namely the Automotive High-Tech Valley, the Perak Halal Industrial Park, the SVTP, and the Kerian Integrated Green Industrial Park. The property development industry in Perak is likely to benefit from the establishment of these industrial parks due to the commercial properties required at said industrial parks. Additionally, these industrial parks are likely to create job opportunities and population growth, likely leading to increased demand for other commercial and residential properties in the surrounding areas. This augurs well for the property development industry in Perak moving forward.

Moving forward, the property development industry in Malaysia is expected to register growth driven by demand factors such as the persistent need for affordable housing, ongoing major transportation infrastructure developments improving connectivity which may stimulate interest in the surrounding properties, as well as population growth and rising household income. In terms of supply, the property development industry may be affected by the current property overhang situation and the rising cost of building materials. However, supply may be supported by the adoption of industrialised building system used in construction which utilises techniques, components and building systems which involve off-site prefabricated components and structures and onsite installation to reduce construction time.

The property development industry in Malaysia is forecast to grow at a CAGR of 6.9% from RM32.10 billion in 2025 to RM41.07 billion in 2029.

(Source: Protégé)

5.4 Outlook of the hospitality and tourism industry in Malaysia

Since the onset of the COVID-19 pandemic nearly five years ago, Malaysia's tourism and hospitality industry has shown strong recovery and is close to reaching pre-pandemic levels. Following the reopening of Malaysia's international borders in April 2022, the country experienced a surge in foreign tourist arrivals, with 10.1 million foreign tourists recorded in 2022 and 20.1 million in 2023. Consequently, tourist receipts increased from RM28.23 billion in 2022 to RM71.31 billion in 2023. Tourism continued to expand in 2024, with tourist arrivals increasing to 25.0 million tourists and tourist receipts increasing to RM102.20 billion.

Tourists from Singapore, Indonesia and China made up the top 3 arrivals into the country during 2024. Domestic tourism has also seen a boost, with the number of domestic tourists increasing by 21.7% from 213.7 million tourists in 2023 to 260.1 million tourists in 2024.

With the recovery in the tourism sector in Malaysia, the average occupancy rate for hotels and resorts grew from 28.2% in 2021. In 2024, the average occupancy rate for hotels and resorts increased to 54.9%. The accommodation services recorded an estimated revenue of RM19.75 billion in 2024, an increase of 37.4% from RM14.37 billion in 2023. The Malaysian tourism and hospitality industry continued to improve, registering an estimated growth of 38.2% from RM118.71 billion in 2024 to RM161.48 billion in 2025. Perak Corp Group recorded revenue of RM22.21 million in the FYE 2024, representing a 0.02% share of the tourism and hospitality industry in Malaysia in 2024. Factors that are expected to drive demand for tourism and hospitality services moving forward include increasing consumer affluence, the introduction of the Malaysian Visa Liberation Plan, access to Malaysia via multiple modes of transportation, and expansion and upgrading of airports. Growth of the industry is also likely to be driven by support from the Malaysian Government, sufficient supply of hotels and hotel rooms, and growing digitalisation. However, the industry may be hampered by shortage of labour. Nevertheless, as an important service industry that can act as an economic multiplier, the Malaysian tourism and hospitality industry is expected to continue growing and is forecast to grow at a CAGR of 21.1% from RM156.81 billion in 2025 to RM316.81 billion in 2029.

(Source: Protégé)

5.5 Outlook and prospects of Perak Corp Group

Moving forward, Perak Corp Group plans to expand its business in accordance with its strategic growth initiatives. One of its immediate initiatives involves developing new projects through PFI in Bandar Meru Raya, Perak (further details are set out in Section 5.6 below). The development of Bandar Meru Raya is expected to have a positive impact, as reflected in the increase in property transactions, which grew from 399,008 in 2023 to 420,545 in 2024. This aligns with the broader growth of Malaysia's property development industry, projected to expand at a CAGR of 6.9%, from RM32.10 billion in 2025 to RM41.07 billion in 2029. By capitalising on this trend, Perak Corp ensures its investments align with a growing market and sustainable demand.

Additionally, the Group is working closely with federal and state authorities to explore the development of BDSEZ, envisioned to be a key economic catalyst for the state of Perak. The Group's current efforts are centered on the development of BBBD and the BDI-SMT, both of which are integral developments to enhance regional trade, infrastructure and economic growth for the state of Perak. Further details are set out in Section 5.6 below.

BBBD is planned as a mixed-use development featuring residential and non-residential properties to accommodate government agencies, hospitals, educational institutions, a digital library, a tourism center, retail spaces, and other supporting infrastructure.

This initiative aligns with Malaysia's port sector growth, which is projected to expand at a CAGR of 4.5%, from 30.8 million TEUs handled in 2024 to 38.3 million TEUs handled in 2029, driven by increased global trade and government-backed expansion projects. The special economic zone will strengthen this trend by enhancing transportation links, warehousing, and supply chain networks,

which is projected to attract key industry players, generate employment opportunities, and stimulate regional economic growth.

(Source: Protégé and management of Perak Corp)

5.6 Steps taken by Perak Corp Group subsequent to classification as PN17

Other than the Proposed Regularisation Plan, the Group has undertaken several initiatives to improve Perak Corp's financial condition, which includes, amongst others:

(i) Disposal of landbank assets

(a) Disposal of PERKESO Properties

On 17 December 2020, PCB Development entered into two (2) separate inter-conditional sale and purchase agreements ("**SPAs**") with Pertubuhan Keselamatan Sosial ("**PERKESO**") for the disposal of four (4) pieces of vacant commercial land and one (1) piece of vacant residential land all situated at Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("**PERKESO Properties**"), for a total cash consideration of RM78.68 million ("**Disposal of PERKESO Properties**").

On 8 June 2021, the resolution on Disposal of PERKESO Properties was duly passed by the shareholders of the Company by way of poll at an EGM which was held on even date. On 13 October 2021, the Disposal of PERKESO Properties was completed.

The Disposal of PERKESO Properties, which were landbanks owned by the Group, provided an avenue for the Group to raise cash proceeds to enable the Group to repay part of its bank borrowings and to channel towards the Group's business operations, which reduced the Group's gearing level and improve the Group's financial position with the enhancement of its current ratio as well as improved the Group's overall cash flow position due to the lower interest expense.

(b) Disposal of Lenggong Land

On 27 September 2023, Casuarina Meru Sdn Bhd ("**CMSB**"), a 89.54% subsidiary of PCB Taipan, has on even date entered into a novation agreement with PKNP, Ladang Lekir Sdn Bhd ("**LLSB**"), Perak Agro Management Services Sdn Bhd and Perak Agropreneur Sdn Bhd for the novation by way of transfer of all benefits, rights, interests and liabilities from PKNP to CMSB in an under the sale and purchase agreement dated 16 December 2022 in relation to the disposal of a piece of land held under HSD 4844, PT 1003, Mukim Temelong, Daerah Hulu Perak, Negeri Perak ("**Lenggong Land**") from PKNP to LLSB for a total cash consideration of RM4.05 million ("**Disposal of Lenggong Land**"). PKNP was the registered proprietor of Lenggong Land while CMSB was the beneficial owner. The Disposal of Lenggong Land is a related party transaction and the highest percentage ratio applicable to the Disposal of Lenggong Land is 4.39%, being the consideration of RM4.05 million compared to the net asset of Perak Corp Group as at 31 December 2022 of RM92.21 million. As such, the Disposal of Lenggong Land was not subjected to shareholders' approval.

The proceeds raised from the Disposal of Lenggong Land were utilised to repay amounts owing to creditors and thereby improving the liquidity as well as strengthening the financial position of the Group.

(ii) **SOA**

On 23 July 2020, the High Court Ipoh granted the Scheme Companies an order ("**RO**") for the following:

- (a) to convene meeting(s) with scheme creditors (comprising of direct financial institution lenders of Perak Corp ("**DFIs**"), corporate guarantee financial institutions of PCB Development ("**CGFIs**") as well as the Non-Fis of the Scheme Companies ("**Original Scheme Creditors**") (hereinafter "the **Court Convened Creditors' Meeting**") pursuant to Section 366 of the Act for the purpose of taking into account and, if deemed fit, to approve with or without modification, a proposed scheme of arrangement and compromise between the Scheme Companies and its Original Scheme Creditors; and
- (b) that all further proceedings or actions and/or any forthcoming proceedings against the Scheme Companies by any party (including the Original Scheme Creditors) be restrained for a period of ninety (90) days from the date of the High Court Ipoh's order, i.e. 23 July 2020.

On 19 October 2020, the High Court Ipoh granted the Scheme Companies a further extension of the RO pursuant to Section 368(2) of the Act for period of ninety (90) days from 19 October 2020 to convene the Court Convened Creditors' Meeting pursuant to Section 366 of the Act.

On 8 January 2021, the Court Convened Creditors' Meetings for the Original Scheme Creditors of PCB Development were adjourned. On 13 January 2021, the High Court Ipoh granted a further extension of the RO pursuant to Section 368(2) of the Act for a period of ninety (90) days from 13 January 2021, and a period of one hundred eighty (180) days from 13 January 2021 to convene a new Court Convened Creditors' Meeting with the Original Scheme Creditors pursuant to the provisions of Section 366 of the Act for the purpose of considering the proposed scheme of arrangement.

On 26 March 2021, the Company announced that it will undertake a revised proposed scheme of arrangement pursuant to Section 366 of the Act for the settlement of the Scheme Companies' outstanding liabilities and debt obligations to its Scheme Creditors (excluding the DFIs and CGFIs). On even date, the Company has issued an explanatory statement together with a notice to convene the Adjourned Court Convened Meeting.

On 9 April 2021, the Scheme Companies obtained another extension for the RO pursuant to Section 366 and 368 of the Act from the High Court 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 Act.

On 19 April 2021, the Company and PCB Development obtained approval from their Scheme Creditors on the SOA at the Adjourned Court Convened Meeting pursuant to the provisions of Section 366 of the Act.

On 7 May 2021, the High Court Ipoh had approved and sanctioned the SOA 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 Act for the sanction and approval of the SOA. The SOA shall be binding on the Scheme Companies and the Scheme Creditors.

(iii) Private Debt Settlements with Financial Institutions

On 8 November 2021, the Company had entered into the following debt settlement agreements with CIMB and Affin Islamic as follows:

- (a) CIMB DSA for the proposed debt settlement of the debt owing by the Company to CIMB amounting to RM34,717,826.86 ("**CIMB Debt**") based on the amount outstanding as at the cut-off date as at 31 December 2021. The proposed debt settlement shall be settled in the following manner:
 - (1) the Company shall remit the cash sum of RM13,817,517.86 from the compensation amount payable for the acquisition by the Federal Government of Malaysia of all that piece of leasehold land held under H.S.(D) 932771 PT 279467 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan owned by the Company to be undertaken pursuant to the Land Acquisition Act, 1960 ("**Land**") ("**Government Acquisition**") within 5 business days of receiving the compensation amount. The remittance shall be to an account designated by CIMB and shall amount to satisfaction of the CIMB Debt to the extent and equal to the value of the remitted amount ("**CIMB Cash Settlement Amount**").
 - (2) issuance and allotment of 20,900,309 redeemable cumulative preference shares amounting to RM20,900,309.00 at the issue price of RM1.00 per RPS-A1.
- (b) Affin Islamic DSA for the proposed debt settlement of the debt owing by the Company to Affin Islamic amounting to RM53,867,709.75 ("**Affin Islamic Debt**") based on the amount outstanding as at the cut-off date as at 31 March 2022. The proposed debt settlement shall be settled in the following manner:
 - (1) the Company shall remit the cash sum of RM38,953,038.75 from Government Acquisition within 5 business days from the date of the compensation amount. The remittance shall be to an account designated by Affin Islamic and shall amount to partial satisfaction of the Affin Islamic Debt to the extent and equal to the value of the remitted amount ("**Affin Islamic Cash Settlement Amount**").
 - (2) settlement via issuance of 14,914,671 redeemable cumulative preference shares amounting to RM14,914,671.00 at the issue price of RM1.00 per RPS-A2.

(collectively known as "**Debt Settlements**")

In conjunction with the Debt Settlements, the Company had also revised its Constitution to facilitate the issuance of RPS-A1 and RPS-A2 under the Debt Settlement ("**Amendments**"). The Debt Settlements and Amendments were approved by the shareholders of the Company during the EGM which was held on 31 January 2022. Following the shareholders' approval, RPS-A1 and RPS-A2 had been allotted to CIMB and Affin Islamic on 31 January 2022 respectively. The Government Acquisition was completed on 4 October 2022 and the compensation received from the Government Acquisition has been utilised as payment for the CIMB Cash Settlement Amount and Affin Islamic Cash Settlement Amount.

The Company has on 11 September 2023 entered into a supplemental agreement to the CIMB DSA to amend, modify, substitute, vary and alter the terms and conditions of the CIMB DSA.

On 15 September 2023, PCB Taipan has entered into a debt settlement agreement with CIMB to restructure the repayment periods (i.e. half yearly interests payments and annual principal repayments) for the settlement of the amount outstanding due and payable by PCB Taipan to CIMB, which stood at RM29.30 million based on the amount outstanding as at 31 December 2022 and includes continuing interest, costs, charges and expenses under the facility agreement dated 23 July 2012 ("**Facility Agreement**") from 1 January 2023 up to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB. For clarity, the Facility Agreement was entered into between PCB Taipan and CIMB for a revolving credit facility of RM30.00 million ("**Facility**"). As at the LPD, PCB Taipan has repaid the half-yearly interests

and annual principal instalments from December 2023 up to December 2025, funded by the dividends declared by LMTSB, its 50% plus 1 share subsidiary. Upon completion of the Proposed Disposal of Parcel 2 Land, the Company shall utilise the proceeds raised from the Proposed Disposal of Parcel 2 Land for the full settlement of the amounting outstanding to CIMB, resulting in the redemption of Parcel 2 Land, which is currently charged to CIMB in relation to the Facility.

On 30 September 2025, CIMB granted an extension of time to the Company to fully redeem the RPS-A1 by no later than 31 March 2026. Separately, on 4 November 2025, Affin Islamic granted an extension of time to the Company to fully redeem the RPS-A2 by no later than 31 March 2026.

(iv) Derecognition of PCB Development

On 20 December 2021, the Company announced that PCB Development is undergoing a Creditors' Voluntary Winding where Baker Tilly Insolvency PLT has been appointed as the interim liquidators of PCB Development to commence the Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Act. 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 have assumed control of PCB Development's business undertakings and all powers of the directors and management now vest in the Liquidators.

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

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

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

On 17 January 2024, the Creditors' Voluntary Winding Up of PCB Development has been set aside by the High Court of Kuala Lumpur ("**the said Decision**") via the Originating Summons No. WA-28PW-317-07/2022 dated 27 June 2022 by Affin Hwang Investment Bank Berhad, Affin Bank Berhad, Bank Pembangunan Malaysia Berhad and MDV ("**Applicants**") against PCB Development and Liquidators ("**Respondents**"). On 27 February 2024, stay of the said Decision was refused by the High Court. Meanwhile, appeals have been filed by the Respondents against the said Decision to the Court of Appeal on 24 January 2024.

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

On 29 March 2024, the Company entered into a Share Sale and Purchase Agreement in relation to disposal of the entire equity 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, which includes significant accumulated losses and negative operational cash flow, and its non-going concern status as a result of its net liabilities position.

The Group intends to undertake the following future plans which include:

(i) Proposed development projects through PFI Scheme in Bandar Meru Raya

Perak Corp is the beneficial owner, while PKNP is the registered landowner, of a 50.01 acres parcel of land held under Geran 154028, Lot No. 517373, in Zone 4, Bandar Meru Raya, Mukim of Hulu Kinta, District of Kinta, State of Perak ("**50-acres Land**"). The Company intends to develop the 50-acres Land into a mixed-use development, with commercial, residential and healthcare components as the intended elements of the development project.

On 7 February 2025, the Company has entered into a collaboration agreement with Spectrum Assets Sdn Bhd ("**SASB**") to collaborate and combine resources and expertise to implement and execute the proposed joint development of 50-acres Land into a mixed development project. The partnership with SASB reflects Perak Corp's commitment to unlocking the value of the 50-acres Land as well as providing the Group an additional stream of revenue upon commencement of the development of the 50-acres Land. As at the LPD, the Company has yet to enter any definitive agreement for the proposed development of the 50-acres Land. Nevertheless, the Company intends to enter into a definitive agreement upon securing the necessary approvals from the relevant authorities such as approvals from Kementerian Kesihatan Malaysia (KKM), Unit Kerjasama Awam Swasta (UKAS) and Cabinet Committee on Public-Private Partnership (JKKUAS) for the proposed development projects and/or receiving investment confirmation from at least one private hospital. The execution date of the definitive agreement, expected commencement date and the completion date for the proposed development of the 50-acres Land cannot be determined at this juncture as the Company is currently at early stages of negotiation with the relevant authorities and stakeholders.

(ii) Proposed development of BDSEZ

Perak Corp is actively engaging with the federal and state authorities of Perak to explore the development of the BDSEZ, positioning it as a transformative economic hub with significant growth potential. The BDSEZ comprises five distinct zones:

- Bagan Datuk Data Centre – a key digital infrastructure initiative supporting Malaysia's growing data economy;
- BBBB – a new urban and administrative center;
- BDI-SMT – a planned logistics and transport hub to enhance regional and international trade;
- Bagan Datuk International Fisheries – a large-scale fisheries and aquaculture hub aimed at strengthening food security and global trade; and
- Hutan Melintang – a strategic industrial and commercial zone supporting BDSEZ's broader economic ecosystem.

Recent developments in the BDSEZ includes the establishment of the Fourth Tier Data Centre in Bagan Datuk undertaken by Felcra Bhd, Mara Incorporated Sdn Bhd and Privasia Technology Bhd, which is expected to commence operations in the third quarter of 2025. In addition, the Menteri Besar Incorporated is collaborating with various joint development partners for the joint development of the Bagan Datuk International Fishery Industrial Park. In view of the ongoing developments coupled with the ongoing engagements with the federal and state authorities of Perak, Perak Corp foresees significant revenue opportunities from BBBB through joint ventures with strategic partners for infrastructure development, government agency facilities, residential projects, and mixed-use developments.

Concurrently, Perak Corp is also collaborating with the state government of Perak in assessing the feasibility of BDI-SMT for the potential development as a logistics and transport hub. As at the LPD, the Company has yet to enter any definitive agreement for the proposed development of BBBB and BDI-SMT. Nevertheless, the Company intends to enter into a definitive agreement upon securing the necessary approvals from the relevant authorities such as approvals from Mesyuarat Jawantankuasa teknikal (Unit Perancang Ekonomi Negeri) and Majlis Mesyuarat Kerajaan Negeri as well as endorsement from Majlis Perancang Fizikal Negara and other approvals from local authorities for the proposed development of BBBB and BDI-SMT and/or receiving investment confirmation from at least one private investor. The execution date of the

definitive agreement, expected commencement date and the completion date for the proposed development of BBBB and BDI-SMT cannot be determined at this juncture as the Company is currently at early stages of negotiation with the relevant authorities and stakeholders.

(iii) Expansion of the Group's port and logistic segment

For the Group's port and logistic segment, LMTSB has commenced the expansion of LMT, which involves the construction and development of LMT2. On 4 March 2024, the groundbreaking ceremony for LMT2 was held to kickstart the expansion of LMT. The construction and development of LMT2 is divided into three main phases, whereby the initial phase was focused on land acquisition and site preparation, which have been completed in early 2021. The second phase, which is currently ongoing, involves the dredging works alongside the construction of crucial onshore and marine infrastructure. Lastly, the third phase will involve the development of the terminal at LMT2. As at the LPD, the completion rate of LMT2 is at 91.00% and the Company expects LMT2 to be fully operational by mid of 2026, with a cargo capacity of 7 million metric tonnes.

For avoidance of doubt, the Proposed Disposal of Hinterland is undertaken in accordance with the spirit of the MDA, which is to broaden and further expand the Group's current port and logistics activities and services for LMT. In addition, LMTSB will be undertaking the construction and development of LMT2, which is being funded through a combination of external bank borrowings and internally generated funds.

The main objectives of the expansion of LMT are to increase port capacity, enhance operational efficiencies and focus on business development initiatives, which includes, amongst others, continued investments in infrastructure and technologies (such as material handlers and lifting equipment) to reduce reliance on contractors as well as implementation of cost optimisation measures to lower operational costs.

The abovementioned future plans are strategically aligned with Perak Corp's goal of diversifying its revenue streams and contributing to sustainable development. As these initiatives are still in the discussion and planning stages, they have not been factored into the current financial projections of the Group. However, they represent substantial growth potential for the Company. As these projects progress from planning to implementation over the coming quarters, they will be integrated into future financial forecasts and operational strategies to ensure alignment with Perak Corp's overall objectives and enhance long-term value creation.

5.7 Efforts undertaken by the Company to turnaround its operations since the first announcement of PN17

Subsequent to the classification of the Company as a PN17 company, the Group has taken the following business strategies to turnaround the Group's operations:

(a) Property development segment

Since the derecognition and disposal of PCB Development, there has been no revenue contribution from the Group's property development segment. Nevertheless, the management of Perak Corp has been actively engaging with possible strategic partners to establish collaboration which aims at developing Perak Corp's strategic landbank, particularly on SVTP Industrial Hub and three pieces of lands held under Geran 178753, Lot 516682 and Geran 178754, Lot 516683 and Geran 151067, Lot 516687, located at Mukim Hulu Kinta, Daerah Kinta, Perak ("**Zone 9 Bandar Meru Raya**"). Notwithstanding the derecognition and disposal of PCB Development, the key personnel and other relevant resources required for property development have been retained within the Group. As such, the existing experience and expertise of Perak Corp as the master developer for Bandar Meru Raya has always been the underlying factor in negotiations with the strategic partners towards establishment of a synergistic collaborations.

Other than the Proposed Joint Development and the Proposed Disposals of Landbank Assets which were set out in Section 2 above, the Company has on 7 June 2024 entered into a joint development agreement with Urbax for the joint development of Zone 9 Bandar Meru Raya ("**JDA with Urbax**"). Subsequently, on 14 February 2025, the Company entered into a

supplemental agreement to the JDA with Urbax to modify, vary and supplement the terms of the JDA with Urbax, particularly on the conditions precedent, development approvals, gross development value, gross development costs as well as the payment method of Perak Corp's entitlement under the JDA with Urbax.

The Zone 9 Bandar Meru Raya project is a two-phased project. A summary of phase 1 of the Zone 9 Bandar Meru Raya project is set out as follows:

Name of project	:	Cadangan Membina Skim Perumahan Berhakmilik Strata dan Berpengawal
Type of development	:	183 units of double-storey terrace houses and 60 units of double-storey semi-detached houses
Project land	:	Lot 516682, Lot 516683 and Lot 516687, Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan
Property Type	:	Two (2) parcels of residential land and one (1) parcel of commercial land
Tenure	:	Freehold
Estimated GDV	:	RM153.00 million
Estimated GDC	:	RM140.00 million
Perak Corp's revenue share	:	Pursuant to Clause 4.1.1 and 4.1.2 of the JDA with Urbax, Perak Corp's minimum entitlement for the Zone 9 Bandar Meru Raya project is RM52.00 million, which comprises of RM48.62 million for the land and 20% of the net sales received by Urbax as its final and fair share of the profit subject to a minimum of RM52.00 million in total. Perak Corp is also entitled to a further 20.00% of incremental net profit arising from increased GDV and/or lower GDC of the Zone 9 Bandar Meru Raya project.
Current stage or percentage of completion	:	0.77% as at the LPD
Expected commencement date and completion date	:	The development project is expected to commence immediately upon the Company obtaining all the necessary approvals from the relevant authorities.
Status of approvals for development	:	As at the LPD, the Company has obtained the approved Kebenaran Merancang (on 20 December 2024), approved Pelan Ukur (on 7 May 2025) and approved Permit Bahan Batuan (on 29 September 2025, which was subsequently renewed on 12 January 2026). Currently, the Company is preparing the application for building plan, earthwork plan, road and drainage plan. Simultaneously, the Company is also seeking CIMB's consent to amalgamate and subdivide the three pieces of Zone 9 Bandar Meru Raya land.

As at the LPD, the Company has yet to finalise the business plan for Phase 2 of Zone 9 Bandar Meru Raya project. Nevertheless, for avoidance of doubt, Phase 2 of Zone 9 Bandar Meru Raya project will only commence upon completion of Phase 1 of Zone 9 Bandar Meru Raya project, which is expected by the end of 2028.

Apart from the proposed joint development of SVTP Industrial Hub and Zone 9 Bandar Meru Raya, the management is also actively looking for new landbank and new business opportunities, such as the development of affordable houses and the construction of hospital via public private partnership. Please refer to Section 5.6 of this Circular for further details on the initiatives to be undertaken by the Company for its property development segment.

(b) Hospitality and tourism segment

The Group's hospitality and tourism segment operates multiple hotels and resorts across Perak under the Group's Casuarina brand (namely Hotel Casuarina @ Meru, Ipoh, Hotel Casuarina @ Kuala Kangsar and Hotel Casuarina @ Pulau Pangkor as well as Casuarina Houseboat @ Temenggor 1, Tasik Temenggor). The Company's hospitality and tourism segment has demonstrated resilience and recovery in the wake of the COVID-19 pandemic, implementation of the MCO and its associated challenges. Through strategic initiatives and operational improvements, the segment has achieved significant financial growth and positioned itself as a key contributor to Perak's tourism industry.

The hospitality and tourism segment has experienced consistent revenue growth and a remarkable turnaround in profitability:

	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	10,517	8,870	19,252	22,073	22,209
(LAT)/PAT	(63,374)	(54,843)	(21,392)	1,238	(2,561)

The COVID-19 pandemic severely impacted the Group's hospitality and tourism segment, with restrictions on travel and the implementation of the MCO significantly reducing occupancy and revenue during FYE 2020 and FYE 2021. In FYE 2022 and FYE 2023, the segment rebounded strongly with revenue recorded at RM22.07 million in FYE 2023, an increase of 14.65% from FYE 2022. It also achieved a net profit of RM1.24 million in FYE 2023, a significant turnaround from the substantial losses in prior years, mainly attributable to the Group's investments in marketing and operational efficiencies in FYE 2023. Nevertheless, in FYE 2024, despite a slight increase in revenue of 0.62%, the segment incurred a LAT of RM2.56 million, mainly arising from the following:

- (i) increase in impairment losses on trade receivables and amount due from related parties due to a significant increase in credit risk of the said receivables; and
- (ii) higher operating expenses, due to increases in headcount as the Group has undertaken several turnaround initiatives to increase operational capacity and enhance service quality during FYE 2024.

The Group has undertaken the following key turnaround initiatives for its hospitality and tourism segment:

- (i) Special marketing campaigns were launched, via digital marketing, social media and influencer partnerships, to promote Perak as a prime domestic tourism destination. These campaigns targeted Malaysians looking for safe and accessible travel options post-pandemic. By focusing on family-oriented and nature-centric holidays, the segment appealed to a broad spectrum of local tourists.
- (ii) Through collaborations with local tourism boards and travel agencies, the Group's hospitality and tourism segment reinforced the importance of local tourism in accelerating recovery after the COVID-19 pandemic. These efforts helped boost local demand, resulting in increased occupancy rates and revenue generation.
- (iii) Leveraging on the Group's Casuarina hotel brand, which is an established brand and well-regarded for its quality service and diverse facilities, it was used as a key asset to build customer loyalty, reach to a wider customer base and help attract both returning guests and new customers.

- (iv) The segment capitalised on its event hosting capabilities, such as banquet halls and coffee houses, to generate additional revenue streams. With restrictions on large gatherings easing post COVID-19 pandemic, hosting corporate events, weddings, conferences, and social gatherings became a key revenue driver.
- (v) The Group's management has analysed every aspect of its operations to identify inefficiencies and implemented cost optimisation measures, as follows:
 - (aa) Streamlining processes in the kitchen, housekeeping and front office, which reduced wastage and improve overall service delivery.
 - (bb) Consolidating procurement and sourcing from trusted suppliers, which the Group were able to negotiate better rates, securing cost savings on both operational supplies and services.
 - (cc) Refining the menu of its coffee houses to focus on high-margin items and portion control measures were also put in place to avoid food wastage.
- (vi) Optimised staff cost management by implementing strategic workforce planning that aligned staffing levels with demand fluctuations. This included effective management of full-time and part-time employees and optimal resource utilisation during peak and off-peak periods. Additionally, overtime was carefully managed through advanced scheduling tools and performance forecasting, enabling the reduction of unnecessary overtime costs while maintaining high service standards. This approach not only controlled labour expenses but also enhanced workforce flexibility and efficiency.

6. RISK FACTORS

6.1 We are dependent on our major customer and the ports and logistics industry

The Group is dependent on the port and logistics industry, specifically in Perak. The Group's port and logistics operations are conducted in Lumut Port. It has two terminals, namely the LMT and Lekir Bulk Terminal, all of which are located in Perak. The Group's port and logistics segment accounted for 88.06%, 49.63%, 85.76%, 85.05% and 84.22% of the Group's total revenue for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively.

We are dependent on Lekir Bulk Terminal Sdn Bhd, a related party and one of the Group's major customers for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024. Revenue from Lekir Bulk Terminal Sdn Bhd accounted for 33.89% (RM44.47 million), 18.87% (RM46.27 million), 31.81% (RM47.40 million), 30.00% (RM48.20 million) and 29.03% (RM44.67 million) of the Group's total revenue, respectively.

Lekir Bulk Terminal Sdn Bhd primarily handles coal shipments for Power Plants M1, M2, M3, M4 and M5, and the Group, via LMTSB, has entered into three long-term Operation and Maintenance Agreements with Lekir Bulk Terminal Sdn Bhd. Despite the existing agreements between the Group and Lekir Bulk Terminal Sdn Bhd, there is no assurance that the agreements will not be terminated, or that the Group will be able to negotiate new agreements on similar or more favourable terms. The loss of business from Lekir Bulk Terminal Sdn Bhd may adversely affect the Group's business, operations and financial performance.

Based on the information above, in the event of material changes in the demand for the usage of the ports and logistics services in Perak, non-renewal of the Group's licence to operate the Lumut Port, or a material and prolonged adverse development affecting the ports and logistics industry in Perak, the financial performance and future outlook of the Group may be adversely affected. While the port and logistics segment have contributed consistently to our revenue during the FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, the Group has sought to expand its other business segments which include expanding its hospitality and tourism segment by developing a new hotel in Teluk Intan, as well as working with property development companies to undertake new property development projects, there can be no assurance that the strategies will be fruitful or able to further reduce the Group's reliance on the port and logistics segment. Furthermore, the closure of the Lumut Port in which the Group operates - without first securing replacement contracts for expiring ones or obtaining

new and/or additional contracts of similar values to operate additional ports in a timely manner could also contribute to these adverse effects.

6.2 We are dependent on the Group's key senior management and its highly skilled and experienced workforce

The Group's diverse business operations are driven by an experienced management team ensuring the efficient implementation of operations and business strategies. Hence, the Group relies on the accumulated experience, skills, industry knowledge, and networks of its key senior management and workforce. The Group is led by its Group Chief Executive Officer, Rosmin Bin Mohamed, and supported by a group of experienced key senior management, which includes:

Name	Designation	Years of working experience
Dato Hj Mubarak Ali Bin Gulam Rasul	Chief Executive Officer of LMTSB	37
Mukhriz Bin Che Murad	Chief Corporate Officer	24
Chew Jia Yieng	Financial Controller (in the absence of the Group Chief Financial Officer, the Financial Controller is assisting in overseeing the financial matters of the Company)	25
Annas Asqalanee Bin Ab Ghafar	Head of Internal Audit and Risk Management	18
Azizul Mahbob Bin Ahmed @ Salleh	Head of Business Development and Commercial	24
Erriz Diyana Binti Herman	Head of Business Performance Management	16
Salmah Binti Mohamed Isimail	Head of Human Capital Development	36
Mohamed Effendi Bin Mohamed Amir	Head of Construction Management (in the absence of the Head of Strategic Planning and Implementation, the Head of Construction Management is assisting in overseeing the strategic planning and implementation matters directly)	30
Wan Mahathir Bin Mohamad Esa	Head of Hospitality and Tourism	24
Sabrina Binti Ahmad Tah	General Manager, CMSB	24

The continued success of the Group is dependent on the continued service of its key senior management as they possess in-depth knowledge and experience of the Group's operations and their respective fields. The loss of any of the above-mentioned personnel without any suitable and prompt replacement may adversely impact the Group's business operations and financial performance.

In addition, the Group's future success depends on its ability to hire and/or retain experienced and qualified personnel to support its business operations. In this respect, the Group offers competitive remuneration packages as means of attracting new talent and retaining existing employees. However, there is no assurance that these measures will ensure successful recruitment and retention. The loss of experienced personnel without timely replacements could also disrupt operations and affect service delivery to customers.

6.3 We are dependent on the Group's joint developers and subcontractors

The Group relies on joint developers and subcontractors for the expansion of its ports and logistics and property development businesses. These parties are engaged in the construction and development of the port infrastructures and property development projects. As a result, the Group is exposed to certain risks which includes but not limited to, the failure of joint developers and subcontractors to meet quality requirements, delays in construction works and difficulties in securing suitable subcontractors at reasonable fees.

As part of its collaboration framework with joint developers and subcontractors, the Group has put in place internal procedures that include due diligence assessments (such as on financial standings, track records and technical capabilities) on the joint developers and subcontractors as well as monitoring of project by the Group's strategic planning and implementation unit. Reviews of these joint developers and subcontractors are carried out by its board investment committee before recommendation to the Board for further decisions. However, in the event that the joint developer or subcontractor is unable to perform their roles and responsibilities effectively, timely and efficiently, the Group may face delays and cost overruns arising from quality issues, substandard works and/or non-performance. This could lead to additional time and resources required for rectification works and potentially affect the Group's financial performance and future plans.

Notwithstanding that the Group would be entitled to claim against such subcontractors for liquidated ascertained damages, recover costs and expenses incurred to complete the construction works, and/or liquidate the subcontractor's performance bond, there can be no assurance that such claims will be sufficient to cover the rectification works.

6.4 We require significant capital investment

The Group's business operations are capital intensive that requires substantial investment and cash flow for working capital and to replenish and/or increase its landbank for future property development projects and expansion of its ports and logistics segment and hospitality and tourism facilities. Hence, the Group relies on its ability to secure adequate financing such as bridging loans, bank overdrafts and term loans to support its business operations. Moreover, the Group may be exposed to call back on its callable credit facilities such as bank overdrafts. This would require sufficient cash flow and financing to meet repayment obligations, in addition to other secured credit facilities, specifically short-term credit facilities.

To address the high capital investment requirements of its operations and future expansion, the Group has implemented a diversified financing strategy focused on bank borrowings and strategic collaborations. This includes forming joint ventures and strategic partnerships to share financial and operational responsibilities, thereby reducing the burden on internal cash flow. To safeguard against liquidity constraints, the Group maintains adequate liquidity buffers and closely monitors cash flow forecasts to ensure timely fulfilment of its repayment obligations. The Group recognises that meeting certain repayment obligations is contingent upon the successful execution of its Proposed Regularisation Plan, which is actively being pursued to restore financial stability, attract new investment, and unlock further funding avenues.

However, the tightening of loan facilities due to deteriorating market conditions arising from economic, financial, political and other reasons may impede the Group's ability to secure future credit facilities. Increases in the overnight policy rate by Bank Negara Malaysia would also result in higher borrowing costs due to increased interest rate of its borrowings. Notwithstanding that the market conditions and interest rate are beyond the control of the Group, it will explore all financing options to best meet its capital requirement and repayment obligations.

In the event that there are further increases in interest rates on the Group's borrowings or if the Group is unable to secure adequate credit facilities at competitive rates, the Group's cash flow, operations, future plans, as well as financial position may be adversely affected.

6.5 We are subject to the prevailing market conditions in the property market in Malaysia, particularly in Perak

The Group is dependent on the prevailing market conditions of the property market in Perak, for the sales performance of its existing and future property development projects. The performance of the property market and value of properties are affected by, amongst others, the supply and demand of properties, rate of economic growth, interest rates, inflation, as well as the introduction of regulatory measures to curb speculative investments in the property market in Malaysia.

Other factors affecting the property market include uncertainty in the employment market as well as cautious spending and investment from consumers. Further, any increase in the overnight policy rate by the Bank Negara Malaysia is expected to dampen the market sentiment, as well as the demand in the property market amidst the higher borrowing cost.

To minimise the impact from prevailing market conditions in the property market, the Group diversifies its property portfolio across residential, commercial, mixed-use developments and industrial park segments. This approach helps to spread exposure across different market sectors, reducing the impact of downturns in any specific area and enabling the Group to benefit from stronger performance in other sectors. Additionally, engaging in joint ventures and strategic partnerships with other developers or investors can further distribute both financial and operational risks. Such collaborations can provide additional capital, specialised expertise and market insights to help the Group navigate downturns more effectively.

Notwithstanding these measures, there can be no assurance that the Group will be able to successfully mitigate the impacts caused by external factors. Further, there can be no assurance that the Malaysian economy and value of properties will continue to grow in an upward trend. In addition, changes in interest rates and inflation may not necessarily contribute positively to the property market. Any changes to the regulatory measures which may dampen the Malaysian economy may affect the business operations of the Group, which in turn may adversely affect its financial performance and prospects.

6.6 We are dependent on the Group's ability to acquire suitable landbank to sustain its property development operations and financial performance

The Group's business operations depend on both its existing landbank and its ability to identify and acquire suitable land with development potential. Therefore, the Group's property development business is dependent on its existing landbank, as well as its ability to identify and acquire suitable landbank with potential for future development. Hence, the Group must continuously identify and acquire suitable landbanks in strategic locations at commercially accepted cost. As at the LPD, the Group has a landbank of approximately 620.78 acres in Perak. Upon completion of the Proposed Disposals of Landbank Assets, the Group will have a landbank of approximately 171.28 acres in Perak.

The Group's efforts in identifying suitable areas and plots of land take into considerations various factors which include but not limited to physical condition, land location and accessibility, competition and economic prospects. Once identified, the Group conducts feasibility studies and due diligence such as title searches, planning and zoning. Notwithstanding the above, there can be no assurance that the Group will be able to continuously identify and acquire suitable landbank in strategic locations, as well as at commercially accepted cost. Failure to do so may impact the Group's ability to launch new property development projects which adversely impact the Group's financial position and future prospects.

6.7 We are subject to political, economic and regulatory factors

The prospects and future growth of the Group are largely dependent on the developments in the political, economic and regulatory conditions in Malaysia. Any adverse development in political, economic and regulatory conditions in Malaysia could unfavourably affect the financial position and business prospects of the Group. These risks include, amongst others, changes in political leadership, risk of war, riots and commotions, changes in economic conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as the introduction of new regulations, duties and tariffs. In 2020 and 2021, widespread outbreak of COVID-19 had disrupted various industries globally and in Malaysia. As a result, the Group's different business operations were impacted differently at each stage of the MCOs. While the Group's port and logistics activities were allowed to continue operations, the Group was required to comply with various restrictions and guidelines imposed by the Government. Such disruptions are not limited to COVID-19 outbreak, and there are possibilities of future outbreaks of infectious diseases that could disrupt the local and global economies.

Although the Company will undertake a prudent approach in managing such risks internally, there can be no assurance that any adverse economic, political and regulatory changes will materially affect the Group's business prospects as these risks are beyond the control of the Company.

6.8 Delays in the timely implementation and completion of the Proposed Regularisation Plan

Any delays or non-completion in the implementation of any component of the Proposed Regularisation Plan may adversely affect or terminate the implementation process of the entire Proposed Regularisation Plan. Hence, the regularisation of the Company is largely dependent on the timely implementation of the Proposed Regularisation Plan, which is subject to the approval from relevant authorities and the shareholders of Perak Corp at the forthcoming EGM to be convened.

Further, in the event that the approvals from the relevant parties are not obtained, the Proposed Regularisation Plan may be delayed or terminated. Nonetheless, the Company will undertake the necessary steps to ensure successful and timely implementation and completion of the Proposed Regularisation Plan.

6.9 Risk of removal from the Official List of the Main Market of Bursa Securities

The Proposed Regularisation Plan is subject to, among others, the approvals being obtained from relevant authorities and shareholders of Perak Corp at an EGM to be convened. In the event that any of the approvals are not obtained within the stipulated time of the Company's existing extension of time obtained from Bursa Securities, there is no assurance that Bursa Securities will approve the Proposed Regularisation Plan and/or grant any further extension of time to the Company to submit a revised regularisation plan thereafter. In the event that the Company is unable to formulate a regularisation plan which is approved by Bursa Securities, the Company may be removed from the Official List of Bursa Securities.

Further, in accordance with Paragraph 5.2 of PN17 of the Listing Requirements, the Group is required to implement its Proposed Regularisation Plan within 12 months from the date of approval for its Proposed Regularisation Plan from Bursa Securities and the Group is required to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan.

If the above conditions and/or approvals are not met and/or obtained by the Company within the stipulated timeframe, the Company will be removed from the Official List of Bursa Securities.

Notwithstanding that the relevant approvals required for the Proposed Regularisation Plan are being obtained, in the event that the Group is unable to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan, the Company may continue to be classified as a PN17 issuer and/or Bursa Securities may suspend the trading of Perak Corp Shares and/or remove the Company from the Official List.

Nevertheless, the Company will undertake the necessary steps to ensure timely implementation and completion of the Proposed Regularisation Plan, as well as that the Group's future plans and business strategies are successfully executed to regularise the Group's financial condition, return to profitability and avoid the delisting of the Company from the Official List. Kindly refer to Section 5.5 and 5.6 of this Circular for further information on the Group's future plans and business strategies.

7. EFFECTS OF THE PROPOSED REGULARISATION PLAN

7.1 Issued share capital

Save for the Proposed Share Capital Reduction, the Proposed Regularisation Plan will not have any effects on the share capital of Perak Corp. The pro forma effects of the Proposed Share Capital Reduction on Perak Corp's issued share capital are as follows:

	No. of Shares	RM'000
Issued share capital as at the LPD	100,000,000	272,770
Reduction of issued share capital pursuant to the Proposed Share Capital Reduction	-	(185,000)
After the Proposed Share Capital Reduction	100,000,000	87,770

7.2 NA and gearing

The pro forma effects of the Proposed Regularisation Plan on the NA and gearing of Perak Corp Group based on the latest audited consolidated statements of financial position as at 31 December 2024 and on the assumption that the Proposed Regularisation Plan had been effected on that date are as follows:

	Audited as at 31 December 2024	(I) After the Proposed Share Capital Reduction	(II) After (I) and Proposed Disposal of Parcel 1 Lands	(III) After (II) and Proposed Disposal of Parcel 2 Land	(IV) After (III) and Proposed Disposal of Parcel 3 Land
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	272,770	⁽ⁱⁱⁱ⁾ 87,770	87,770	87,770	87,770
(Accumulated losses)/	(174,917)	10,083	^(iv) 18,366	^(v) 36,368	^(vi) 42,301
Retained earnings					
Shareholders' equity/NA	97,853	97,853	106,136	124,138	130,071
Non-controlling interests	171,118	171,118	171,118	171,118	171,118
Total equity	268,971	268,971	277,254	295,256	301,189
Number of Shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
NA per Share (RM) ⁽ⁱ⁾	0.98	0.98	1.06	1.24	1.30
Total borrowings (RM'000)	^(xi) 144,027	144,027	126,896	87,053	^(xii) 74,137
Gearing (times) ⁽ⁱⁱ⁾	1.47	1.47	1.20	0.70	0.57
	(V) After (IV) and Proposed Disposal of Hinterland	(VI) After (V) and Proposed Disposal of Zone 1 Bandar Meru Raya	(VII) After (VI) and Proposed Issuance of RPS-B	(VIII) ^(xiii)After (VII) and Change in Accounting Estimates	
	RM'000	RM'000	RM'000	RM'000	
Share capital	87,770	87,770	87,770	87,770	
(Accumulated losses)/	^(vii) 40,402	^(viii) 66,962	^{(ix)(x)} 61,678	^(xi) 67,077	
Retained earnings					
Shareholders' equity/NA	128,172	154,732	149,448	154,847	
Non-controlling interests	171,118	171,118	171,118	171,118	
Total equity	299,290	325,850	320,566	325,965	

	(V) After (IV) and Proposed Disposal of Hinterland RM'000	(VI) After (V) and Proposed Disposal of Zone 1 Bandar Meru Raya RM'000	(VII) After (VI) and Proposed Issuance of RPS-B RM'000	(VIII) (xiii) After (VII) and Change in Accounting Estimates RM'000
Number of Shares	100,000,000	100,000,000	100,000,000	100,000,000
NA per Share (RM) ⁽ⁱ⁾	1.28	1.55	1.49	1.55
Total borrowings (RM'000)	74,137	74,137	^(x) 105,068	105,068
Gearing (times) ⁽ⁱⁱ⁾	0.58	0.48	0.70	0.68

Notes:

- (i) Calculated based on the Group's shareholders equity divided by the total number of issued Shares.
- (ii) Calculated based on the Group's total borrowings divided by the shareholders' equity.
- (iii) After cancellation of RM185.00 million from the share capital of the Company pursuant to the Proposed Share Capital Reduction.
- (iv) After incorporating estimated net pro forma gain of approximately RM8.28 million arising from the Proposed Disposal of Parcel 1 Lands.
- (v) After incorporating estimated net pro forma gain of approximately RM18.00 million arising from the Proposed Disposal of Parcel 2 Land.
- (vi) After incorporating estimated net pro forma gain of approximately RM5.93 million arising from the Proposed Disposal of Parcel 3 Land.
- (vii) As Hinterland will be disposed to LMTSB (which is a subsidiary of the Group), the estimated net pro forma gain from the Proposed Disposal of Hinterland of approximately RM6.01 million, after deducting the land premium for Hinterland (to be paid to the State Authority of Perak) of approximately RM0.55 million, surveying fees of approximately RM0.07 million and tax expense in relation to the Proposed Disposal of Hinterland of RM1.90 million from the Disposal Consideration IV, will be eliminated at Perak Corp Group level. However, the said tax expense of approximately RM1.90 million will be incurred and will not be eliminated at Perak Corp Group level.
- (viii) After incorporating estimated net pro forma gain of approximately RM26.56 million arising from the Proposed Disposal of Zone 1 Bandar Meru Raya.
- (ix) After deducting estimated expenses of RM6.30 million in relation to Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income.
- (x) The Proposed Issuance of RPS-B will result in the issuance of RPS-B amounting to RM30.93 million, debt waivers (net of tax) from the Scheme Creditors amounting to RM27.87 million and impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by the Company to PCB Development's scheme creditors amounting to RM26.86 million.

- (xi) The carrying amount of RPS-A1 and RPS-A2 as at 31 December 2024 as disclosed under total borrowings does not include the cumulative compounded gross preferential dividends accruing up to 31 March 2026.
- (xii) The pro forma adjustment for the redemption of RPS-A1 and RPS-A2 includes the cumulative compounded gross preferential dividends accruing up to 31 March 2026.
- (xiii) Presently, the financial statements of the Group are prepared on a non-going concern basis. Upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future. Consequently, the basis of preparation of the financial statements will revert to a going concern basis ("**Change in Accounting Estimates**"). As a result of the Change in Accounting Estimates, the following accounting treatments are made:
 - (a) Reversal of impairment losses on property, plant and equipment resulting of RM3.79 million; and
 - (b) Reversal of impairment losses on right-of-use assets of RM1.61 million.

7.3 Substantial shareholders' shareholdings

The Proposed Regularisation Plan will not have any effect on the substantial shareholders' shareholdings of Perak Corp. For avoidance of doubt, as the RPS-B are not convertible into new Perak Corp Shares, there are no dilutive effects on the substantial shareholders' shareholdings of Perak Corp arising from the Proposed Issuance of RPS-B.

7.4 Earnings and EPS

The Proposed Regularisation Plan are expected to contribute positively to the consolidated earnings of the Group for the ensuing financial years based on the pro forma gain arising from the Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya. For illustrative purposes, assuming the Proposed Regularisation Plan were effected based on the latest audited consolidated statements of financial position as at 31 December 2024, the pro forma effects on the earnings and EPS of Perak Corp Group are as follows:

	Audited FYE 2024	(I) After the Proposed Share Capital Reduction	(II) After (I) and Proposed Disposal of Parcel 1 Lands	(III) After (II) and Proposed Disposal of Parcel 2 Land	(IV) After (III) and Proposed Disposal of Parcel 3 Land
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT attributable to the owners of our Company	2,786	2,786	⁽ⁱ⁾ 11,069	⁽ⁱⁱ⁾ 29,071	⁽ⁱⁱⁱ⁾ 35,004
Number of Shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Basic EPS (sen)	2.79	2.79	11.07	29.07	35.00

	(V) After (IV) and Proposed Disposal of Hinterland RM'000	(VI) After (V) and Proposed Disposal of Zone 1 Bandar Meru Raya RM'000	(VII) After (VI) and Proposed Issuance of RPS-B RM'000	(VIII) After (VII) and Change in Accounting Estimates RM'000
PAT attributable to the owners of our Company	(iv)33,105	(v)59,665	(vi)(vii)54,381	(viii)59,780
Number of Shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic EPS (sen)	33.11	59.67	54.38	59.78

Notes:

- (i) After incorporating estimated net pro forma gain of approximately RM8.28 million arising from the Proposed Disposal of Parcel 1 Lands.
- (ii) After incorporating estimated net pro forma gain of approximately RM18.00 million arising from the Proposed Disposal of Parcel 2 Land.
- (iii) After incorporating estimated net pro forma gain of approximately RM5.93 million arising from the Proposed Disposal of Parcel 3 Land.
- (iv) As Hinterland will be disposed to LMTSB (which is a subsidiary of the Group), the estimated net pro forma gain from the Proposed Disposal of Hinterland of approximately RM6.01 million, after deducting the land premium for Hinterland (to be paid to the State Authority of Perak) of approximately RM0.55 million, surveying fees of approximately RM0.07 million and tax expense in relation to the Proposed Disposal of Hinterland of RM1.90 million from the Disposal Consideration IV, will be eliminated at Perak Corp Group level. However, the said tax expense of approximately RM1.90 million will be incurred and will not be eliminated at Perak Corp Group level.
- (v) After incorporating estimated net pro forma gain of approximately RM26.56 million arising from the Proposed Disposal of Zone 1 Bandar Meru Raya.
- (vi) After deducting estimated expenses of RM6.30 million in relation to Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income.
- (vii) The Proposed Issuance of RPS-B will result in the issuance of RPS-B amounting to RM30.93 million, debt waivers (net of tax) from the Scheme Creditors amounting to RM27.87 million and impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by the Company to PCB Development's scheme creditors amounting to RM26.86 million.
- (viii) As a result of the Change in Accounting Estimates, a reversal of impairment losses on property, plant and equipment resulting of RM3.79 million and a reversal of impairment losses on right-of-use assets of RM1.61 million are made.

7.5 Convertible securities

As at the LPD, the Company does not have any other convertible securities.

8. APPROVALS REQUIRED

The Proposed Regularisation Plan is subject to the following approvals being obtained:

- (a) Bursa Securities, for the Proposed Regularisation Plan;

The approval by Bursa Securities has been obtained on 19 January 2026, subject to the following conditions:

No.	Condition	Status of compliance
(1)	Perak Corp and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;	To be complied
(2)	Perak Corp 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;	To be complied
(3)	Perak Corp and M&A Securities to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Perak Corp at the general meeting for the Proposed Regularisation Plan	To be complied
(4)	Perak Corp and M&A Securities to inform Bursa Securities upon the completion of the Proposed Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval; and	To be complied
(5)	To incorporate the comments made in the circular to shareholders.	Complied

- (b) confirmation of the Court for the Proposed Share Capital Reduction;
- (c) shareholders of Perak Corp for the Proposed Regularisation Plan at the forthcoming EGM to be convened;
- (d) consent of CIMB and Affin Islamic for the Proposed Share Capital Reduction and Proposed Amendments I;
- (e) consent of Majlis Mesyuarat Kerajaan Negeri Perak for the transfer of the land titles of Hulu Bernam Lands and Hinterland; and
- (f) any other relevant authorities/parties, if required.

9. INTER-CONDITIONALITY

All components of the Proposed Regularisation Plan are inter-conditional upon each other in terms of the approvals required as set out in Section 8 above. Upon receipt of the necessary approvals, each component of the Proposed Regularisation Plan shall be implemented separately within the deadline prescribed under the Listing Requirements.

Notwithstanding the above and for the avoidance of doubt, the completion of the Proposed Regularisation Plan, which is intended to regularise the Perak Corp's financial position and ensure compliance with the Listing Requirements, is conditional upon the successful implementation and completion of all the components contained under the Proposed Regularisation Plan, namely Proposed Share Capital Reduction, Proposed Joint Development, Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Hinterland, Proposed Disposal of Zone 1 Bandar Meru Raya, Proposed Issuance of RPS-B, Proposed Amendments I and Proposed Amendments II.

The Proposed Regularisation Plan is not conditional upon any other exercises that have been announced and/or pending implementation by the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSON(S) CONNECTED TO THEM

Save as disclosed below, none of the Directors, major shareholders, chief executive of Perak Corp and/or persons connected with them have any interest, direct or indirect, in the Proposed Regularisation Plan apart from the following:

- (i) PKNP, being the major shareholder of the Company as well as having common Directors in Perak Corp Group and PKNP, as follows:
 - (a) Pursuant to Paragraph 10.08 of the Listing Requirements, the Proposed Joint Development, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya ("**Related Party Transactions**") are deemed as related party transactions by virtue of PKNP's interest in the Related Party Transactions, as follows:

Proposal		Nature of interest
Proposed Development	Joint	The Company has executed the JVA II with PKNP to undertake the joint development of SVTP Industrial Hub.
Proposed Disposal of Hinterland		The Company and PKNP has entered into the SPA IV with LMTSB, which is a subsidiary of PCB Taipan, which in turn is a wholly-owned subsidiary of the Company for the Proposed Disposal of Hinterland.
Proposed Disposal of Zone 1 Bandar Meru Raya		The Company entered into the SA JVA III with PKNP and Unipoh to undertake the Proposed Disposal of Zone 1 Bandar Meru Raya.

by virtue of its interests, direct or indirect, in the aforementioned proposals; and

- (b) Datuk Redza Rafiq Bin Abdul Razak, being the non-independent non-executive chairman of Perak Corp, is also the Chief Executive of PKNP.

The details of the Interested Shareholder and Interested Director as well as their respective shareholdings in Perak Corp as at the LPD are as follows:

	Direct		Indirect	
	No. of shares ('000)	%	No. of shares ('000)	%
PKNP	52,271	52.27	⁽ⁱ⁾ 627	0.63
Datuk Redza Rafiq Bin Abdul Razak	-	-	-	-

Note:

- (i) Deemed interested by virtue of its shareholdings in Fast Continent Sdn Bhd, Cherry Blossom Sdn Bhd and Perak Equity Sdn Bhd.

In view of the interests of the Interested Shareholder and Interested Director in the Related Party Transactions and notwithstanding that all components of the Proposed Regularisation Plan are inter-conditional upon each other, the Interested Shareholder and Interested Director will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on resolutions pertaining to the allocations to them and persons connected to them under the Related Party Transactions (if any) to be tabled at the forthcoming EGM. The Interested Shareholder and Interested Director will also undertake to ensure that persons connected to them, if any, will abstain from voting on the resolutions pertaining to them and persons connected to them under the Related Party Transactions to be tabled at the forthcoming EGM.

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the following proposals (as part of the Proposed Regularisation Plan) pursuant to Paragraph 10.02(g) of the Listing Requirements are as follows:

Proposal	Highest percentage ratio
Proposed Joint Development	⁽ⁱ⁾ 0.19%
Proposed Disposal of Parcel 1 Lands	⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ 21.59%
Proposed Disposal of Parcel 2 Land	⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ 50.59%
Proposed Disposal of Parcel 3 Land	⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ 19.36%
Proposed Disposal of Hinterland	^{(ii)(iv)} 8.72%
Proposed Disposal of Zone 1 Bandar Meru Raya	^{(ii)(v)} 41.27%

Notes:

- (i) The Proposed Joint Development entails the proposed joint venture between Perak Corp and PKNP to jointly undertake the development of SVTP Industrial Hub Project, which requires shareholders' approval pursuant to Paragraph 10.08 of the Listing Requirements. Conversely, the JDA with Advancecon formalises the operational roles and responsibility of each party for the joint development of SVTP Industrial Hub, which in itself does not require shareholders' approval as it is undertaken in the ordinary course of business and does not involve any related parties. Accordingly, the development of the SVTP Industrial Hub has commenced in the ordinary course of business, in accordance with the JDA with Advancecon.

The highest percentage ratio computed for the Proposed Joint Development is 0.19%, based on the total project cost attributable to the Company of RM1.02 million^(a) divided by the total assets of the Company as at 31 December 2023 of RM540.18 million. Despite not triggering any announcement or shareholders' approval requirements for the Proposed Joint Development pursuant to Paragraph 10.08 of the Listing Requirements, it has been included as a component of the Proposed Regularisation Plan as it is expected to generate sustainable profits and strengthen the financial position of the Group.

Note:

- (a) Pursuant to the JDA with Advancecon, the development costs for the SVTP Industrial Hub Project shall be solely funded by Advancecon. Nevertheless, Perak Corp shall be responsible to incur the cost of removing illegal occupiers from the SVTP Industrial Hub, which is approximately RM1.02 million.
- (ii) Based on value of the landbank asset being disposed divided by the NA of the Company as at 31 December 2024.
- (iii) Based on the highest percentage ratio computed for Proposed Disposal of Parcel 1 Lands and Proposed Disposal of Parcel 3 Land, they do not require shareholders' approval to be sought at an EGM to be convened, in accordance with Paragraph 10.07 of the Listing Requirements. However, in accordance with Paragraph 10.12 of the Listing Requirements, separate transactions may be aggregated and treated as one transaction if it involves disposal of various parcels of lands contiguous to each other. As Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land are contiguous to each other, thus the highest percentage ratio computed for each of the transaction are combined, which results in a combined percentage ratio of 91.54%. As such, shareholders' approval will be sought for the Proposed Disposal of Parcel 1 Lands, Proposed Disposal of Parcel 2 Land and Proposed Disposal of Parcel 3 Land at the forthcoming EGM to be convened.
- (iv) The Proposed Disposal of Hinterland is regarded as a related party transaction by virtue of PKNP, a major shareholder of the Company, being a party to SPA IV. As such, the Proposed Disposal of Hinterland is deemed to involve the interest of a major shareholder and shareholders' approval will be sought for the Proposed Disposal of Hinterland in accordance with Paragraph 10.08 of the Listing Requirements.
- (v) The Proposed Disposal of Zone 1 Bandar Meru Raya is essentially a disposal of development rights by Perak Corp to Unipoh, in accordance with SA JVA III, which meets the definition of a transaction under Paragraph 10.02 of the Listing Requirements. As such, in accordance with Paragraph 10.07 of the Listing Requirements, shareholders' approval will be sought for the Proposed Disposal of Zone 1 Bandar Meru Raya. For avoidance of doubt, the development of Zone 1 Bandar Meru Raya by Unipoh itself is not subject to shareholders' approval. Accordingly, the development of Zone 1 Bandar Meru Raya by Unipoh has commenced in the ordinary course of business.

12. TRANSACTIONS WITH THE SAME RELATED PARTIES FOR THE PAST 12 MONTHS

Save for the Related Party Transactions and the related party transactions with PKNP as disclosed in Section 13 of Appendix XVII of this Circular, there were no other transactions entered into between Perak Corp Group and/or the Interested Director and/or Interested Shareholder as well as persons connected to them for the preceding 12 months from the LPD.

13. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of Perak Corp having considered all aspects of the Related Party Transactions, including the details of the Related Party Transactions, the basis and justification for the disposal consideration for the Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya as well as the preliminary views of the independent adviser on the Related Party Transactions, is of the opinion that the Related Party Transactions are:

- (i) in the best interest of Perak Corp Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders of Perak Corp.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for our Interested Director) is of the opinion that our Company has taken the necessary steps to resolve and address our PN17 status and preserve our ongoing business operations. Our Board has established the following key elements from which our Group is expected to deliver long-term value to our shareholders through the Proposed Regularisation Plan:

- (i) The proceeds to be raised from the Proposed Disposals of Hulu Bernam Lands and Proposed Disposal of Zone 1 Bandar Meru Raya, which proceeds will be used to redeem the RPS-A1 and RPS-A2, repay bank borrowings, supplement working capital requirements and defray estimated expenses for the Proposed Regularisation Plan; and
- (ii) Key senior management team which comprises individuals who have the requisite experience to drive the implementation of the Proposed Regularisation Plan and to steer our Group thereafter.

The Proposed Regularisation Plan will enable Perak Corp to address the following issues that had caused Perak Corp to trigger the prescribed criteria under Paragraph 2.1 of PN17 of the Listing Requirements:

Prescribed Criteria	Status												
a) The shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) and such shareholders' equity is less than RM40.0 million.	Based on the latest audited financial statements as at 31 December 2024, the Group's shareholders' equity as a percentage of the share capital of Perak Corp is as follows: <table> <tr> <td>Shareholders' equity</td><td>RM97,853,000</td></tr> <tr> <td>Issued share capital (excluding treasury shares)</td><td>RM272,770,000</td></tr> <tr> <td></td><td>= 35.87%</td></tr> </table> The Group's shareholders' equity on a consolidated basis is more than 25% of the share capital of the Group and more than the RM40.00 million threshold. For illustration purposes, upon the completion of the Proposed Share Capital Reduction, the shareholders' equity on a consolidation basis of the Group is as follows: <table> <tr> <td>Shareholders' equity</td><td>RM97,853,000</td></tr> <tr> <td>Issued share capital (excluding treasury shares)</td><td>RM87,770,000</td></tr> <tr> <td></td><td>= 111.49%</td></tr> </table>	Shareholders' equity	RM97,853,000	Issued share capital (excluding treasury shares)	RM272,770,000		= 35.87%	Shareholders' equity	RM97,853,000	Issued share capital (excluding treasury shares)	RM87,770,000		= 111.49%
Shareholders' equity	RM97,853,000												
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	= 35.87%												
Shareholders' equity	RM97,853,000												
Issued share capital (excluding treasury shares)	RM87,770,000												
	= 111.49%												
b) Receivers or managers, or judicial managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis.	Not applicable as no receivers or managers, or judicial managers have been appointed over the asset of Perak Corp Group, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis.												

Prescribed Criteria	Status
c) A winding up of a listed issuer's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis.	None of Perak Corp's subsidiary or associated company which accounts for at least 50% of the total assets employed on a consolidated basis has been wound up or in the process of being winding up.
d) the auditors had expressed a disclaimer opinion in the listed issuer's latest audited annual financial statements.	The auditor of Perak Corp, namely Crowe Malaysia PLT, has not expressed an adverse or disclaimer opinion on Perak Corp latest audited financial statements as at 31 December 2024.
e) The auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer.	Based on the Perak Corp's latest audited financial statements as at 31 December 2024, the auditor of Perak Corp, namely Crowe Malaysia PLT, has concurred with the Directors' conclusion that the basis of the preparation of the financial statements of the Group and the Company is on a non-going concern basis. Nevertheless, Crowe Malaysia PLT has concurred that based on the pro forma consolidated statement of financial position of Perak Corp Group prepared by the Board, upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future. Consequently, the basis of preparation of the financial statements will revert to a going concern basis.
f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange.	Perak Corp has triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of the Listing Requirements whereby it has defaulted in the payment by the listed issuer, its major subsidiary or major associated company, as the case maybe, as announced pursuant to Paragraph 9.19A of the Listing Requirements and Perak Corp is unable to provide a solvency declaration to Bursa Securities. On 7 May 2021, the High Court Ipoh had sanctioned the SOA as detailed in the explanatory statement dated 26 March 2021 and the sealed order has been lodged with the Companies Commission of Malaysia on 11 May 2021. Upon completion of the Debt Settlements, the debt settlement agreement between PCB Taipan and CIMB dated 15 September 2023 and the Proposed Issuance of RPS-B, the Board is of the view that Perak Corp no longer triggers this criteria.

In addition, the status of the Company pursuant to Paragraph 8.03A(2)(b) of the Listing Requirements after the implementation of the Proposed Regularisation Plan is as follows:

Paragraph 8.03A	Status								
2(a) The listed issuer has suspended or ceased all of its business or its major business or its entire or major operations for any reason whatsoever.	The Group has not suspended or ceased the following: (i) all of its business or its major business; or its entire or major operations.								
2(b) The listed issuer has an insignificant business or operations	Based on the latest unaudited financial statements as at 30 September 2024, the Group's annualised revenue as a percentage of the share capital of Perak Corp (excluding any redeemable preference shares and treasury shares, and after taking into consideration the implementation of the Proposed Regularisation Plan) is as follows: <table> <tr> <td>Revenue</td><td>RM166,036,000</td></tr> <tr> <td>Issued share capital (excluding any redeemable preference shares and treasury shares, and after taking into account the Proposed Regularisation Plan)</td><td>RM87,770,000</td></tr> <tr> <td></td><td>=</td></tr> <tr> <td></td><td>= 189.17%</td></tr> </table>	Revenue	RM166,036,000	Issued share capital (excluding any redeemable preference shares and treasury shares, and after taking into account the Proposed Regularisation Plan)	RM87,770,000		=		= 189.17%
Revenue	RM166,036,000								
Issued share capital (excluding any redeemable preference shares and treasury shares, and after taking into account the Proposed Regularisation Plan)	RM87,770,000								
	=								
	= 189.17%								

Based on the above computation, the Group does not have an insignificant business or operations pursuant to Paragraph 8.03A(2)(b) of the Listing Requirements

Our Board, having taken into consideration the following:

- (i) our prospects and future plans of our Group as mentioned in Sections 5.5 and 5.6 of this Circular; and
- (ii) our pro forma effect upon completion of the Proposed Regularisation Plan in Section 7 of this Circular, and the proceeds to be raised from the Proposed Disposals of Hulu Bernam Lands and Proposed Disposal of Zone 1 Bandar Meru Raya,

is of the view that we will have sufficient working capital for a period of 12 months from the date of this Circular, and be able to record a net profit in 2 consecutive quarterly results following the completion of the Proposed Regularisation Plan.

Our Board (save for the Interested Director), having considered all aspects of the Proposed Regularisation Plan, including but not limited to the rationale and effects of the Proposed Regularisation Plan, is of the opinion that the Proposed Regularisation Plan are fair and reasonable and are in the best interests of our Company and its shareholders. Accordingly, our Board (save for the Interested Director) recommends that you vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM to be convened.

15. ADVISER

15.1 Principal adviser

M&A Securities has been appointed as the Principal Adviser to the Company for the Proposed Regularisation Plan.

15.2 Independent adviser

The Related Party Transactions are deemed a related party transaction in view of the interests of the Interested Shareholder and Interested Director as set out in Section 10 of this Circular.

SCA has been appointed to act as the independent adviser to:

- (i) provide an independent evaluation of the Related Party Transactions with the related parties and to form an opinion as to:
 - (a) whether the Related Party Transactions with the related parties are fair and reasonable insofar as Perak Corp's shareholders are concerned; and
 - (b) whether the Related Party Transactions with the related parties are to the detriment of non-interested shareholders of Perak Corp and such opinion will be set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion; and
- (ii) advise the non-interested shareholders of Perak Corp on whether they should vote in favour of the resolution pertaining to the Related Party Transactions with the related parties to be tabled at the forthcoming EGM.

16. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Regularisation Plan which are the subject matter of this Circular, Proposed Disposal of Suaconcept and the proposal below, our Board confirms that there is no other outstanding corporate proposal announced by our Company to Bursa Securities, the implementation of which is still pending:

- (i) Proposed Disposal of Tualang Sekah Land

On 9 August 2023, the Company had entered into a sale and purchase agreement with Kim Poh Sitt Tat Feedmill Sdn Bhd to dispose a piece of agriculture land held under H.S (D) 13618 PT 32665, located in Mukim Kampar, Daerah Kampar, Perak for a total cash consideration of RM5.50 million ("**Tualang Sekah Land**") ("**Proposed Disposal of Tualang Sekah Land**").

17. ESTIMATED TIMEFRAME FOR COMPLETION

The completion date of the Proposed Regularisation Plan shall be on the same day as the completion date of all the components of the Proposed Regularisation Plan. For avoidance of doubt, the completion date of the Proposed Joint Development and Proposed Disposal of Zone 1 Bandar Meru Raya shall be deemed to be the date on which the JVA II and SA JVA III becomes unconditional. In addition, the Proposed Disposals of Hulu Bernam Lands and Proposed Disposal of Hinterland shall be deemed completed upon the fulfilment of all respective conditions precedent.

Barring any unforeseen circumstances and subject to all relevant approvals being obtained by our Company, the Proposed Regularisation Plan is expected to be completed by the third quarter of 2026, or within 12 months from the date of approval of the Proposed Regularisation Plan by Bursa Securities. Thereafter, the Company shall be required to record 2 consecutive quarters of net profits immediately after the completion of the implementation of the Proposed Regularisation Plan.

The indicative timetable of events in relation to the Proposed Regularisation Plan is set out below:

Tentative dates	Events
27 February 2026	EGM for the Proposed Regularisation Plan
Second quarter of 2026	Confirmation and sanction by the Court for the Proposed Share Capital Reduction
Third quarter of 2026	Completion of the Proposed Regularisation Plan

18. EGM

The EGM, the notice of which is enclosed with this Circular, will 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 Friday, 27 February 2026 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions so as to give effect to the Proposed Regularisation Plan.

If you are unable to participate and vote at the EGM, you may complete the Form of Proxy and deposit it at the registered office of our Company at No. 1, Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan not later than forty-eight (48) hours before the time set for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

19. FURTHER INFORMATION

Please refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
PERAK CORPORATION BERHAD

Datuk Redza Rafiq bin Abdul Razak
Non-Independent Non-Executive Chairman

PART B

**INDEPENDENT ADVICE LETTER TO THE
NON-INTERESTED SHAREHOLDERS OF PERAK CORP
IN RELATION TO THE
PROPOSED JOINT DEVELOPMENT, PROPOSED
DISPOSAL OF HINTERLAND AND PROPOSED DISPOSAL
OF ZONE 1 BANDAR MERU RAYA**

EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE "DEFINITIONS" SECTION OF PART A OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED REGULARISATION PLAN. NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAL IN ITS ENTIRETY FOR FURTHER INFORMATION AND THE RECOMMENDATIONS FROM SCA, BEING THE INDEPENDENT ADVISER IN RELATION TO THE RELATED PARTY TRANSACTIONS. THIS IAL SHOULD ALSO BE READ IN CONJUNCTION WITH PART A OF THE CIRCULAR, INCLUDING THE APPENDICES THEREIN, FOR ANY OTHER RELEVANT INFORMATION BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN AT THE FORTHCOMING EGM OF THE COMPANY.

1. INTRODUCTION

On 11 February 2020, the Company announced that it had been classified as an affected listed issuer under PN17. This was due to the Company having triggered Paragraph 8.04 of the Listing Requirements and Paragraph 2.1(f) of PN17 as the Group has defaulted in its repayment of principal in respect of the following facilities:-

- (i) Financing Agreements of up to RM100.0 million granted by Affin Islamic; and
- (ii) subsequently, on 28 February 2020, CIMB had declared that an event of cross default by the Company and PCB Talpan, in respect of the revolving credit facilities of up to RM90.0 million granted, following the declaration of an event of default by Affin Islamic for financing extended to the Company. CIMB had demanded full payment of the said revolving credit facilities of approximately RM91.29 million.

Bursa Securities had on 26 March 2020 announced additional relief measures to alleviate the impact of COVID-19 on capital market players, among others, the extension of time for listed issuers to submit its regularisation plans for PN17 of the Listing Requirements from 12 months to 24 months from the First Announcement, whose First Announcement was made between 2 January 2019 to 31 December 2020. As such, the Company has until 10 February 2022 (i.e. 24 months from 11 February 2020, the date of the First Announcement) to submit its regularisation plan to the regulatory authorities.

On 19 April 2021, the Company and PCB Development had obtained approval from their Scheme Creditors on the SOA at the court convened meeting which was held on even date pursuant to the provisions of Section 366 of the Companies Act, 2016. Subsequently, on 7 May 2021, the High Court Ipoh has approved and sanctioned the SOA.

On 4 February 2022, M&A Securities, on behalf of the Board, announced that it has submitted an application for an extension of time of 12 months up to 9 February 2023 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 28 February 2022, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 28 February 2022, resolved to grant the Company for an extension of time of 6 months up to 10 August 2022 to submit its regularisation plan to the regulatory authorities.

During the period from August 2022 to August 2024, multiple applications for extension of time were submitted to Bursa Securities by M&A Securities, on behalf of the Company and were approved by Bursa Securities.

On 7 February 2025, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 6 months up to 9 August 2025 to Bursa Securities for the submission of its regularisation plan.

Subsequently, on 20 February 2025, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 20 February 2025, resolved to grant the Company for an extension of time of 6 months up to 9 August 2025 to submit its regularisation plan to the regulatory authorities.

On 18 February 2025, M&A Securities had on behalf of the Board announced that the Company proposed to undertake the Proposed Regularisation Plan.

In view of the interests of the Interested Director, Interested Shareholder and/or persons connected with them, the Proposed Joint Development, Proposed Disposal of Hinterland and Proposed Settlement are deemed to be related party transactions pursuant to Paragraph 10.08 of the Listing Requirements.

In this respect, the Board (save for the Interested Director) had on 29 September 2023 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Related Party Transactions. Further, all the components of the Proposed Regularisation Plan are inter-conditional upon each other in term of approvals required as set out in Section 8, Part A of the Circular, of which upon receipt of the necessary approvals, each component of the Proposed Regularisation Plan shall be implemented separately within the deadline prescribed under the Listing Requirements. As such, SCA has also commented on a high-level basis, on the Proposed Share Capital Reduction, Proposed Disposals of Hulu Bernam Lands, Proposed Issuance of RPS-B, Proposed Amendments I and Proposed Amendments II ("**Non-RPT Proposals**") as set out in Section 5.8 of this IAL.

Notwithstanding the above and for the avoidance of doubt, the completion of the Proposed Regularisation Plan, which is intended to regularise the Company's financial position and ensure compliance with the Listing Requirements, is conditional upon the successful implementation and completion of all the components contained under the Proposed Regularisation Plan.

The purpose of this IAL is to provide the Board and non-interested shareholders with an independent evaluation on the fairness and reasonableness of the Proposed Regularisation Plan and whether the Proposed Regularisation Plan are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

2. EVALUATION OF THE PROPOSED REGULARISATION PLAN

In arriving at our opinion and recommendation on the Proposed Regularisation Plan, we had taken into consideration the following bases and analysis:

Consideration factors	Section	Our evaluation
(a) Rationale and justification of the Related Party Transactions	5.1	<u>Proposed Joint Development</u> The Proposed Joint Development is in-line with the overall strategy of the Group to revitalise its property and development division by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network which will position the property development division favourably for future growth, generate sustainable and recurring income. Barring any unforeseen circumstance, the Proposed Joint Development will improve the Group's cash flow and financial position as part of its efforts to regularize its business operations. The Proposed Joint Development also represents a strategic step towards unlocking value and leveraging opportunities in the property development sectors, positioning this segment for sustainable growth and profitability in the future.

Consideration factors	Section	Our evaluation
		<u>Proposed Disposal of Hinterland</u> The Proposed Disposal of Hinterland is in line with is with the Company and PKNP's intention to broaden and further expand the Group's current port and logistics activities and services for the LMT. In addition, the Proposed Disposal of Hinterland also aligns with the Group's financial and asset management strategy by optimising ownership structures, through consolidation of operational control of Hinterland under LMTSB, the entity directly responsible for the Group's port operations and developments, without affecting the Group's consolidated financial position. <u>Proposed Settlement</u> The Proposed Settlement provides certainty and mitigates risks related to project delays and market fluctuations. The Proposed Settlement provides an avenue for the Company to raise funds to channel towards the Group's business operations which will improve the Group's overall cash flow position as well as strengthening its financial position as part of its regularisation effort. We are of the opinion that the rationale and justification for the Related Party Transactions are reasonable, and it is not detrimental to the non-interested shareholders of the Company.
(b) Evaluation of the Related Party Transactions		
(i) Basis and justification in arriving at the PKNP's Revenue Share (as defined therein) in relation to the Proposed Joint Development, in particularly for the SVTP Industrial Hub Project.	5.2.1	Under JVA II, PKNP is entitled to PKNP's basic revenue share which is a sum equivalent to RM9.70 per square foot ("psf") of each of the industrial lots (excluding PKNP's Reserved Land) sold to end-user ("PKNP's Revenue Share"). We concurred with PPC that the Comparison Approach is the most appropriate valuation method in arriving at the market values of the Appraised Lands considering that that there are recent transactions of industrial properties located in the vicinity which solidifies the price trend. PPC has considered but not adopted the residual method as there are no development orders or any development planning of any sort prior to 2 May 2025, of which the Company has since obtained approvals to commence earthwork. Based on the above, PKNP is entitled to PKNP's basic revenue share akin to the payment of land cost of RM9.70 psf for each industrial lots is below the comparables' adjusted land value for industrial land, which ranges from RM12.00 psf to RM14.00 psf and the comparables' adjusted land value for commercial land, which ranges from RM13.00 psf to RM17.00 psf. Hence it is not detrimental to the non-interested shareholders of the Company.
(ii) Salient terms of the MDA, JVA II and JDA with Advancecon	5.2.2	We are of the view that the overall terms and conditions of the MDA, JVA II and JDA with Advancecon are fair and reasonable and not detrimental to the non-interested shareholders of the Company.

Consideration factors	Section	Our evaluation
(iii) Basis and justification in arriving of determining the Disposal Consideration IV	5.3.1	The Disposal Consideration IV was arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the following:- (i) the market value of the Hinterland of RM8,530,000 as appraised by Laurelcap based on the date of valuation of the Hinterland on 8 September 2025 ("Hinterland Valuation Report"); (ii) the estimated net gain arising from the disposal of RM6.01 million at the Company level; (iii) to expand LMTSB's operational capacity; and (iv) to expand the shoreline area and to ensure LMT2 has more water frontage land. We concurred with Laurelcap that the Comparison Approach is the most appropriate valuation method in arriving at the market values of the Hinterland considering that there are recent transactions of industrial properties located in the vicinity which solidifies the price trend. Laurelcap has considered but not adopted the residual method as there are no development orders or any development planning of any sort at the moment on the Hinterland. We are of the opinion that the Disposal Consideration IV is fair, reasonable and not detrimental to the non-interested shareholders.
(iv) Salient terms of the SPA IV	5.3.2	We are of the view that the overall terms and conditions of the SPA IV are fair and reasonable and not detrimental to the non-interested shareholders of the Company.
(v) Basis and justification in arriving at the Settlement Consideration	5.4.1	The Settlement Consideration of RM40.38 million was arrived at on a "willing buyer-willing seller" basis after taking into consideration the factors set out in Section 2.5.3, Part A of the Circular. We are of the view that the Settlement Consideration is fair and reasonable as the Company's balance Settlement Consideration of RM18.02 million is expected to contribute positively to the future financial performance of the Group and provide an opportunity for the Group to strengthen the financial and operational viability of the Group.
(vi) Salient terms of the JDA I, JVA III and SA JVA III	5.4.2	We are of the view that the overall terms and conditions of the JDA I, JVA III and SA JVA III are fair and reasonable and not detrimental to the non-interested shareholders of the Company.
(c) Industry overview and prospects	5.5	According to the Independent Market Research Report prepared by Protégé, the property development industry in Malaysia is forecast to grow at a CAGR of 7.0% from RM32.20 billion in 2025 to RM40.87 billion in 2029, driven by demand factors such as persistent need for affordable housing, ongoing major transportation infrastructure developments improving connectivity which may stimulate interest in the surrounding properties, as well as population growth and rising household income.

Consideration factors	Section	Our evaluation
		The Malaysian tourism and hospitality industry is expected to continue growing and is forecast to grow at a CAGR of 21.1% from RM121.56 billion in 2025 to RM316.81 billion in 2029, driven by support from the Malaysian Government, sufficient supply of hotels and hotel rooms, and growing digitalisation. We note that the Proposed Regularisation Plan aims to improve the financial health of the Group and resolve its affected listed issuer status. This will be achieved by strengthening the Group's cash flow through the Proposed Disposal of Hulu Bernam Lands and the Proposed Settlement, supporting its efforts to revitalise its business operations. Barring any unforeseen circumstance, the Proposed Regularisation Plan will improve the Group's cash flow and financial position as part of its efforts to regularize its business operations.
(d) Risk factors relating to the Proposed Regularisation Plan	5.6	The non-interested shareholders should also take note of the additional risk factor in relation to the Proposed Regularisation Plan:- (i) Non-fulfilment of conditions precedent of all the agreements entered; (ii) Counterparty risk; and (iii) Property development risk. We also wish highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the Proposed Regularisation Plan, no assurance can be given that one or a combination of risk factors as stated above and in Section 6, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.
(e) Financial effects of the Proposed Regularisation Plan	5.7	The financial effects of the Proposed Regularisation Plan are as follows: (i) Proposed Share Capital Reduction will reduce the issued share capital of the Company from RM272.77 million to RM87.77 million. The Proposed Regularisation Plan (save for the Proposed Share Capital Reduction) will not have any effect on the Company's share capital and substantial shareholders' shareholdings in the Company as the Proposed Regularisation Plan do not involve any new issuance of Shares. For avoidance of doubt, as the RPS-B are not convertible into new Company Shares, there are no dilutive effects on the substantial shareholders' shareholdings of the Company arising from the Proposed Issuance of RPS-B. (ii) Upon the completion of the Proposed Share Capital Reductions, the Proposed Disposal of Hulu Bernam Land and the Proposed Disposal of Hinterland, the NA per share increased to RM1.28 and is expected to increase to RM1.55 per share after the completion of the Proposed Settlement.

Consideration factors	Section	Our evaluation
		However, the NA per share is expected to reduce to RM1.49 per share after the completion of the Proposed Issuance of RPS-B but recover to RM1.55 per share due to the Change in Accounting Estimates. In contrast with the movement of the NA per share as discussed above, the Group gearing will reduce from 1.47 times to 0.57 times after the completion of the Proposed Disposal of Hulu Bernam Lands and the Proposed Disposal of Hinterland and will further reduce to 0.48 times after the completion of the Proposed Settlement. However, its gearing will increase to 0.70 times after the completion of the Proposed Issuance of RPS-B but will reduce to 0.68 times due to the Change in Accounting Estimates. (iii) Upon the completion of the Proposed Share Capital Reductions, the Proposed Disposal of Hulu Bernam Lands and the Proposed Disposal of Hinterland, the EPS increased to 33.11 sen and is expected to increase to 59.67 sen after the completion of the Proposed Settlement. However, the EPS is expected to reduce to 54.38 sen after the completion of the Proposed Regularisation Plan with an estimated expenses of RM6.30 million to be expensed off to the statement of profit and loss and other comprehensive income but recover to 59.78 sen due to the Change in Accounting Estimates. The financial effects of the Proposed Regularisation Plan are not detrimental to the interest of the non-interested shareholders of the Company.
(f) Evaluation of the Non-RPT Proposals	5.8	(a) <u>Proposed Capital Reduction</u> The Proposed Share Capital Reduction is required to enable the Group to rationalise its balance sheet, reduce the accumulated losses position so that the Group will be able to better retain its future profits and work towards rewarding shareholders via dividend. (b) <u>Proposed Disposal of Hulu Bernam Lands</u> The Proposed Disposals of Hulu Bernam Lands are a key step in regularising the Group's financial condition, especially in light of its PN17 status which has restricted its access to financing. (c) <u>Proposed Issuance of RPS-B</u> The Issuance of RPS-B to Scheme Creditors is part of the SOA approved on 19 April 2021 and sanctioned by the Court on 7 May 2021, serving as a form of deferred cash payment. RPS-B can be redeemed at the Company's discretion at any time within its 5-year tenure, with full redemption and accrued dividends due at maturity without notice. Unlike issuing new shares, RPS-B minimises immediate dilution of earnings and shareholding, while providing the Company with flexibility in managing its financial obligations.

Consideration factors	Section	Our evaluation
		(d) <u>Proposed Amendment I</u> The Proposed Amendment is undertaken to facilitate the implementation of the Proposed Issuance of RPS-B. (e) <u>Proposed Amendment II</u> The Proposed Amendments II are intended to facilitate key changes, including the revision of redemption dates for RPS-A1 and RPS-A2, adjustments to the cumulative compounded gross preferential dividend rates to 5% per annum until 31 January 2025 and 8% thereafter until the RPS-A2 maturity date, as well as the substitution of security documents under the supplemental agreement dated 11 September 2023 related to the CIMB Debt Settlement Agreement.

3. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Regularisation Plan, we are of the opinion that the terms of the Proposed Regularisation Plan are **fair and reasonable** and are **not detrimental** to the interests of the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders to vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM of the Company.

We have not taken into consideration any specific investment objective, risk profiles, financial and tax situation and particular needs of any individual non-interested shareholders. We recommend that any non-interested shareholders who require advice in relation to the Proposed Regularisation Plan in the context of their individual investment objectives, risk profiles, financial and tax situation and particular needs, consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

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Date: 6 February 2026

To: The Non-Interested Shareholders of Perak Corporation Berhad

Dear Sir/Madam,

PERAK CORPORATION BERHAD ("COMPANY")

INDEPENDENT ADVICE LETTER ("IAL") IN RELATION TO THE RELATED PARTY TRANSACTIONS

This IAL is prepared for inclusion in the Circular dated 6 February 2026 and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.

1. INTRODUCTION

On 11 February 2020, the Company announced that it had been classified as an affected listed issuer under PN17. This was due to the Company having triggered Paragraph 8.04 of the Listing Requirements and Paragraph 2.1(f) of PN17 as the Group has defaulted in its repayment of principal in respect of the following facilities:-

- (i) Financing Agreements of up to RM100.0 million granted by Affin Islamic; and
- (ii) subsequently, on 28 February 2020, CIMB had declared that an event of cross default by the Company and PCB Taipan, in respect of the revolving credit facilities of up to RM90.0 million granted, following the declaration of an event of default by Affin Islamic for financing extended to the Company. CIMB had demanded full payment of the said revolving credit facilities of approximately RM91.29 million.

Bursa Securities had on 26 March 2020 announced additional relief measures to alleviate the impact of COVID-19 on capital market players, among others, the extension of time for listed issuers to submit its regularisation plans for PN17 of the Listing Requirements from 12 months to 24 months from the First Announcement, whose First Announcement was made between 2 January 2019 to 31 December 2020. As such, the Company has until 10 February 2022 (i.e. 24 months from 11 February 2020, the date of the First Announcement) to submit its regularisation plan to the regulatory authorities.

On 19 April 2021, the Company and PCB Development had obtained approval from their Scheme Creditors on the SOA at the court convened meeting which was held on even date pursuant to the provisions of Section 366 of the Companies Act, 2016. Subsequently, on 7 May 2021, the High Court Ipoh has approved and sanctioned the SOA.

On 4 February 2022, M&A Securities, on behalf of the Board, announced that it has submitted an application for an extension of time of 12 months up to 9 February 2023 to Bursa Securities for the submission of its regularisation plan. Subsequently, on 28 February 2022, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 28 February 2022, resolved to grant the Company for an extension of time of 6 months up to 10 August 2022 to submit its regularisation plan to the regulatory authorities.



During the period from August 2022 to August 2024, multiple applications for extension of time were submitted to Bursa Securities by M&A Securities, on behalf of the Company and were approved by Bursa Securities.

On 7 February 2025, M&A Securities, on behalf of the Board, announced that it has submitted an application for a further extension of time of 6 months up to 9 August 2025 to Bursa Securities for the submission of its regularisation plan.

Subsequently, on 20 February 2025, M&A Securities announced, on behalf of the Company, that Bursa Securities had, vide its letter dated 20 February 2025, resolved to grant the Company for an extension of time of 6 months up to 9 August 2025 to submit its regularisation plan to the regulatory authorities.

On 18 February 2025, M&A Securities had on behalf of the Board announced that the Company proposed to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements.

In view of the interests of the Interested Director, Interested Shareholder and/or persons connected with them, the Proposed Joint Development, the Proposed Disposal of Hinterland and the Proposed Settlement are deemed to be related party transactions pursuant to Paragraph 10.08 of the Listing Requirements.

In this respect, the Board (save for the Interested Directors) had on 29 September 2023 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Related Party Transactions. Further, all the components of the Proposed Regularisation Plan are inter-conditional upon each other in term of approvals required as set out in Section 8, Part A of the Circular, of which upon receipt of the necessary approvals, each component of the Proposed Regularisation Plan shall be implemented separately within the deadline prescribed under the Listing Requirements. As such, SCA has also commented on a high-level basis, on the Proposed Share Capital Reduction, Proposed Disposals of Hulu Bernam Lands, Proposed Issuance of RPS-B, Proposed Amendments I and Proposed Amendments II ("**Non-RPT Proposals**") as set out in Section 5.8 of this IAL.

Notwithstanding the above and for the avoidance of doubt, the completion of the Proposed Regularisation Plan, which is intended to regularise the Company's financial position and ensure compliance with the Listing Requirements, is conditional upon the successful implementation and completion of all the components contained under the Proposed Regularisation Plan.

The purpose of this IAL is to provide the Board and non-interested shareholders with an independent evaluation on the fairness and reasonableness of the Proposed Regularisation Plan and whether the Proposed Regularisation Plan are to the detriment of the non-interested shareholders as well as to provide the recommendations thereon on the voting of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our express written consent.

Non-interested shareholders are advised to read this IAL and Part A of the Circular together with the appendices thereon, and to carefully consider the recommendations contained herein before voting on the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM. If you are in doubt about the course of action to be taken, you should consult your stockbroker, bank manager, accountant, solicitor or other professional advisers immediately.



2. DETAILS OF THE PROPOSED REGULARISATION PLAN

The details of the Proposed Regularisation Plan are set out in Section 2, Part A of the Circular and should be read in their entirety.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS OF THE COMPANY AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Director, Interested Shareholder and/or persons connected with them, collectively referred to as “Interested Parties” are set out in Section 10, Part A of the Circular.

The Interested Parties have abstained and will continue to abstain from all deliberations and voting for the Related Party Transactions at the relevant meetings. The Interested Shareholder and persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholding in the Company, if any, on the resolutions pertaining to the Related Party Transactions to be tabled at the forthcoming EGM.

4. LIMITATIONS TO THE EVALUATION OF THE PROPOSED REGULARISATION PLAN

SCA was not involved in the formulation of the Proposed Regularisation Plan or any deliberation and negotiation on the terms and conditions of the Proposed Regularisation Plan.

The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Paragraph 10.08 of the Listing Requirements and the Best Practice Guide in relation to the IAL issued by Bursa Securities.

Our role as an Independent Adviser does not extend to expressing an opinion on the commercial merits of the Proposed Regularisation Plan, which is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of the consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Regularisation Plan. SCA's terms of reference as Independent Adviser is limited to expressing our independent evaluation of the Proposed Regularisation Plan which is based on the sources of information as highlighted below.

In rendering our advice, we have taken note of the pertinent issues which we have considered important in enabling us to assess the implication of the Proposed Regularisation Plan, and therefore of general concern to the non-interested shareholders of the Company, as such:

- (i) the scope of SCA's responsibility regarding the evaluation and recommendations contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Regularisation Plan and other implications of the said proposals only. Comments or points of the consideration which may be commercially oriented such as the rationale of the Proposed Regularisation Plan are included in our overall evaluation as we deem it necessary to enable the non-interested shareholders of the Company to consider and form their views thereon;
- (ii) SCA's views and advice as contained in this IAL only caters to the non-interested shareholders of the Company at large and not to any non-interested shareholder individually. Hence, in carrying out our evaluation, we have not given consideration the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders; and



- (iii) we recommend that any individual non-interested shareholder or group of non-interested shareholders of the Company who is in doubt as to the action to be taken or required advice in relation to the Proposed Regularisation Plan in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, shall consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately. We shall not be liable for any damage or loss sustained or suffered by any individual shareholder or any group of shareholders.

In performing our evaluation, we have relied on the following sources of information:

- (i) The Company's announcements on 17 August 2023, 8 January 2024, 2 February 2024, 8 March 2024, 13 November 2024, 13 February 2025 and 18 February 2025 in relation to the Proposed Regularisation Plan;
- (ii) The Company's annual reports for the financial year ended 31 December ("FYE") 2022, FYE 2023 and FYE 2024;
- (iii) The MDA, JDA II, JDA with Advancecon, SPA IV, JDA I, JVA III and SA JVA III;
- (iv) The Company's Joint Development interest pursuant to the Proposed Joint Development's valuation certificate and valuation report prepared by PPC ("PPC Valuation Report");
- (v) The Hinterland's valuation certificate and valuation report prepared by Laureicap ("Hinterland Valuation Report");
- (vi) The 37 out of 39 parcels of land in SVTP Industrial Hub (excluding PKNP's Reserved Land) valuation report prepared by PPC ("Appraised Lands Valuation Report");
- (vii) Pro forma consolidated statements of financial position of the Group as at 31 December 2024 together with the Reporting Accountants' letter;
- (viii) Information contained in Part A of the Circular and the appendices attached thereto;
- (ix) Other relevant information furnished to us by the management of the Company; and
- (x) Other publicly available information which we deemed relevant and reasonable.

We have made all reasonable enquiries and have relied on the Board and management of the Company to exercise due care to ensure that all information, documents as mentioned above and relevant facts, information and representation for our evaluation of the Proposed Regularisation Plan had been disclosed to us and after making all reasonable enquiries and to the best of our knowledge and belief, that such information is accurate, reasonable, complete, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

We have not undertaken an independent investigation into the business of the Company, as well as we are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. We have also assumed that the Proposed Regularisation Plan will be implemented based on the terms as set out in the Circular, without material waiver or modification.

The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this IAL, and for the accuracy of the information in respect of the Proposed Regularisation Plan (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein incomplete, false and/or misleading.

We are satisfied with the disclosures from the Board and management of the Company and that sufficient information has been obtained, and to the best of our knowledge and belief, the information is accurate, reasonable, complete, valid and free from material omission. We have also performed our reasonableness check and where possible, corroborating such information with independent sources.



Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time.

Accordingly, our evaluation and recommendations expressed herein do not take into account the information, events and conditions arising after the date hereof. After the dispatch of this IAL, should SCA become aware of any significant change affecting the information contained in this IAL or have reasonable grounds to believe that there is material omission in this IAL, we will immediately notify the shareholders. If circumstances require, a supplementary IAL will be sent accordingly to the shareholders.

SCA confirms that it is not aware of any conflict-of-interest situation or any circumstances which exist or likely to give rise to a possible conflict of interest situation for SCA to carry out the role as the Independent Adviser in connection with the Proposed Regularisation Plan. SCA also confirms that it has not been engaged by the Company to provide any professional services in the past two (2) years.

SCA is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act, 2007. SCA has undertaken the role as an independent adviser for corporate exercises in the past two (2) years before the date of this IAL, which include amongst others:-

- (i) the acquisition by Pacific Trustee Berhad, acting as the Trustee of Atrium Real Estate Investment Trust, of a leasehold land held under Title No H.S (D) 324738, PT -, Tempat Industrial Site at Batu Tiga, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring 24,295.208 sq m together with all the buildings and structures erected thereon from a related party, Amazing Blitz Sdn Bhd, for a total cash consideration of RM41.00 million, as per our independent advice letter dated 16 January 2024;
- (ii) the acquisition by Amverton Prop Sdn Bhd, an indirect wholly owned subsidiary of HIL Industries Berhad of 100% equity interest in Broadwise Corporation Sdn Bhd from Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong and Konsep Kekal Sdn Bhd for a cash consideration of RM46.0 million as well as the acquisition by Amverton Prop Sdn Bhd of a parcel of freehold land measuring approximately 3.0 acres located in Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur from A&M Modern Homes Sdn Bhd for a cash consideration of RM47.0 million, as per our independent advice letter dated 28 February 2024;
- (iii) the acquisition by Pesona Metro Holding Berhad of 51.0% equity interest in Gaya Kuasa Sdn Bhd for a total cash consideration of RM40.80 million, as per our independent advice letter dated 19 September 2024;
- (iv) the acquisition by Ge-Shen Corporation Berhad of 40.0% equity interest in Local Assembly Sdn Bhd for a purchase consideration of RM48.00 million, as per our independent advice letter dated 7 October 2024;
- (v) the acquisition by MClean Technologies Berhad of the plastic injection moulding business of WE Total Engineering Sdn Bhd, for a total cash consideration of approximately RM6.04 million, as per our independent advice letter dated 22 November 2024;
- (vi) the acquisition by Binasat Properties Sdn Bhd, a wholly-owned subsidiary of Binasat Communication Berhad, of three (3) properties located within Sazean Business Park for a total cash consideration of RM8.34 million as well as the leases of the aforementioned properties, as per our independent advice letter dated 7 April 2025; and
- (vii) the disposal by Southern Steel Berhad of 12,883,562 existing ordinary shares or 55.0% equity interest in Southern Mesh Sdn Bhd to BRC Asia Limited for a total cash consideration of RM61.05 million, as per our independent advice letter dated 18 July 2025.



Premised on the foregoing, SCA is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested Directors and the non-interested shareholders in relation to the Proposed Regularisation Plan.

5. EVALUATION OF THE PROPOSED REGULARISATION PLAN

In evaluating the Proposed Regularisation Plan, we have considered the followings:

- (i) Rationale for the Related Party Transactions;
- (ii) Evaluation of the Proposed Joint Development:-
 - (a) Basis and justification in arriving at PKNP's entitlement in relation to the Proposed Joint Development, in particularly for the SVTP Industrial Hub Project; and
 - (b) Salient terms of the MDA, JVA II and JDA with Advancecon;
- (iii) Evaluation of the Proposed Disposal of Hinterland:-
 - (a) Basis and justification of determining the Disposal Consideration IV; and
 - (b) Salient terms of the SPA IV;
- (iv) Evaluation of the Proposed Settlement:-
 - (a) Basis and justification in arriving at the Settlement Consideration; and
 - (b) Salient terms of the JDA I, JVA III and SA JVA III
- (v) Evaluation of the Non-RPT Proposals;
- (vi) Industry overview and prospects;
- (vii) Risk factors relating to the Proposed Regularisation Plan; and
- (viii) Financial effects of the Proposed Regularisation Plan.

5.1 Rationale for the Related Party Transactions

The details of the Related Party Transactions are as set out in Sections 2.2, 2.4 and 2.5, Part A of the Circular and the rationale for the Related Party Transactions are set out in Section 4, Part A of the Circular.

Proposed Joint Development

The Group currently has four (4) operating divisions as set out below:-

- (i) Port and logistic;
- (ii) Property development;
- (iii) Hospitality and tourism; and
- (iv) Management services and others.

The Group's reportable divisions for the FYE 2022 to FYE 2024 are summarised as below:-

	FYE 2022		FYE 2023		FYE 2024	
	(RM' 000)	%	(RM' 000)	%	(RM' 000)	%
Segmental Analysis						
Revenue						
- Port and logistic	127,777	85.7	136,627	85.1	129,605	84.2
- Property development	-	-	-	-	-	-
- Hospitality and tourism	19,252	13.0	22,073	13.7	22,209	14.4
- Management services and others	1,972	1.3	1,951	1.2	2,070	1.4
Total revenue	149,001	100.0	160,651	100.0	153,884	100.0
Profit/ (loss) after tax ("PAT"/ "LAT")						
- Port and logistic	34,090		32,795		28,537	
- Property development	47,237		(2,200)		(4,077)	
- Hospitality and tourism	(21,392)		1,238		(2,561)	
- Management services and others	(30,365)		(12,444)		(5,107)	
Total PAT/ (LAT)	29,660		19,389		16,792	

(Source: Management and Annual reports of the Company)



For the FYE 2024, the Group revenue decreased by RM6.77 million to RM153.88 million from RM160.65 million during the preceding financial year, mainly due to lower revenue contributions from the port and logistics segment. In line with the decreased in revenue, the Group recorded decrease in PAT for the FYE 2024 by RM2.60 million to RM16.79 million from RM19.39 million during the preceding financial year.

Historically, the property development division was one of the revenue contributors to the Group, but due to derecognition of its former subsidiary, namely PCB Development as of 20 December 2021, the revenue derived from the property development division has shrink to nil since the FYE 2022. For information, the Taman Meru Tropika project was a property development project undertaken by PCB Development. Although the project commenced in 2020 and was completed in 2024 and as discussed earlier, PCB Development was derecognised from the Group in December 2021. As such, no property development revenue or cost relating to this project was recognised in the Group's financial statements for FYE 2022 to FYE 2024. Based on the table above, the Group's main revenue contributor from the FYEs 2022 to 2024 is the port and logistics division of which its' revenue contribution ranges from 84.2% to 85.7%. Despite the derecognition PCB Development, the property development division was still able to generate the profit of approximately RM47.24 million in the FYE 2022, mainly due to the compensation received by the Company from the compulsory acquisition of land from the Government.

After the derecognition of PCB Development, the property development division recorded no revenue from the FYE 2022 to the FYE 2024. Cognizant of its role by leading the economic growth of the Perak state committed to building and developing communities, the Group have been actively exploring new opportunities available to develop a diverse range of property development projects within the Perak state to capture new property market demand. As a resultant, the Company had on 12 August 2022, entered into the MOU with PKNP and subsequently entered into the MDA with PKNP as the master developer for the (i) mixed development of residential, commercial recreational, medical and health tourism component on 38 parcel of land measuring approximately 56.29 acres located in Teluk Dalam, Lumut, Perak; (ii) to broaden and further expand the Group's current port and logistic activities and services for the LMT; (iii) the development of the SVTP Industrial Hub Project and lastly (iv) to undertake future development of the Bandar Meru Raya housing projects on a land measuring approximately 43.79 acres.

As for the SVTP Industrial Hub Project, PPC has been appointed to prepare the market value of an interest held by the Company, PPC is of the opinion that the market value of an interest held by the Company is RM44.30 million. The PPC Valuation Report was prepared in accordance to the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation methodology used to value the interest held by the Company is the residual/ discounted cash flow model. A copy of the Valuation Certificate is enclosed in Appendix XXIV of the Circular.

We are of the view that the valuation approach adopted is reasonable, appropriate and consistent with generally applied valuation approach. We have reviewed and are satisfied with reasonableness of the key bases, assumptions adopted and opinion of the market value expressed by PPC.

Should the SVTP Industrial Hub Project is able to be successfully implemented based on the estimated gross development value and gross development cost stipulated in the PPC Valuation Report, generating an estimated net development value (100.0%) of approximately RM162.56 million. In view that the Company is entitled to a 35.00% share of the total NDV (pre-tax) pursuant to the JDA with Advancecon, it shall translate net present value of approximately RM44.30 million, which is expected to positively impact the Company's property development's division and the overall financial performance.



The Proposed Joint Development is in-line with the overall strategy of the Group to revitalise its property development division by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network which will position the property development division favourably for future growth, generate sustainable and recurring income. Barring any unforeseen circumstance, the Proposed Joint Development will improve the Group's cash flow and financial position as part of its efforts to regularise its business operations.

Overall, the Proposed Joint Development has laid the groundwork for future revenue streams and operational performance, of which are expected to positively impact the property development division's revenue and overall performance. The Proposed Joint Development represents a strategic step towards unlocking value and leveraging opportunities in the property development sectors, positioning this segment for sustainable growth and profitability in the future.

Proposed Disposal of Hinterland

The Proposed Disposal of Hinterland is in line with the Company and PKNP's intention to broaden and further expand the Group's current port and logistics activities and services for the LMT. In addition, the Proposed Disposal of Hinterland also aligns with the Group's financial and asset management strategy by streamlining ownership structures and placing the ownership of Hinterland under LMTSB, which is the entity directly responsible for the Group's port operations and developments. This rationalisation enhances operational focus and accountability within the Group, while maintaining the Company's overall economic interests on Hinterland. Further, the Hinterland holds strategic importance in supporting LMTSB's expansion plans, enhancing port efficiency, and strengthening its service capacity, ultimately contributing to the Group's overall value creation. Lastly, the estimated net pro forma gain from the Proposed Disposal of Hinterland of approximately RM7.91 million will be eliminated at the Group level. However, the tax expense in relation to the Proposed Disposal of Hinterland of approximately RM1.90 million will be incurred and will not be eliminated at the Group level as highlighted in Section 7.2, Part A of the Circular.

Proposed Settlement

The chronological events resulting to the Proposed Settlement can be summarised as follows:-

8 March 2024	Entered into the JDA I with PKNP to jointly carry out the development of Zone 1 Bandar Meru Raya. Entered into the JVA III with PKNP and Unipoh to jointly construct and complete the gated and guarded housing scheme in Zone 1 Bandar Meru Raya as well as to market and carry out sales of the units to end purchasers.
13 February 2025	Entered into the SA JVA III with PKNP and Unipoh to modify, vary and supplement the terms of the JVA III and to stipulate and specify the agreed liquidated value of the Company's entitlement of approximately RM40.38 million pursuant to JVA III and the new mode of payment of the same.

The Proposed Settlement will expedite the settlement of the Company's entitlement (i.e. over a period of 48 months) which shall not be conditional upon or subject to the progress of construction of the joint development and status of the collection of proceeds of sales of housing accommodation comprised in the proposed development of Zone 1 Bandar Meru Raya. While the Company might not be able to enjoy any upside arising from the proposed development of Zone 1 Bandar Meru Raya, i.e. increase in properties prices and/or cost optimisation by Unipoh, the Proposed Settlement provides certainty and mitigates risks related to project delays and market fluctuations. For the avoidance of doubt, the Company's entitlement will be paid solely by Unipoh.



The Proposed Settlement provides an avenue for the Company to raise funds to channel towards the Group's business operations which will improve the Group's overall cash flow position as well as strengthening its financial position as part of its regularisation effort.

Premised on the above, we are of the opinion that the rationale for the Related Party Transactions are reasonable as the Related Party Transactions augur well with the long-term strategy of the Group and is expected to contribute sustainable and recurring income arises from its property development division to the Group following the completion of the Related Party Transactions. Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the Related Party Transactions, are subject to certain risk factors as disclosed in Section 6, Part A of the Circular as well as Section 5.6 of this IAL.

5.2 Evaluation of the Proposed Joint Development

5.2.1 Basis and justification in arriving at the PKNP's Revenue Share (*as defined therein*) in relation to the Proposed Joint Development, in particularly for the SVTP Industrial Hub Project

Under JVA II, PKNP is entitled to PKNP's basic revenue share which is a sum equivalent to RM9.70 per square foot ("psf") of each of the industrial and commercial lots (excluding PKNP's Reserved Land) which is sold to any end-user as an industrial plot and/or commercial plot ("PKNP's Revenue Share"). We are of the view that the Proposed Joint Development is deemed a related party transaction by virtue of PKNP's Revenue Share as opposed to the Company's revenue sharing with Advancecon, which is on a willing-buyer willing-seller basis. Pursuant to the JDA with Advancecon, Advancecon shall be solely liable for all the costs of development of the SVTP Industrial Hub Project.

For clarity, the PKNP's Revenue Share as disclosed in the PPC Valuation Report was approximately RM163.80 million, computed based on PKNP's Revenue Share, taking into consideration the cost of the infrastructure constructed on PKNP's Reserved Land. As a result, the market value of an interest held by the Company for the Proposed Joint Development is RM44.30 million as appraised by PPC.

In assessing the fairness of PKNP's Revenue Share, we note that the Company had previously appointed PPC to conduct the valuation of the 37 out of 39 parcels of land in SVTP Industrial Hub (excluding PKNP's Reserved Land) ("**Appraised Land**") in the early 2025. We also note that the valuation of the Appraised Land was on the basis that vacant possession is available and the properties are free from all encumbrances and on an "as is" basis.

Further, that the Appraised Lands Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The valuation methodology adopted by the valuer is the Comparison Approach. This methodology involves comparing the Appraised Lands with recently transacted properties of a similar nature or offers for sale/ rental of similar properties in the area. Adjustments are then made for differences in location, size, site improvement, infrastructure, market conditions and other factors in order to arrive at a common basis for comparison. Further, there are recent transactions of industrial properties located in the vicinity which solidifies the price trend and thus favours the Comparison Approach. The valuer has considered but not adopted the residual methodology as there are no development orders or any development planning of any sort at prior to 2 May 2025, of which the Company has since obtained approvals to commence earthwork. The valuer has calculated the adjusted land value for both the industrial land and commercial land, which ranges from RM12.00 per sqf to RM14.00 per sqf for industrial land and RM13.00 per sqf to RM17.00 per sqf for commercial land.



As discussed earlier, PKNP is entitled to PKNP's basic revenue share akin to the payment of land cost of RM9.70 psf for each industrial lots is below the comparables' adjusted land value for industrial land, which ranges from RM12.00 psf to RM14.00 psf and the comparables' adjusted land value for commercial land, which ranges from RM13.00 psf to RM17.00 psf.

Premised on the above, we are of the opinion that PKNP's Revenue Share in relation to the Proposed Joint Development, in particularly for the SVTP Industrial Hub Project is not detrimental to the non-interested shareholders of the Company.

5.2.2 Salient terms of the MDA, JVA II and JDA with Advancecon

The salient terms of the MDA, JVA II and JDA with Advancecon are as disclosed in Appendix I Appendix II and Appendix III of the Circular. Non-interested shareholders are advised to read Appendix I, Appendix II and Appendix III of the Circular in the entirety.

Our comments on the salient terms of the MDA are as follows:-

Salient terms	SCA Comments
1. <u>Development Initiatives</u> The development Initiatives which are in the contemplation and discussion of the Company and PKNP are as follows:- (A) Teluk Dalam Land (i) The joint development of parcels of lands located at Teluk Dalam, Mukim Lumut, State of Perak and measuring approximately 55.289 acres in aggregate for the purpose of expanding and growing the Company's property development businesses (known as "Teluk Dalam Land"). (ii) Jointly develop the Teluk Dalam Land together with the 8 plots of land, measuring approximately 0.966 acres in and around the same area as the Teluk Dalam Land and which are held by the Company. (iii) As at the date of the MDA ⁽¹⁾, the Company and PKNP are in discussion with third party for the development of 2 parcels of lands within the Teluk Dalam Land, measuring approximately 39.302 acres, and the assistance of the third party, among others, to market the project and to get investors. Note: (1) As at the LAD, the execution date of the potential joint development agreement with the third party cannot be determined at this juncture as Perak Corp and PKNP are still in early discussions with relevant parties regarding the potential development of Teluk Dalam Land. (B) SVTP Industrial Hub (i) PKNP is the registered owner of landbanks measuring 2,751.60 acres, located in Kanthan, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, which are designated for industrial development ("SVTP Landbanks"). (ii) premised on the Company experience as the master developer for the Lumut Port Industrial Park, PKNP has appointed the Company as the master developer for part of the SVTP Landbanks measuring 816 acres in aggregate.	The purpose of the MDA is to provide a framework for development, outlining the rights, obligations and expectation of both PKNP and the Company. It essentially sets the rules for how the specific development areas will be developed, ensuring the respective projects adhere to the established plans, policies and standard. We are of the view that this term is reasonable.

Salient terms	SCA Comments
(iii) PKNP concluded negotiations with Northern Corridor Implementation Authority ("NCIA") on the termination of the earlier agreement dated 28 December 2020 between PKNP and NCIA which relates to the SVTP Industrial Hub. (iv) The development of the SVTP Industrial Hub is targeted to be undertaken in 3 phases. (C) Hinterland (i) Possible future joint development of the hinterland for the LMT to broaden and further expand the Group's current port and logistics activities and services for the LMT. (ii) As at the date of MDA, PKNP has submitted to the relevant land registry application for 3 plots of land situated adjacent to the LMT. The possible future development of the hinterland for the LMT will proceed further subject to and upon the obtaining of the state approval to do so. (D) Other projects (i) Housing projects in Bandar Meru Raya where the Perak state authority has approved the alienation of state lands measuring approximately 43.79 acres located in Mukim Hulu Kinta, Daerah Kinta. (ii) Any other development initiatives which are mutually beneficial to their interest and are in line with their respective mandates and core business activities. Upon the parties mutually agree to proceed further with any of the possible future developments, the parties agree to execute the development agreement. The development projects of the above landbanks may also be undertaken through joint venture with third parties. In view of the development rights to be granted by PKNP to the Company, subject to such consideration for the grants of the development rights to be agreed and included in the development agreement, the parties have agreed in principle for the Company to pay the consideration under the MDA to PKNP by (i) issuing and allotting new Perak Corp Shares in favour of PKNP; (ii) making cash payment to PKNP; (iii) issuing and allotting redeemable convertible preference shares in favour of PKNP; or (iv) a combination of any of the above.	
2. <u>Condition Precedent</u> The obligations of the Company and PKNP in respect of the development initiative and the execution of any development agreement for the development initiative are in all respects conditional upon the fulfilment or waiver, as the case may be, of each of the following conditions:- (A) parties agreeing on the structure to be adopted for the development initiatives; (B) parties agreeing with the scope and details of the development plan and schedule for the development initiative, including the infrastructure;	These terms set out the obligation and responsibilities of PKNP and the Company in respect of the development initiative and to ensure that the necessary structures, roles and responsibilities of each party, fundings, approvals from relevant authorities are in place prior to or in the course of undertaking such developments. We are of the view that these terms are reasonable.

Salient terms	SCA Comments
(C) the consideration for the grant of development rights for the development initiatives and the payment terms of the consideration for the grant of development rights for the development initiatives; (D) the parties agreeing on the funding obligations of the parties for the development initiative and the funding mechanism; (E) as required and in line with the Company internal process and requirements, conducting due diligence exercises for each of the development initiatives; and (F) the Company, where applicable, obtaining any other approvals or consents required from any appropriate authority to give effect to the development initiative, as well as from Bursa Securities under or in relation to its regularisation plan. Each party shall bear its own costs for the fulfilment of the conditions and is not entitled to claim for reimbursement of the same from the other party in the event the development does not proceed further. And upon fulfilment of the above conditions, within 60 days from the notice issued by PKNP, the parties shall negotiate in good faith and use their reasonable efforts to agree and execute a mutually acceptable development agreement in respect of the relevant confirmed development initiative.	
3. <u>Principal Terms of Development Agreement</u> During the process towards the satisfaction of the above conditions and during the process of negotiation of the development agreement, the development agreement for a confirmed development initiative will be based on the principal terms and conditions set out below and such other terms and conditions as may be agreed between the Company and PKNP. In the event the agreement to be entered into involves a joint venture agreement with other third parties, the following terms and conditions will be amended accordingly. Such conditions precedent necessary to be included, including but not limited to those set out below: (A) Such conditions precedent necessary to be included, including but not limited to those set out below: (i) The Company obtaining the approval of its shareholders, as the case may be, in relation to:- (a) the development initiative to be undertaken; (b) the regularisation plan; (c) the allotment and issuance of shares to PKNP, where applicable; and (d) the cash payment consideration to PKNP, where applicable. (ii) The Company where applicable, obtaining the approvals of the state and estate land board for	These terms provide clear terms and conditions, giving both PKNP and the Company certainty about the development process and what to expect. It helps to ensure that the development process is transparent and accountable to the public by clearly outlining the rules and procedure. Besides, these terms also include the procedures for resolving any disputes that may arise during the development process. We are of the view that these terms are reasonable as it clearly sets out the role and responsibilities of PKNP and the Company in relation to any of the development agreements/ or joint development agreements to be entered.

Salient terms	SCA Comments
the proposed joint development of the Teluk Dalam Land. (III) The Company, where applicable, obtaining the approval in principle of Bursa Securities for:- (a) the proposed issue of shares of the Company to PKNP to satisfy the development rights consideration for a development initiative; and (b) the listing and quotation of all the consideration shares on Bursa Securities and an exemption for PKNP from the obligation to make a mandatory offer for the remaining shares to the existing shareholders. (B) Under a development agreement, PKNP will grant to the Company the necessary rights to:- (i) undertake and manage the development of the confirmed development initiative; (ii) design and build or procure the design and build of all units and infrastructure comprised in the development plan for the confirmed development initiative; (iii) arrange, procure and manage the funding for the confirmed development initiative; (iv) undertake the preparation and submission of all plans and other applications for approvals, and all other works, processes, measures necessary or incidental to the implementation of the confirmed development initiative; (v) develop the infrastructure in accordance with the approved layout plans (kebenaran merancang) and within the timeline mutually agreed between the parties under the development agreement; (vi) promote, market and handle the disposal to and purchaser all or part or section of the units upon such terms and conditions as the Company deems fit provided the same is in compliance with the terms and conditions under the development agreement and enter into any agreement or arrangement with any party for such purposes provided that the same is compliance of the understanding and terms and conditions under the development agreement; (vii) develop either by itself or via or with any other party as it may determine, any part or section of the units in the manner as the Company considers fit subject to the terms and conditions under the development agreement (including any prior approval to be obtained from PKNP or others); (viii) enter into any agreement or arrangement with consultants, contractors, suppliers, purchasers of any part of the land comprise in the development agreement, and any other party in relation to the works or the confirmed development initiative or any part thereof or for any other purposes consistent with or incidental to the performance of its obligations under the development upon such terms as the Company considers fit;	

Salient terms	SCA Comments
(ix) if applicable, take over the management, operation and maintenance of the land comprise in the development agreement and to sell, rent or lease or otherwise deal with the land comprise in the development agreement or any part thereof or any buildings thereon; (x) receive proceeds from the sale or lease of a unit or a vacant lot of the projects from the end purchaser and to apply or utilise the same towards discharging its obligations to PKNP, under the development agreement and for all other purposes as allowed under the development agreement; (xi) take any other steps, actions or measures as the Company considers necessary pursuant or in relation to any of the above or which in the absolute opinion of the Company would be considered as necessary or essential or otherwise consistent with the intentions and objectives of the development agreement; (xii) procure the provision of the public amenities on the land comprise in the development agreement; and (xiii) do such other acts, matters and things as may be consistent with necessary for or incidental to the attainment of any of the foregoing. (C) PKNP will be named as the landowner, while the Company will be named as the master developer or such agreed role as set out in the development agreement of the confirmed development initiative. (D) PKNP, as owner of the land comprise in the development agreement, must at all times co-operate with and use its best endeavours to assist the Company to enable the Company to discharge its duties under the development agreement and complete the development initiative in any way that the Company sees fit so long as the same is not incongruent with the Company's obligations to PKNP under the terms of the development agreement. PKNP must respond promptly to request properly made by the Company for approvals, instructions, execution of any relevant document, information or other assistance. (E) PKNP must, as owner of the land comprise in the development agreement, and as may be required by the Company, promptly and diligently:- (i) enter into planning or other obligations with the local planning or other appropriate authority regulating the development initiative and use of the land comprise in the development agreement (under any statutory provisions applicable to the development initiative) in such form as may be reasonable in the circumstances and, if it is necessary to do so, to procure the grant of planning permission or other requisite consents for the development initiative; (ii) enter into sale or lease agreements and such agreements or arrangements as the registered owner of the land comprise in the development	

Salient terms	SCA Comments
agreement as may be required to enable the Company to complete any sale or lease or other arrangements contemplated in the development agreement, in such form as may be reasonable in the circumstances, and to transfer the title to the applicable part of the land comprise in the development agreement or units pursuant thereto or to effect the lease in favour of the end-user (as the case may be); (iii) transfer to the Company any money received by PKNP in respect of a sale or lease or other arrangements contemplated in the development agreement; and (iv) make such claims bring or be party to such actions or proceedings, and do such acts matters and things in consequence as may be necessary to enable or consistent with enabling the Company properly to carry out its obligations under the development agreement. (F) If necessary and expedient to do so, PKNP will grant a limited and revocable power of attorney in favour of the Company authorising the Company to deal with the land comprise in the development agreement for the purposes of a confirmed development initiative, the disposal to an end purchaser and the development agreement, but not to otherwise sell, dispose or deal with the land comprise in the development agreement. The Company must keep PKNP indemnified against loss, damage, claim or other liability incurred by them under or in consequence of any act done under the power of attorney, except and to the extent that such liability arises out of or in consequence of the breach of the obligations of PKNP under the development agreement. (G) The Company must in respect of a confirmed development initiative:- (i) undertake the planning and management of the confirmed development initiative and perform all of its obligations under the development agreement in compliance with the governing laws, regulations, approved development order and within the time frame stipulated under the development agreement; (ii) undertake all preparatory works including the preparation of plans, survey and other works required prior to and in connection with the application for the subdivision, amalgamation, etc., to the land comprise in the development agreement; (iii) notify PKNP if any of the Company's authorised signatories is no longer authorised to sign any document or otherwise to act on the Company's behalf; (iv) co-ordinate, superintend and supervise the carrying out of the confirmed development initiative; (v) determine and use its best endeavours to procure funding for all project expenditures for the development of the confirmed development initiative; (vi) engage such qualified consultants, advisors, contractors and all such personnel required for	↓

Salient terms	SCA Comments
the development and completion of the confirmed development initiative; (vii) monitor cost and exercise cost controls; (viii) advise on the feasibility of schemes of development for the land comprise in the development agreement, the character of the confirmed development initiative, alternative design and construction approaches, materials and appearance, cost implications of different schemes of development, the need to obtain requisite consents, and the marketability of the land comprise in the development agreement as developed; (ix) submit the applications for obtaining the requisite consents; (x) determine the timing, nature and scope of each of the phases of the confirmed development initiative; (xi) advise on site assembly and the acquisition or extinguishment of interests and rights in or over the land comprise in the development agreement held by any third parties, and conducting negotiations and taking steps to acquire or extinguish such interests or rights; (xii) use its reasonable endeavours to procure that so far as may be practicable:- (a) the confirmed development initiative is begun and completed in accordance with the projected timetable for the development and is implemented in good order; (b) the disposal to end purchaser effected in a timely manner and on favourable terms; (xiii) determine promotional and marketing campaigns for the disposal to end purchaser and conducting negotiations for the disposal to end purchaser; (xiv) if applicable, maintain and manage the land comprise in the development agreement until the completion of the disposal to end purchaser and the establishment of the management corporations; and (xv) assume payment of all quit rents, assessment, rates and other outgoings in respect of the land comprise in the development agreement from the date of the development agreement. (H) The Company must in respect of the confirmed development initiative, use its best endeavours to procure all necessary funding and finance for all items of expenditure relating to the confirmed development initiative. The Company may secure a bridging financing facility or other financial arrangement. And with the prior consent of PKNP, charge the land comprise in development agreement as security for any financing secured by the Company to fund and finance items of expenditure directly relating to the confirmed development initiative.	

Salient terms	SCA Comments
4. <u>Event of Default</u> It is an event of default if:- (A) a party breaches any material obligation under this MDA, upon receipt of written notice, the defaulting party does not remedy the breach within 30 days after the date of the notice; (B) a party ceases or threatens to cease to carry on business; (C) an administrator is appointed, or a resolution is passed, or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to any party; (D) a receiver, receiver and manager, official manager, trustee, administrator, other controller (as defined in the Act) or similar officer is appointed over the assets or undertaking of any party; or (E) any party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them.	These terms are reasonable as they set out the event of defaults that might be resulted in the termination of the MDA.
5. <u>Effect of Event of Default</u> If an Event of Default occurs, the non-defaulting Party has the rights to issue a notice of termination to terminate this MDA with immediate effect.	The default clauses are reasonable and will allow the non-defaulting party the avenue to terminate the agreement as well as safeguard the interest of the non-defaulting party in the event that any of the terms and conditions cannot be satisfied or waived.
6. <u>Post-Termination</u> Following the giving of a notice of termination under any of the provisions of this MDA, no party will have any further obligation under this MDA to the other parties, except in respect of: (A) any obligation under this MDA which is expressed to apply after the termination of this MDA; and (B) any rights or obligations which have accrued in respect of any breach of any of the provisions of this MDA to any party prior to such termination.	These terms are deemed reasonable as after a notice of termination is given, the parties are no longer obligated under the agreement, except for obligations that are meant to continue after termination and rights or obligations related to breaches that occurred before termination.

Premised on the above, we are of the view that the abovementioned salient terms of the MDA are fair and reasonable and not detrimental to the non-interested shareholders.

Our comments on the salient terms of the JVA II are as follows.

Salient terms	SCA Comments
1. <u>Joint Development</u> (A) Collaboration & Joint Development In consideration of the respective obligations, covenants, undertaking and representation under the JVA II, PKNP and the Company must:- (i) collaborate with each other to jointly carry out the Proposed Joint Development; and (ii) undertake their respective roles and obligations set out in the JVA II.	The JVA II is entered to facilitate collaboration between PKNP, being the landowner and the Company to jointly develop the SVTP Industrial Hub Project development. The purpose of the JVA II is to streamline the development process, share cost, risks and define the responsibilities and rights of each party involved. A summary of the SVTP Industrial Hub Project is set out in Section 2.2, Part A of the Circular.



Salient terms	SCA Comments
(B) Project Land (i) PKNP is the registered owner of 42 pieces of leasehold lands:- (a) a total gross acreage of 816.08 acres and nett acreage (excluding PKNP's Reserved Lands, ponds, and other reserves) of 530.71 acres; (b) all located in Mukim Hulu Kinta, Daerah Kinta, Perak; (c) free from all encumbrances; and (d) under the zoning of commercial with land use of Industrial and commercial. (ii) As at the date of JVA II, the issue documents of title to the total PKNP lands are in the possession of PKNP. (iii) The Company has approached Advancecon with a proposal for the Company and Advancecon to jointly undertake the Infrastructure works and develop the total lands excluding the ponds, Lot 45 PT 253451, Lot 46 PT 253452 and Lot 47 PT 253453, all located in Mukim Hulu Kinta, Daerah Kinta, measuring, approximately, 746.73 acres in area and for the Company to enter into a joint development agreement with Advancecon. (iv) PKNP will retain all of its right over the lands held under title numbers Lot 8 PT253415, Lot 10 PT253417, Lot 45 PT 253451, Lot 46 PT 253452 and Lot 47 PT 253453, all located in Mukim Hulu Kinta, Daerah Kinta, which are located within and are part of the total PKNP lands, which PKNP will retain and has the full rights to deal with it as PKNP deems fit in due course. (v) In relation to the Lot 8 PT253415 and Lot 10 PT253417, which form part of the PKNP's Reserved Land but which are also part of the land, PKNP has instructed the Company and Advancecon to undertake infrastructure works on Lot 8 PT253415 and Lot 10 PT253417 and:- (a) for Lot 8 PT253415, PKNP will pay the infrastructure cost at the commercial value to be determined based on the market value at the point of sale; and (b) for Lot 10 PT253417, PKNP will pay the infrastructure cost at actual construction cost, administration cost and financial cost estimated at RM 13.55 per square foot, subject to final verification. Lot 8 PT253415 and Lot 10 PT253417 will not be included in any sale. (vi) The verified and agreed cost for the infrastructure constructed specifically for Lot 8 PT253415 and Lot 10 PT253417 will be deducted against PKNP's entitlement under the joint development agreement prior to the release of the remaining PKNP's entitlement from the joint development proceeds account.	These terms also set out the obligation and responsibilities of PKNP and the Company to the proposed joint development of the SVTP Industrial Hub Project and to ensure that necessary statutory payments are made, the removal of illegal occupants as well as the establishment of the joint management committee to govern and to ensure the smooth development of the SVTP Industrial Hub Project. Hence, we are of the view that these terms are reasonable.

Salient terms	SCA Comments															
(C) Development Name The name of the development will be "Silver Valley Technology Park Industrial Hub" or any other name as may be agreed by PKNP and the Company. (D) Development in phases The Proposed Joint Development will be developed in 3 phases as detailed out in and in accordance with the proposed sequential size areas as follows and in accordance with demand from end-purchasers: <table><tr><th>Phase</th><th>Gross Acreage</th><th>Nett Acreage</th></tr><tr><td>1</td><td>274.85</td><td>144.11</td></tr><tr><td>2</td><td>206.31</td><td>179.25</td></tr><tr><td>3</td><td>265.57</td><td>207.57</td></tr><tr><td>Total</td><td>746.73</td><td>530.71</td></tr></table> PKNP and the Company have agreed to enter into the JDA with Advancecon as the joint developer for the Proposed Joint Development. The percentage of the Industrial plots or other product offerings to end purchasers will be approved by joint management committee from time to time, of which the Company shall notify to Advancecon on the ratio under JDA with Advancecon. The development agreement must be on the basis that the total completion period must not be more than 5 years. Any request for extension of the period, the Company shall obtain the approval of the joint management committee. (E) Illegal Occupier The cost of removing illegal occupiers from the land shall be borne by the Company, and to be reimbursed to PKNP by deducting from the Company money in the designated account under the JVA II. (F) Quit rents, assessment, rates and other outgoing All outstanding quit rents, assessment, rates and other outgoings in relation to the lands accrued as at 31 December 2023, totalling RM 12,642,494.60, are to be borne by PKNP. However, the Company must procure Advancecon to advance such sum under the JDA with Advancecon subject to reimbursement of the same by way of deduction from PKNP's entitlement under the JDA with Advancecon prior to the release of the same from the proceeds account. For the avoidance of doubt, Advancecon is permitted to pay the outstanding payment in stages which are involved in a stage of the Proposed Joint Development based on the approved development plan under the JDA with Advancecon. (G) Establishment of joint management committee (i) For the effective co-ordination, planning, carrying out, management and completion of the Proposed Joint Development, PKNP and the Company must establish a joint management committee to jointly make decision on matters in relation to the Proposed Joint Development which are under the purview of the joint management.	Phase	Gross Acreage	Nett Acreage	1	274.85	144.11	2	206.31	179.25	3	265.57	207.57	Total	746.73	530.71	
Phase	Gross Acreage	Nett Acreage														
1	274.85	144.11														
2	206.31	179.25														
3	265.57	207.57														
Total	746.73	530.71														

Salient terms	SCA Comments
committee and oversee the progress of the Proposed Joint Development within one month from the date of this JVA II or such other period of time as agreed by the parties. The joint management committee shall be represented by 4 representatives nominated by PKNP and the Company equally. (ii) The quorum of the joint management committee should comprise 2 members, comprising 1 nominated by PKNP and 1 by the Company of which all decision of the joint management committee requires unanimously in favour of such decision. Unless no decision is reached after the conclusion of 2 meetings, then the respective decision by senior management or board of directors of PKNP and the Company be final and binding on the joint management committee. (H) Creation of charge or collateral security The Company may charge over such parcel of lands in phase 1 and phase 2 of the land as security for any bridging finance for funding of the Proposed Joint Development, subject to complete documentation and information being submitted and the terms of the charge being acceptable to PKNP, the bridging finance to be obtained by Advancecon must be on a staggered basis and based on the financial requirement of the infrastructure works and the phases of the Proposed Joint Development.	
2. <u>Roles</u> (A) PKNP (i) grant a non-exclusive licence to the Company to allow the Company entry to and use of the land for the purposes of the joint development and the sale. (ii) the licence granted above extends to Advancecon, any contractor, its subcontractors and their respective agents and employees, the professional team and any other consultants whose services are engaged in connection with the Proposed Joint Development and the sale, prospective purchasers and any such other persons as the Company and/or Advancecon may invite to the land for the purposes of the Proposed Joint Development and the sale. (B) The Company (i) oversee the progress of the Proposed Joint Development and report to the joint management committee in respect thereof; (ii) co-ordinate, superintend and supervise the carrying out of the Proposed Joint Development in accordance with the JVA II and decisions of the joint management committee and joint management committee of JDA with Advancecon; (iii) undertake the planning and management of the Proposed Joint Development and perform all of its obligations under the JVA II in compliance with	These terms set out the use on the non-exclusive licence granted by PKNP to the Company for the purpose of the proposed joint development of the SVTP Industrial Hub Project and the sale of the industrial lots completed with the main infrastructure to end purchasers. We are of the view that these terms are reasonable as it clearly sets out the role and responsibilities of the Company and PKNP pursuant to the proposed joint development of the SVTP Industrial Hub Project.

Salient terms	SCA Comments
	the governing laws, regulations, approved development order etc. and within the time frame stipulated under the JVA II and in accordance with the directions and decisions of the joint management committee and joint management committee of JDA with Advancecon; (iv) determine and fund or procure Advancecon to fund the Proposed Joint Development in compliance with the directions and decisions of the joint management committee and joint management committee of JDA with Advancecon; (v) appoint Advancecon, the party approved by joint management committee, as the joint developer for the Proposed Joint Development and in accordance with the instruction and decisions of the joint management committee; (vi) monitor cost and exercise cost controls in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (vii) determine promotional and marketing campaigns for the sale and conduct negotiations for the sale, together with Advancecon, in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (viii) ensure the maintenance and proper management of the land until the completion of the sale in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (ix) procure the design and build of the main infrastructure comprised in the development plan for the Proposed Joint Development in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (x) provide input and assist Advancecon on the preparation and submission of all plans and other applications for approvals, and all other works, processes, measures necessary or incidental to the implementation of the Proposed Joint Development in accordance with the decisions of the joint management committee of JDA with Advancecon; (xi) procure the development of the main infrastructure in accordance with the approved layout plans (Kebenaran Merancang) within the timeline mutually agreed between the parties and in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (xii) promote, market and handle the sale, together with Advancecon, all or part or section of the industrial plots and enter into any agreement or arrangement with any party for such purposes in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon; (xiii) procure the deposit of PKNP's share of revenue and the Company's share of revenue into the designated account; (xiv) apply or utilise and ensure the distribution of the funds in the designated account towards

Salient terms	SCA Comments
discharging the obligations of the parties under the JVA II in accordance with the JVA II; (ixv) take any other steps, actions or measures as the Company reasonably considers necessary pursuant or in relation to any of the above consistent with the intentions and objectives of the JVA II and decisions of the joint management committee and joint management committee of JDA with Advancecon; (ixvi) procure the provision of the public amenities on the land in accordance with the decisions of the joint management committee and joint management committee of JDA with Advancecon; (ixvii) use its reasonable endeavours to procure that so far as may be practicable: (i) the Proposed Joint Development is begun and completed in accordance with the projected timetable for development and is implemented in good order; (ii) the sale is effected in a timely manner and on favourable terms; (ixviii) assume payment of all quit rents, assessment, rates and other outgoings in respect of the land on and from 1 January 2024; (ixix) ensure and procure Advancecon to carry out its obligations in accordance with the JDA with Advancecon; (ixx) ensure PKNP is entitled to be admitted as a member of the joint management committee of JDA with Advancecon established under the JDA with Advancecon to jointly make decisions on those matters under the purview of the joint management committee of JDA with Advancecon; and (ixxi) do such other acts, matters and things as may be consistent with, necessary for or incidental to the attainment of any of the foregoing.	
3. <u>Share of Revenue</u> (A) In consideration of PKNP's roles and obligations under JVA II, PKNP is entitled to sum equivalent to RM9.70 per square foot of each sale of an industrial plot (excluding the PKNP's Reserved Lands) which is sold to any end-user as an industrial plot ("PKNP's Basic Revenue Share"). (B) The Company must ensure that the terms of the JDA with Advancecon provide that the Company's entitlement under the JDA with Advancecon and PKNP's Basic Revenue Share must be paid progressively to a designated account under JVA II, by way of quarterly instalments based on the sales proceeds of industrial plots under the JDA with Advancecon ending every 31 March, 30 June, 30 September and 31 December within 7 days from the end of each quarter of every calendar year ("JDA Quarterly Payment"). (C) PKNP's Basic Revenue Share for each sale of an industrial plot must be paid to PKNP within 7 business days from the expiry of 6 months from the receipt of a JDA Quarterly Payment in the designated account by:	The evaluation of PKNP's Basic Revenue Share was discussed in Section 5.2.1 of this IAL. These clauses are reasonable to ensure timely and transparent distribution of revenue between the Company and PKNP arising from the JDA with Advancecon.

Salient terms	SCA Comments
(i) The Company issuing and allotting Perak Corp Shares in favour of PKNP; (ii) the release of funds from a bank account opened by the Company and jointly operated and managed by the PKNP and the Company; (iii) The Company making a cash payment to PKNP; (iv) The Company Issuing and allotting redeemable convertible preference shares of the Company (or the Company procuring the issue and allotment of redeemable convertible preference shares of a subsidiary or related company of the Company) in favour of PKNP; or (v) a combination of any of the above. As may be determined by PKNP at its sole discretion. (D) Subject to the full payment of all PKNP's Basic Revenue Share and PKNP's Additional Share of Revenue, the Company is entitled to the remaining funds in the designated account after deduction of all PKNP's Basic Revenue Share and PKNP's Additional Share of Revenue. (E) PKNP is entitled to late payment interest of any late payment of PKNP's Basic Revenue Share and PKNP's Additional Share of Revenue at the rate of 6% per annum calculated on daily basis.	
4. <u>Termination</u> (A) In the event that the JVA II is terminated due to the Company's insolvency or default, PKNP is entitled to the following: (i) retake the possession of the land; (ii) retain all monies received by PKNP and to claim for damages from the Company for losses incurred by PKNP by reason of or caused by the default of the Company; (iii) institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis; and (iv) take over the Proposed Joint Development and appoint a contractor to continue the Proposed Joint Development and all additional costs and expenses reasonably incurred thereby for the appointment of such new contractor and to complete the Proposed Joint Development will be paid by the Company and the Company will be liable to pay PKNP all costs to complete the Proposed Joint Development. In no event shall PKNP, when electing to take over the Proposed Joint Development, be deemed to assume the Company's or Advancecon's liabilities or obligations to any lenders, financiers, creditors or any other interested parties in respect of the Proposed Joint Development. (B) In the event the JVA II is terminated either because of PKNP's insolvency or default on PKNP's part, then the Company may claim for damages from PKNP for losses	These terms are reasonable as they are common commercial terms in an agreement for transactions that are similar to the proposed joint venture. The termination clause is reasonable and will allow the non-defaulting party the avenue to terminate the agreement as well as safeguard the interest of the non-defaulting party in the event that any of the terms and conditions cannot be satisfied or waived.

Salient terms	SCA Comments
incurred by reason of or caused by the default of PKNP, and: (i) for the refund of any balance of advances in relation to PKNP's obligations under the Proposed Joint Development in relation to quit rent, assessment, rates and other outgoings and infrastructure costs (if any) paid by Advancecon under the JDA with Advancecon and not repaid to Advancecon under the JDA with Advancecon, free of interest; and (ii) If the JDA with Advancecon is terminated prior to the unconditional date of the JDA with Advancecon, reimburse all direct cost and expenses incurred by Advancecon under JDA with Advancecon prior to the unconditional date under JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed within 30 business days upon demand by the Company. (C) The termination of the JVA II will not affect those industrial plots that have been completed regardless whether the completed industrial plots have been sold or unsold, and (i) PKNP and the Company must continue to perform their obligations in respect of the completed industrial plots in accordance with the terms of the JVA II; and (ii) PKNP's rights, title and interests to PKNP's share of revenue and the Company's share of revenue respectively comprised in the completed industrial plots (in each case, whether sold or unsold) remain unaffected.	

Premised on the above, we are of the view that the abovementioned salient terms of the JVA II are fair and reasonable and not detrimental to the non-interested shareholders.

Our comments on the salient terms of the JDA with Advancecon are as follows:

Salient terms	SCA Comments
1. <u>Joint Development</u> (A) Collaboration & Joint Development In consideration of and subject to the respective agreements, undertakings, covenants and obligations of the parties as hereinafter set out, the parties hereby agree: (i) to collaborate with each other to jointly carry out the Proposed Joint Development; and (ii) undertake their respective roles and obligations as set out in the JDA with Advancecon. (B) To ensure that the objective of the JDA with Advancecon is achieved, the Company agrees to deploy one (1) dedicated personnel to Advancecon project and sale office at appropriate time and Advancecon shall provide a dedicated work station and facilities at Advancecon's project and sales office and permit the Company's personnel to participate in the	The JDA with Advancecon is entered to facilitate collaboration between PKNP, the Company and Advancecon to jointly develop the SVTP Industrial Hub Project development. The purpose of the JDA with Advancecon is for the execution of the terms set out in JVA II as well as to streamline the development process, share cost, risks and define the responsibilities and rights of each party involved. Hence, we are of the view that these terms are reasonable. Based on information set out in Section 2.2.1, Part A of the Circular and pursuant to the JVA II and JDA with Advancecon, in respect of PKNP's Reserved Lands, we



Sallient terms	SCA Comments
administration and management of the Proposed Joint Development and grant the Company personnel access to all records solely in relation to the development to enable the Company personnel to carry out its duties and responsibilities efficiently. (C) Development lands (i) The Proposed Joint Development shall be carried out on lands measuring approximately 746.73 acres and held under 39 parcels of lands located in Mukim Hulu Kinta, Daerah Kinta, Perak and the Company shall procure PKNP to provide the lands free from encumbrances. (ii) PKNP shall provide assistance to the Company and Advancecon (both acting on behalf of PKNP) to remove and evict illegal occupiers or squatters on all or any part of the lands. Any legal fees and/or costs incurred by PKNP for the removal and eviction of the illegal occupiers or squatters shall be borne by the Company and deducted from the Company's monies maintained in the joint bank account set up pursuant to the JDA II. (iii) PKNP will retain all its right over (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 25345; and (v) Lot 47 PT 253453 and the Company and Advancecon acknowledge and accept that PKNP has full rights to deal with PKNP's Reserved Lands as PKNP deems fit. Notwithstanding, PKNP has instructed the Company and Advancecon to undertake work on Lot 8 PT253415 and Lot 10 PT253417. The Company will procure that PKNP pay the main infrastructure cost which is calculated based on the following: (a) for Lot 8 PT253415, at the commercial value to be determined based on the market value at the point of sale; and (b) for Lot 10 PT253417, at actual construction cost, administration cost and financial cost estimated at RM13.55 per square foot, subject to final verification. (iv) The main infrastructure constructed specifically for Lot 8 PT253415 and Lot 10 PT253417 includes roads and related ancillary works, side tables of the roads, drains, sewerage systems, gas and water reticulation systems, electrical cables, street lightings, water pipes, telephone cables, sewer lines, man-hole and covers and any other related ancillary work to be constructed, laid upon or installed as approved by the relevant authorities, will be deducted from PKNP's basic revenue share. (D) Acknowledgement of the roles and rights of PKNP (i) PKNP shall be a member of the joint management committee which shall comprise representatives of PKNP, the Company and Advancecon following the date of the JDA with Advancecon.	noted that PKNP has instructed the Company and Advancecon to undertake infrastructure works on PKNP's Reserved Lands and PKNP will reimburse the infrastructure cost as part of the terms set out in the (c) (iii), to be calculated based on the following:- (i) for Lot 8, at the commercial value to be determined based on the market value at the point of sale, of which the profits arising from the reimbursement of the infrastructure cost for Lot 8 will be shared between Advancecon and the Company in the similar 35% profit sharing arrangement as the Proposed Joint Development; and (ii) for Lot 10, at actual construction cost, administration cost and financial cost estimated at RM13.55 per square foot, subject to final verification. For avoidance of doubt, as the reimbursement is based on actual cost incurred, there is no profits arising from the reimbursement. As such, we are of the view that these terms are reasonable.

Salient terms	SCA Comments
(ii) All the sales proceeds are to be deposited into the proceeds account jointly operated by Advancecon, the Company and PKNP for the management and distribution of the sale proceeds according to the JDA with Advancecon. (iii) the joint management committee shall have the roles and rights under the JVA II for reviewing and planning the development which includes discussing and deciding on any issues arising from or in connection with the Proposed Joint Development which do not overlap with exclusive decisions to be made by the Company and PKNP under the joint management committee pursuant to the JVA II as set out below: (a) the percentage of industrial lots permitted to be sold; (b) the product offerings (other than industrial lots) and the percentage for each item of the product offerings (other than industrial lots) to be offered to end purchasers; (c) the possible construction of a scheduled waste facility to cater to the needs of clients of SVTP Industrial Hub; (d) performance concerns involving Advancecon and recommendations related thereto; and (e) matters affecting PKNP's proprietorship over the total PKNP lands including (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 25345; and (v) Lot 47 PT 253453; provided that in exercising such exclusive decisions: (a) the Company shall procure that the joint management committee pursuant to JVA II shall first consider the market demand, investors' requirements, construction cost and financiers' requirements under the financing or future financing to be undertaken by Advancecon pursuant to the Proposed Joint Development; (b) for the product offerings (other than industrial lot), the Company shall procure that the joint management committee pursuant to JVA II shall grant the first right of refusal to the Company and Advancecon to construct product offerings (other than industrial lot). The Company and Advancecon must exercise the first right of refusal within 6 months (or such other date as mutually agreed by PKNP, the Company and Advancecon) from the date such right is granted by the joint management committee established pursuant to JVA II; (c) to the extent that if any issues arising from or in connection with the Proposed Joint Development which overlap with exclusive decisions to be made by the Company and PKNP under the joint management committee established pursuant to JVA II and that such issues would affect the rights and interest of Advancecon, such issues shall be firstly discussed at joint management committee level under the JDA with Advancecon; and	

Salient terms	SCA Comments										
(iv) the members of the joint management committee of the JDA with Advancecon shall comprise of one (1) representative from each PKNP, the Company and Advancecon respectively. If conclusion cannot be made by the joint management committee, the joint management committee of the JDA with Advancecon shall refer to the senior management or director of each PKNP, the Company and Advancecon. (E) Development in phases (i) The development to be undertaken in 3 phases as follows: <table><tr><th>Phase</th><th>Gross Acreage</th></tr><tr><td>1</td><td>274.85</td></tr><tr><td>2</td><td>206.31</td></tr><tr><td>3</td><td>265.57</td></tr><tr><td>Total</td><td>746.73</td></tr></table> (ii) the collaboration of the parties in relation to the Proposed Joint Development commences following the execution of JDA with Advancecon and will continue until the expiry of 5 years from the unconditional date of JDA with Advancecon or unless extended by the parties or the date of termination, whichever is earlier. (F) Obligation to procure funding (i) Advancecon shall give its best effort to procure all necessary funding for the Proposed Joint Development. (ii) For any proposed creation of charge over any parcel of the lands excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 25345; and (v) Lot 47 PT 253453 to fund the development for any phase of the Proposed Joint Development:- (a) a corporate guarantee by Advancecon Holdings Bhd, in such form and substance satisfactory to PKNP and the Company, up to the value of the lands (RM9.70 per square foot) excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 25345; and (v) Lot 47 PT 253453 proposed to be charged, must be provided by Advancecon in favour of PKNP; (b) additionally, if required by PKNP and the Company, Advancecon shall also provide indemnity in favour of PKNP and the Company, in such form and substance satisfactory to PKNP and the Company; and (c) all financing and sale proceeds shall be deposited into account(s) jointly operated or maintained by PKNP, the Company and Advancecon.	Phase	Gross Acreage	1	274.85	2	206.31	3	265.57	Total	746.73	
Phase	Gross Acreage										
1	274.85										
2	206.31										
3	265.57										
Total	746.73										
2.	<u>Revenue Share</u> (A) PKNP's Basic Revenue Share	The evaluation of PKNP's Basic Revenue Share was discussed in Section 5.2.1 of this IAL									



Salient terms	SCA Comments
Under JVA II, PKNP is entitled to PKNP's basic revenue share which is a sum equivalent to RM9.70 per square foot of each of the industrial and commercial lots (excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 25345; and (v) Lot 47 PT 253453) sold to end-user. And it shall be paid from the proceeds account to the joint bank account set up pursuant to JVA II after deduction of all advances paid by Advancecon on behalf of PKNP. (B) The Company's Revenue Share Subject to full payment of all development costs, the Company is entitled to a sum equivalent to 35% of the nett development value. However, the Company shall incur costs in implementing this joint venture. Pending full payment of all development cost, the Company shall be paid an amount equivalent to 10% from the proceeds of sales of each industrial lot sold to end-purchaser or any percentage as mutually agreed by the parties from time to time, after deducting the advances paid by Advancecon on behalf of Perak Corp in relation to Perak Corp's obligations under the JDA with Advancecon. (C) Developer's Revenue Share Subject to the full payment of all development cost, PKNP's basic revenue share and the Company's revenue share, Advancecon is entitled to a sum equivalent to 65% of the nett development value. The gross development value totalling RM1,032,755,328 is based on the assumption of sale of nett saleable land measuring 592.72 acres with main infrastructure work. (D) Manner of Payment The payment to the Company and PKNP's basic revenue share shall be paid progressively when the industrial lots are sold by quarterly instalments based on the Proposed Joint Development industrial lots sales collection ending every 31 March, 30 June, 30 September and 31 December within 7 business days from the end of each quarter of every calendar year.	We note that the allocation of the net development value sharing percentage of 35% for the Company and 65% for Advancecon were arrived at willing-buyer willing-seller basis. We also note that pending full payment of all development cost, the Company shall be paid an amount equivalent to 10% from the proceeds of sales of each industrial lot sold to end-purchaser(s) or any percentage as mutually agreed by the parties from time to time, after deducting the advances paid by Advancecon on behalf of the Company in relation to the Company's obligations under the JDA with Advancecon. Such proceeds provide an avenue for the Company to raise funds to channel towards the Group's business operations which will improve the Group's overall cash flow position as well as strengthening its financial position as part of its regularisation effort. As Advancecon undertakes a larger share of the project costs, construction responsibilities and associated risk (i.e. financial risk), it warrants a higher percentage of the net development value sharing. Hence, we are of the view that these terms are reasonable.
3. <u>Condition Precedent</u> (A) The Company and Advancecon agreed that the JDA with Advancecon is conditional upon the following conditions: (i) Advancecon obtaining appropriate authorities' approvals for the Proposed Joint Development; (ii) The Company and Advancecon obtaining its shareholders' approval; (iii) The Company and Advancecon obtaining Bursa Securities or other regulatory bodies approval; (iv) the written undertaking from PKNP that the land is free from all encumbrances and the original issue document of titles of the land shall be released to the Company immediately, at the written request of the Company for change of land category, condition or restriction, or charging of the land excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv)	These terms are reasonable as the approval from the board of directors of the Company and Advancecon as well as the Company's shareholders and Advancecon's shareholders are required to be in compliance with the Listing Requirements.

Salient terms	SCA Comments
Lot 46 PT 25345; and (v) Lot 47 PT 253453 to a third party financier by Advancecon (where applicable), subject to and in accordance with the provisions of the JDA with Advancecon; and (v) Advancecon has obtained a bridging financing facility of other financial arrangement from the financial institution(s); within the condition period of 15 months from the date of the JDA with Advancecon⁽¹⁾, or such other extended period as may be mutually agreed upon by the parties. Note: (1) Pursuant to the terms of the JDA with Advancecon, the condition period was set for a duration of 15 months commencing from 8 January 2024 and lapsed on 8 April 2025. On 7 May 2025, the Company and Advancecon had entered into a mutual written extension letter, to further extend the condition period for additional 6 months period from 8 April 2025. (B) In the event that any of the conditions precedent is not fulfilled or obtained or performed by the respective parties within the conditional period despite all reasonable efforts by the parties hereto, or in the event the conversion approval is rejected, thus the JDA with Advancecon shall terminate and automatically lapse whereupon: (i) If the non-fulfilment is caused by or attributable to a default of the Company, the Company shall refund all deposits or advances in relation to the Company's obligations under the Proposed Joint Development (if any) paid by Advancecon, free of interest and reimburse Advancecon all direct cost and expense incurred by Advancecon pursuant to the JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed, and Advancecon shall within 30 business days upon demand by the Company remove all its belongings from the land, exit the land and return the lands to PKNP; and the Company shall within 30 business days after having completed any restoration works which must be done within 30 business days or such other period agreed by PKNP in connection with all damage occasioned to the land; or (ii) If the non-fulfilment is caused by a default of Advancecon, Advancecon shall reimburse all direct cost and expenses incurred by the Company and PKNP pursuant to the JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed. Advancecon shall remove all its belongings from the land, exit the land and return the lands to the Company or PKNP, after having completed any restoration works which must be done within 30 business days or such other period agreed by the Company (in consultation with PKNP) in connection with all damage occasioned to the land; or	↓ This clause is reasonable and will allow the non-defaulting party the avenue to terminate the agreement as well as safeguard the interest of the non-defaulting party in the event that any of the conditions precedent cannot be fulfilled or obtained or performed. ↓

Salient terms	SCA Comments
(iii) If the non-fulfilment is caused by a default of PKNP, the Company shall procure PKNP to refund all advances in relation to PKNP's obligations under the Proposed Joint Development (if any) paid by Advancecon, free of interest and reimburse all direct cost and expenses incurred by Advancecon pursuant to the JDA, with Advancecon, subject to production of documents to substantiate the cost and expense claimed. Advancecon shall within 30 business days upon demand by the Company to remove all its belonging from the land, exit the land and return the lands to the Company or PKNP, on an as is where is basis; or (iv) If the non-fulfilment is not due to the fault of either party, the Company shall refund all deposits and advances in relation to the Company's obligations under the Proposed Joint Development and procure PKNP to refund all advances in relation to PKNP's obligations under the Proposed Joint Development paid by Advancecon free of interest, and Advancecon shall remove all its belonging from the land, exit the land and return to the Company or PKNP, after the Company or Advancecon having completed all restoration works which must be done within 30 days or such other period agreed by the Company (in consultation with PKNP) in connection with any damage occasioned to the land. after which the JDA with Advancecon will be of no further force and effect and thereafter the parties shall be released from all further obligations to each other.	
4. <u>Event of Default</u> Save as otherwise provided in the JDA with Advancecon, any one of the following events will constitute an event of default: (A) If Advancecon: (i) fails, neglects and/or refuse to commence, the works on the commencement date or such other extended period as may be mutually agreed upon by the parties; (ii) fails to complete the Proposed Joint Development by the completion date; or (iii) fails to proceed with the works diligently or the carrying out of the works is wholly suspended continuously for more than 3 months before completion date thereof; or (iv) persistently or flagrantly breaches or neglects to comply with or carry out any of its material obligation under the JDA with Advancecon; or (v) is in breach of any of its obligations or any of the warranties, representations, covenants or terms under the JDA with Advancecon and if capable of remedy, is not remedied within 30 business days of written notice from the Company; or If the Company is in breach of any of its obligations or any of the warranties,	These terms are reasonable as they set out the event of defaults that might be resulted in the termination of the JDA with Advancecon. 

Salient terms	SCA Comments
representations, covenants, obligations or terms under the JDA with Advancecon and if capable or remedy is not remedied within 30 business days of written notice from Advancecon; then and in such an event (where such event is not attributable to reasons beyond the reasonable control of Advancecon or the Company), the non-defaulting party may require the defaulting party to remedy the relevant default provided that notice in writing given to the defaulting party specifying the relevant default and requiring the defaulting Party to remedy the same within 21 days from the date of receipt of the notice or any other period as may be mutually agreed between the parties. Upon the expiry of the said notice, the non-defaulting party may, for so long as relevant default or event is continuing, without prejudice to any other right or remedy that it may possess, terminate the JDA with Advancecon with immediate effect and issue written notice to such effect to the defaulting party. (B) Developer's insolvency or default on Developer's Part (i) Advancecon shall cease all operations on the lands, quit and return all possession of the lands to PKNP after having completed any restoration works; (ii) The Company is entitled to retain all moneys received and to claim for damages from Advancecon for losses incurred by reason of or caused by the default of Advancecon; (iii) The Company is entitled to institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis; (iv) The Company is entitled to take over the development and appoint a contractor to continue, all additional costs incurred to complete the Proposed Joint Development will be paid by Advancecon; and (v) Advancecon shall fully settle all financing obtained in relation to the Proposed Joint Development and discharge all charges created on the lands within 3 months from the termination effective date. (C) The Company's insolvency or default on the Company's part If the JDA with Advancecon is terminated due to the Company insolvency or default on the Company's part, Advancecon is entitled to claim for reimbursement of all cost and expenses incurred up to the effective date of termination, including all amount outstanding to Advancecon in the development and proceeds account.	



Salient terms	SCA Comments
(D) Industrial Lots Notwithstanding the termination of JDA with Advancecon, it will not affect the Industrial lots, i.e. land with complete main infrastructure which is one of the product offerings, regardless the Industrial lots have been sold or unsold, each party must continue their respective roles and obligations.	

Premised on the above, we are of the view that the abovementioned salient terms of the JDA with Advancecon are fair and reasonable and not detrimental to the non-interested shareholders.

5.3 Evaluation of the Proposed Disposal of Hinterland

5.3.1 Basis and justification in arriving of determining the Disposal Consideration IV.

The basis and justification of arriving at the Disposal Consideration IV is set out in Section 2.4.3, Part A of the Circular.

The Disposal Consideration IV was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following, amongst others:-

- (i) the market value of the Hinterland of RM8,530,000 as appraised by Laurelcap based on the date of valuation of the Hinterland on 8 September 2025;
- (ii) the estimated net gain arising from the disposal of RM6.01 million at the Company level;
- (iii) to expand LMTSB's operational capacity; and
- (iv) to expand the shoreline area and to ensure LMT2 has more water frontage land.

We note that the Hinterland Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of Laurelcap, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regard to the Hinterland Valuation Report provided to us, and are satisfied that the methodology and assumptions provide a reasonable basis for Laurelcap in arriving at their valuations.

The brief description of the market value of the Hinterland as extracted from the Hinterland Valuation Report are tabulated below:-

Type of property/ property address	Three (3) plots of state land knowns as Plot 1, Plot 2 and Plot 3 in Wilayah Batu Undan, Mukim of Lumut, District of Manjung, Perak, measuring in area of approximately 3.702 acres, 5.948 acres and 7.7 acres respectively.
Valuation methodology	Comparison Approach - RM8,530,000
Valuation date	8 September 2025

The valuation methodology adopted by Laurelcap is the Comparison Approach. This methodology involves comparing the Hinterland with recently transacted properties of a similar nature or offers for sale/ rental of similar properties in the area.



Adjustments are then made for differences in location, size, site facilities available, market conditions and other factors in order to arrive at a common basis for comparison. Further, there are recent transactions of industrial properties located in the vicinity which solidifies the price trend and thus favours the Comparison Approach.

Laurelcap has considered but not adopted the residual methodology as there are no development orders or any development planning of any sort at the moment on the Hinterland. Moreover, there is a limited demand for rental of vacant industrial land in the area surrounding the Hinterland and hence, the Residual Methodology is not applicable in this case.

The non-interested shareholders are advised to read our commentaries below and refer to the Valuation Certificate enclosed in Appendix XXVII of the Circular.

Comparison approach

The following sales evidence of vacant lands of similar nature within the neighbourhood were used by Laurelcap to arrive at the market value:-

Description	Comparable 1	Comparable 2	Comparable 3
Address	Lot 15603, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak	Lot 15515, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak	Lot 15570, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak
Distance from subject properties	Approximately 5.50km due south-east	Approximately 3.50km due south-east	Approximately 5.00km due south-east
Description	A parcel of industrial land	A parcel of industrial land	A parcel of industrial land
Title no	PN 296194, Lot No 15603, Mukim of Lumut, District of Manjung, Perak	PN 296068, Lot No 15515, Mukim of Lumut, District of Manjung, Perak	PN 296151, Lot No 15570, Mukim of Lumut, District of Manjung, Perak
Titled land area	10,472.00 sqm or about 111,720.61 sqf	98,550.00 sqm or about 1,060,792.20 sqf	4,049.00 sqm or about 43,583.44 sqf
Category of land use	"Perindustrian"	"Perindustrian"	"Perindustrian"
Zoning	Industrial	Industrial	Industrial
Tenure	Leasehold for 99 years. Term expiring on 9 July 2105	Leasehold for 99 years. Term expiring on 9 July 2105	Leasehold for 99 years. Term expiring on 9 July 2105
Vendor	We On Engineering Sdn Bhd	Lholst (Malaysia) Sdn Bhd	Destini Berhad
Purchaser	Mechskill Sdn Bhd	Cemerlang Coke Industrial Sdn Bhd	LHY Engineering & Machinery Sdn Bhd
Transaction date	3 January 2022	10 May 2022	13 September 2024
Consideration	RM2,850,000	RM15,700,000	RM1,000,000
Analysis	RM25.28 psf	RM14.80 psf	RM22.94 psf
Source	JPPH		
Adjustment	5.00%	45.00%	(4.00%)
Adjusted value per sq. ft.	RM26.55 psf	RM21.46 psf	RM22.03 psf

The basis of the adjustments for circumstances to derive the adjusted value from the analysis of the comparable asset is as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3
Time	0.00%	0.00%	0.00%
Location	0.00%	0.00%	0.00%
Access	0.00%	0.00%	0.00%
Tenure	5.00%	5.00%	6.00%
Size	-10.00%	30.00%	-10.00%
Market Uncertainty (impact of COVID-19)	10.00%	10.00%	0.00%
Net adjustment	5.00%	45.00%	-4.00%



Based on the above, the three (3) transactions revealed that land prices within the surrounding neighbourhood were hovering between RM14.80 psf to RM25.28 psf. Adjustments were made to reflect the differences between the Hinterland and the comparables to arrive at the final adjusted price of RM21.46 psf to RM26.55 psf.

Laurelcap has placed greater reliance on Comparable 3 as the most appropriate comparable due to the following characteristic:-

- a) Comparable 3 was transacted most recently in comparison to the other two (2) sales evidence; and
- b) Comparable 3 shares the least total adjustments in comparison to the other two (2) sales evidence.

As a result, the final value of RM22.03 psf, which has been rounded down to RM22.00 psf was adopted.

In arriving at the market value of the Hinterland, Laurelcap has adopted a two-steps approach to the valuation.

- Step 1 : The valuer has selected Plot 3 as the reference land for determining the Market Value rate per square foot due to the non-swampy land condition and regular land shaped. Comparable properties are adjusted against Plot 3 to account for differences in attributes, ensuring a fair valuation. Since the comparable lands have been cleared and developed with infrastructure, the cost of these improvements is deducted. The net amount is then discounted over a six-month period to establish the raw land value per square foot, or base rate.

To reflect the current situation and condition of Plot 3, the cost of infrastructure and earthworks of comparable properties has been deducted, as the selected comparables are supported by ready infrastructure and have completed earthworks.

A cost of RM 270,000.00 per acre, along with a 10% discount factor (present value) for a six (6) month period (time required for the infrastructure and earthworks to be completed), in line with the Cost Opinion Letter provided by professional surveyors and contractors, has been deducted. This results in a Market Value of RM 5,055,579.96, which has been rounded down to RM5,000,000.00 (**RM 14.90 psf**) for Plot 3.

The calculation of the base rate can be summarised as follows:-

Land area	333,542.68 sqf @ RM22.00 psf	RM7,338,938.96
Less: Infrastructure and earthwork	7,703 acres @ RM270,000 per acres	(RM2,079,918.00)
Net value		RM5,302,128.96
Present value @ 10%		0.9935
Market value		RM5,055,579.96
Say		RM5,000,000.00
Value psf		RM14.90 psf

- Step 2 : The base rate serves as the benchmark for comparing Plot 1 and Plot 2, with adjustments made to account for differences between the respective lands. Since Plot 1 and Plot 2 are below ground level, swampy, and located adjacent to the Manjung river, the cost of land filling has been deducted from the adjusted values. A six-month discount is then applied to determine the Market Value of Plot 1 and Plot 2.

This figure (RM 14.90 psf) also serves as the base value to determine the Market Value of the adjacent plots, Plot 1 and Plot 2.



Plot 1

Land area	156,816.00 sf
Shape	Odd shape
Base rate	RM14.90 psf
Adjustment in term of size	10.00%
Value psf after adjustment	RM16.39 psf
Less: Filling cost	RM3.00 psf
Net Land value	RM13.39 psf
Present value @ 10%	0.9535
Value psf	RM12.77 psf
Market value	RM1,335,026.88
Say	RM1,330,000.00

Adjustments were made to account for differences in size, resulting in a rate of RM 16.39 psf. To reflect the current condition of Plot 1, a filling cost of RM 3.00 psf has been applied, along with a 10% discount factor (present value) for a six (6) month period (time required for the ponds to be fully filled), in line with the Cost Opinion Letter provided by professional surveyors and contractors, has been deducted.

This results in a Market Value of RM 1,335,026.88, rounded down to RM 1,330,000.00 (RM 12.72 psf) for Plot 1.

Plot 2

Land area	259,269.12 sf
Shape	Elongated triangular share
Base rate	RM14.90 psf
Adjustment in term of shape	(20.00%)
Value psf after adjustment	RM11.92 psf
Less: Filling cost	RM3.00 psf
Net Land value	RM8.92 psf
Present value @ 10%	0.9535
Value psf	RM8.52 psf
Market value	RM2,206,380.21
Say	RM2,200,000.00

Adjustments were made to account for differences in shape, resulting in a rate of RM 11.92 psf for Plot 2. To reflect the current condition of Plot 2, a filling cost of RM 3.00 psf has been applied along with a 10% discount factor (present value) for a six (6) month period (time required for the ponds to be fully filled), in line with the Cost Opinion Letter provided by professional surveyors and contractors, has been deducted. This results in a Market Value of RM 2,206,380.21, rounded down to RM 2,200,000.00 (RM 8.49 psf) for Plot 2.

As a result, the market value of the Hinterland derived from the Comparison Approach was RM2,530,000.

We concurred with Laureicap that the Comparison Approach is the most appropriate valuation method in arriving at the market values of the Hinterland considering that there are recent transactions of industrial properties located in the vicinity which solidifies the price trend.

After considering the above, opinion of the Board and the rationale of the Proposed Disposal of Hinterland, we are of the opinion that the Disposal Consideration IV is fair, reasonable and not detrimental to the non-interested shareholders. Notwithstanding the above, non-interested shareholders should note that the market price of the Hinterland may be affected by various factors, including but not limited to, liquidity risk (i.e. the process of selling and buying land can be time consuming). Laureicap's valuations do not account for the effort, time, marketability, buyer demand, uncertainty relating to a land sale and potential transaction costs that would be required to dispose of the assets and realise the intrinsic value of the Hinterland.



5.3.2 Salient terms of the SPA IV

The salient terms of the SPA IV are as disclosed in Appendix XIII of the Circular. Non-interested shareholders are advised to read Appendix XIII of the Circular in the entirety.

Our comments on the salient terms of the SPA IV are as follows:-

Salient terms	SCA Comments
1. <u>Agreement to Sell and Purchase</u> The Company hereby agree to sell and LMTSB hereby agree to purchase the Hinterland on as is where is basis at the total consideration of RM8,530,000.00 only. PKNP, vide its development and property board committee on 22 August 2024 and board approval/decision on 26 September 2024 and 9 December 2024, has, among others, agreed that the Company shall be the beneficial owner of Hinterland and approves the Proposed Disposal of Hinterland.	We are of the view that the Disposal Consideration IV is fair and reasonable. Please refer to our assessment on the basis and justification of the Disposal Consideration IV as set out in Section 5.3.1 above for further details.
2. <u>Condition Precedent</u> (A) SPA IV is conditional upon the following matters being done, completed or obtained, as the case may be, within twelve (12) months from the date of the SPA ("Cut-Off Date") with an automatic extension of six (6) months with prior written notice ("Extended Cut Off Date"):- (i) the further approval of the board of directors of PKNP to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and execution of SPA IV; (ii) the further approval of the board of directors of the Company to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV; (iii) the approval of the shareholders of the Company to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV; (iv) the further approval of the board of directors of LMTSB to the purchase of the Hinterland, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV, if applicable; (v) the approval of Bursa Securities on the Company's regularisation plan; (vi) the issuance of the title deed for Hinterland endorsed with PKNP's name as the registered proprietor; (vii) the consent of state authority for the transfer of Hinterland to LMTSB; and (viii) such other approvals (if any) as may be necessary from any relevant authority having jurisdiction over the transactions described in the SPA IV being obtained on terms (if any) acceptable to the Company and LMTSB and not withdrawn or amended. (B) If any of the conditions above is not fulfilled by the parties hereto by the cut-off date or the extended cut-	Such term is also commonly seen in contract of this nature whereby it must be completed within a certain period of time and may be extended subject to mutual agreement. These terms are reasonable as the approval from the board of directors of PKNP, LMTSB and the Company as well as the Company's shareholders is required to be in compliance with the Listing Requirements. The Listing Requirements also require the Interested Director to abstain from board deliberation and Interested Shareholder from voting on the resolution in respect of the Proposed Disposal of Hinterland. Terms (vi), (vii) and (viii) are reasonable as both parties are required to obtain all necessary approvals and consent from the relevant parties in order to give effect to the Proposed Disposal of Hinterland.



Salient terms	SCA Comments
off date, then the SPA IV shall forthwith terminate and cease to have further effect and all obligations and liabilities of the parties shall cease and determine and upon such termination the Company shall refund to LMTSB all monies paid by LMTSB to the Company pursuant to the SPA IV (if any) free of interest and no party shall have any claim whatsoever against any of the other parties, save in respect of any antecedent breaches and the terms on confidentiality shall remain unless:- (i) The parties agree to extend the cut-off date or the extended cut-off date for such further period as shall be mutually agreed in writing; or (ii) The parties agree to proceed with the SPA IV despite non fulfilment of any of the conditions above. (C) The SPA IV shall continue to be valid and to have full force and effect regardless of whether - (i) The Company is successful to ensure that it is no longer classified as an affected listed issuer under the PN 17 of the Listing Requirements of Bursa Securities; or (ii) The Company is delisted as a listed issuer, and if Bursa Securities' approval is not obtained and/or the Company is delisted, the parties agree that the conditions in paragraph 2(A)(v) shall automatically be waived. (D) Subject to compliance of all terms and conditions of the SPA IV by LMTSB, in the event that PKNP and/or the Company fails to secure the issuance of the title deed for Hinterland within 12 months from the date of the SPA IV (subject to the agreed extension period, if any), either party to the SPA IV shall have the absolute right to terminate the SPA IV and upon such termination the Company shall refund to LMTSB all monies paid by LMTSB to the Company pursuant to the SPA IV free of interest. Thereafter, the SPA IV shall be treated as null and void and neither party shall have any claims whatsoever against the other under the SPA IV.	This clause is reasonable and not detrimental to the non-interested shareholders of the Company as either party can terminate the SPA IV due to unavoidable non-fulfilment of the Conditions Precedent, and it also sets out the Company's obligation to refund the monies paid by LMTSB should the SPA IV be terminated. This term is reasonable as the Company will still be able to proceed with the Proposed Disposal of Hinterland whether or not the Company remains as a public company or a private company. This term is reasonable, where in the event PKNP and/or the Company fails to secure the issuance of title deeds for Hinterland, either party shall have the rights to terminate the SPA IV.
3. <u>Manner of payment</u> (A) The Disposal Consideration IV of Hinterland payable by LMTSB to the Company shall be as follows: (i) the sum of RM1,264,000.00 as refundable deposit and part payment of the Disposal Consideration IV has been paid by LMTSB to the Company prior to execution of the SPA IV in the following manner: (a) RM853,000.00 on 23 August 2024; and (b) RM411,000.00 on 28 January 2025, the receipt of which the Company has acknowledged and both payments are collectively referred to as "deposit"; and (ii) the sum of RM7,266,000.00 being the balance of the Disposal Consideration IV shall be paid	These terms are reasonable as it sets out the payment obligation of the Disposal Consideration IV. Although the deposits of approximately 14.82% are higher than those common deposits ratio for property transactions, i.e. 10%, it is not detrimental to the non-interested shareholders of the Company. It is reasonable as a higher deposit also demonstrates that LMTSB's commitment and financial capability in securing Hinterland as well as potentially streamlining the transaction process.



	Salient terms	SCA Comments
	within 3 months from the date of fulfilment of the conditions set out in paragraph 2(A) above, (B) In the event of any delay of payment of any part of the Disposal Consideration IV by LMTSB then LMTSB shall pay to the Company the administrative charges and/or penalty of 8% per annum calculated on daily basis over the outstanding sum from the due date until full settlement without prejudice to the rights of the Company to terminate the SPA IV as per the terms and conditions of the SPA IV.	This clause is reasonable and it serves to safeguard the interest of the Company by ensuring timely payment of the Disposal Consideration IV. The late delivery interest of 8.0% per annum is commonly applied for transaction of this nature.
4.	<u>Issuance of title to the land and instrument of transfer</u> (A) PKNP and the Company shall cause and do all things necessary for the issuance of the title deed for the Hinterland upon execution of SPA IV and upon payment of the deposit, whichever is later. (B) Subject to compliance of all terms and conditions of SPA IV, in the event PKNP and/or the Company fails to secure the issuance of the title deed for Hinterland within 12 months from the date of SPA IV (subject to the agreed extension period, if any), either party to SPA IV shall have the absolute right to terminate SPA IV and upon such termination the Company shall refund to LMTSB all monies paid by LMTSB to the Company free of interest. (C) Subject to prior written consent by PKNP and/or the Company together with additional term and conditions, LMTSB may nominate any other person or persons or company as the transferee of Hinterland, whereby all liabilities of LMTSB mentioned in SPA IV shall remain and enforceable against LMTSB. (D) PKNP and the Company shall cause and do all things necessary for the transfer of Hinterland upon issuance of title deed for Hinterland (subject to any agreed extension period) as follows: (i) PKNP to execute the memorandum of transfer of Hinterland in favour of LMTSB or its nominee; and (ii) PKNP to file the application of the state authority consent to transfer Hinterland to LMTSB or its nominee. (E) In any event, if PKNP and/or the Company fails to secure the issuance of the title deed of Hinterland, the Company and LMTSB may opt to proceed with SPA IV subject to further terms and conditions to be agreed upon. (F) All costs and expenses for the transfer of Hinterland in favour of LMTSB or its nominee shall be borne by LMTSB. (G) All costs and expenses of premium and for the issuance of the title deed for Hinterland shall be borne by the Company.	These terms are reasonable as it governs the process of transferring ownership, ensure the issuance of the title deed for Hinterland and legally protect the interests of both the buyer and seller.
5.	<u>Default by LMTSB</u> In the event LMTSB fail to pay the balance Disposal Consideration IV within the completion date without any fault of the Company and provided that the Company has complied with all the terms of the SPA IV, the Company shall	We are of the view that this term is reasonable, where in the event LMTSB defaults its obligation pursuant to the SPA IV, the LMTSB can safeguard their interest by ensuring the Company to remedy the default or terminate the SPA IV. This



Salient terms	SCA Comments
be entitled to terminate the SPA IV by notice in writing to LMTSB and thereafter shall be entitled to forfeit the deposit as agreed liquidated damages and refund to LMTSB any other monies paid by or on behalf of LMTSB to the Company or the Company's solicitors as stakeholders to account towards the Disposal Consideration IV under and pursuant to the SPA IV, free from interest within 14 days from the date of LMTSB's receipt of the notice of termination failing which interest at the rate of 8% per annum calculated on daily basis shall be charged on the Company on such sums remain outstanding from the date the same is due until the whole sum thereof including the interest thereto is fully realised and upon receipt of such refund, LMTSB shall:- (i) withdraw the private caveat lodged by LMTSB against Hinterland in a manner as provided in the SPA IV; (ii) redeliver vacant possession of Hinterland (if vacant possession has been delivered earlier to LMTSB) with fair wear and tear accepted; and (iii) return the Company's documents to the Company with the Company's interest remain intact (if the same or any have been delivered to LMTSB's solicitors or LMTSB's financier's solicitors, as the case may be); and thereafter the SPA IV shall be deemed terminated and neither party hereto shall have any claims against the other save and except for any antecedent breach of the SPA IV and the Company shall be at liberty to dispose of and/or otherwise deal with Hinterland in whatever manner the Company shall think fit without further reference to LMTSB.	term is not detrimental to the interest of non-interested shareholders of the Company.
6. <u>Default by the Company</u> In the event of any breach by the Company of any of the provisions of the SPA IV or the Company fail, neglect, unable and/or refuse to comply with the terms herein or to complete the sale without any fault by LMTSB and provided that LMTSB has complied with all the terms of the SPA IV, LMTSB shall be entitled to either:- (A) the remedy of specific performance; or (B) to terminate the SPA IV by notice in writing served on the Company and on receipt of the written notice of termination by the Company, the Company shall:- (i) forthwith refund free of interest to LMTSB all monies paid by or on behalf of LMTSB to the Company or the Company's solicitors as stakeholders to account towards the Disposal Consideration IV under and pursuant to the SPA IV including the deposit within 14 days from the date of such termination failing which the Company shall pay to LMTSB interest at the rate of 8% per annum calculated on daily basis shall be charged on the Company on such sums remain outstanding from the date the same is due until the whole sum thereof including the interest thereto is fully realised; and (ii) pay an additional sum of equivalent to 10% of the Disposal Consideration IV or the amount of the deposit paid, whichever is the lesser, as agreed liquidated damages to LMTSB; and	We are of the view that this term is reasonable, where in the event the Company defaults its obligation pursuant to the SPA IV, LMTSB can safeguard their interest by ensuring the Company to remedy the default or terminate the SPA IV. This term is not detrimental to the interest of non-interested shareholders of the Company.

Salient terms	SCA Comments
(iii) upon receipt of such refund and damages, LMTSB shall: (a) withdraw the private caveat lodged by LMTSB against Hinterland in a manner as provided in the SPA IV; (b) redeliver vacant possession of Hinterland to the Company (If vacant possession has been delivered earlier to LMTSB); and (c) return the Company's documents to the Company with the Company's interest remain intact (If the same or any have been delivered to LMTSB's solicitors or LMTSB's financier's solicitors, as the case may be), and thereafter the SPA IV shall be null and void and be of no further force or effect and neither party hereto shall have any claim against the other save and except for antecedent breach and the Company shall be entitled at the Company's absolute discretion to resell Hinterland without the necessity of previously tendering or offering to make any sale to LMTSB.	

Premised on the above, we are of the view that the abovementioned salient terms of the SPA IV are fair and reasonable and not detrimental to the non-interested shareholders.

5.4 Evaluation of the Proposed Settlement

5.4.1 Basis and justification in arriving at the Settlement Consideration

The basis and justification of arriving at the Settlement Consideration is set out in Section 2.5.3, Part A of the Circular.

Based on the Company's announcement made on 8 March 2024, the proposed joint development of the Zone 1 Bandar Meru Raya development, comprises four (4) phases. The estimated GDC of the proposed joint development of Zone 1 Bandar Meru Raya is approximately RM178.62 million. The units proposed to be built shall be sold to the public at prices of not less than the respective minimum price as stipulated in the JVA III.

The floor price, which is set as minimum selling price for the sale of the respective units comprised in the said proposed joint development, in total is approximately RM218.55 million ("Minimum Prices").

Pursuant to the JVA III, the Company shall be entitled to a share of the sales proceed from the disposal of all the units comprised in the development under the JVA III made up of two (2) components as follows:-

- (i) 20.90% of the proceeds of the Minimum Prices of all the units comprised in the development to be sold; and
- (ii) 20.90% of the excess portion of the proceeds of units sold in excess of the minimum prices as additional profit to the Company after first deducting the enhancement and upgrading cost and additional construction costs which shall first be paid to Unipoh.

Based on the above, the Company's entitlement calculated using the 20.90% of the proceeds of the Minimum Prices shall translate to approximately RM45.68 million.

Subsequently, the Company had on 13 February 2025, entered into the SA JVA III with PKNP and Unipoh to stipulate and specify the agreed liquidated value of the Settlement Consideration and the new mode of payment, which can be summarised as follows:-



Description	The Company
Entitlement	20.90%
	(RM' million)
Entitlement as per the JVA III based on the Minimum Prices	45.68
Settlement adjustment ^[1]	(5.30)
Settlement Consideration as per the SA JVA III	40.38
Sewerage Treatment Plant ("STP") ^[2]	(17.50)
Land premium ^[3]	(4.86)
Balance Settlement Consideration	18.02

Notes:-

- [1] Early settlement discount based on willing-buyer willing-sell basis.
- [2] The Company has agreed to separately enter into a STP contract with Unipoh to undertake the construction, completion and commissioning of the proposed centralised STP, module 3 and 4 on PT199439, Zone 7, Bandar Meru Raya to provide additional capacity of 42,500 population equivalent for the township Bandar Meru Raya at the agreed lump sum contract of RM17.50 million.
- [3] Negotiated sharing of land premium on a willing-buyer willing-seller basis with the Company's portion to be paid on behalf by Unipoh through a deduction from the Company's entitlement.

The Company's balance Settlement Consideration shall be paid in the following manner:-

- (1) A total of RM12.00 million to be paid on 24 months instalment commencing from 23 January 2025; and
- (2) A total of RM6.02 million to be paid on 24 months instalment commencing from end of the instalment payment period in item (1) above.

We note that the above calculation of the Settlement Consideration is consistent with the terms of the JVA III. We also note that subsequent to the execution of the SA JVA III, the Company and Unipoh agreed and declared that the conditions precedent as stipulated in the JVA III have been and shall be deemed substantively fulfilled, performed or waived and as such the JVA III has ceased to be unconditional.

We also noted that the Settlement Consideration is **fair and reasonable** and **not detrimental** to the non-interested shareholders of the Company due to several reasons as set out below:-

- (1) the Company's balance Settlement Consideration of RM18.02 million, which is expected to contribute positively to the future financial performance of the Group. To date, the Company has received RM4.00 million from Unipoh, which has been utilised for working capital requirements;
- (2) the balance Settlement Consideration ensures the Company's entitlement is settled promptly (within 48 months), without depending on construction progress or sales proceeds from the said joint venture development. This approach offers certainty and reduces risks from project delays and market changes; and
- (3) the Proposed Settlement is an opportunity for the Group to strengthen the financial and operational viability of the Group and will achieve better financial footing with the estimated net pro forma gain of approximately RM26.56 million arising from the Proposed Settlement.

5.4.2 Salient terms of the JDA I, JVA III and SA JVA III

The salient terms of the JDA I, JVA III and SA JVA III are as disclosed in Appendix XIV, Appendix XV and Appendix XVI of the Circular. Non-interested shareholders are advised to read Appendix XIV, Appendix XV and Appendix XVI of the Circular in the entirety.



Our comments on the salient terms of the JDA I are as follows:-

1.	Salient terms	SCA Comments
	<u>Collaboration and Joint Development</u> The parties desirous to develop Zone 1 Bandar Meru Raya into a gated and guarded housing scheme comprising double storey bungalow, double storey semi-detached houses and double storey terrace houses (none of which shall be low cost houses or houses with restricted selling price unless otherwise imposed by the relevant authorities and accepted by Unipoh under the JVA III) complete with roads, drains, electrical, water supply and other necessary infrastructures and amenities in accordance with the layout plans and building plans as may be approved by the relevant authority.	The purpose of the JDA I is to provide a framework for development, outlining the rights, obligations and expectation of both PKNP and the Company. It essentially sets the rules for how the specific development of Zone 1 Bandar Meru Raya will be developed, ensuring the respective projects adhere to the established plans, policies and standard. We are of the view that this term is reasonable.
2.	<u>Share of Revenue</u> PKNP is agreeable not to receive any share of revenue in relation to the sales proceeds other than the reimbursement of costs and expenses incurred by PKNP for the development of Zone 1 Bandar Meru Raya and sale of the completed end products of the development ("Project"). The Company undertakes to PKNP that it will pay to PKNP all costs, expenses, liability, loss or claims arising directly or indirectly from or in connection with the non-completion of the Project, all taxes (including any penalties etc.) imposed on PKNP in relation to the Project or any inaccuracy or breach of any of the obligations, representations, warranties undertakings, covenants, etc. of the Company under JDA I and indemnifies and holds PKNP harmless from and against all such costs, expenses, liability, loss or claims. PKNP must at all times indemnify and hold Perak Corp harmless for and against all costs, expenses, liability, loss or claims arising from or in connection with any inaccuracy of breach of any of the obligations, representations, warranties, undertakings, covenants, etc. of PKNP under the JDA I.	We are of the opinion this term is not detrimental to the non-interested shareholders of the Company as the Company is able to enjoy the share of revenue for the Zone 1 Bandar Meru Raya development with Unipoh only at the predetermined percentage on a willing-buyer willing-seller basis. However, the Company will bear all financial and legal responsibility and protect PKNP from any fallout related to these issues. Likewise, PKNP must compensate and protect the Company from any costs, losses, or claims that happen because PKNP did not keep its promises, duties, or gave incorrect information under the JDA I.
3.	<u>Role of PKNP</u> (A) PKNP must - (i) make Zone 1 Bandar Meru Raya available, on an as is where is basis, for the purposes of the development under the JDA I and the JVA III following the date when the JVA III becomes unconditional with the satisfaction or waiver of those conditions precedent set out in the JVA III in the manner set out in the JVA III; (ii) grant a non-exclusive licence to the Company and Unipoh to allow the Company entry to and use of Zone 1 Bandar Meru Raya for the purposes of the Project; and (iii) the licence granted above extends to any contractor, its subcontractors and their respective agents and employees, the professional team and any other consultants whose services are engaged in connection with the Project, prospective purchasers and any such other persons as the Company and Unipoh may invite to Zone 1 Bandar Meru Raya for the purposes of the Project.	These terms set out the use on the non-exclusive licence granted by PKNP to the Company for the purpose of the proposed joint development of the Zone 1 Bandar Meru Raya. These terms also set out the obligation and responsibilities of PKNP as the landowner to the proposed joint development of the Zone 1 Bandar Meru Raya. We are of the view that these terms are reasonable.

Salient terms	SCA Comments
(B) Following the issue of the original issue document of titles of Zone 1 Bandar Meru Raya to PKNP, to facilitate the submission on applications for the layout plan of Zone 1 Bandar Meru Raya, change in land category, condition or restriction, PKNP must, at the written request of the Company or Unipoh, release the original issue document of title to Zone 1 Bandar Meru Raya to Unipoh for such purposes, if so required by the relevant authorities. (C) PKNP must, as owner of Zone 1 Bandar Meru Raya, and as may be required for the purposes of the Project, promptly and diligently- (i) at the request and recommendation of Unipoh, as approved by the joint management committee established under the JVA III, sign such plans, drawings, forms and applications properly drawn up by the consultants for submission to the relevant authorities, including but not limited to the local planning authority or other authority regulating the development for their approval; (ii) sign the agreements of sale as registered owner of Zone 1 Bandar Meru Raya with Unipoh as vendor to effect the sales to the end purchasers; and (iii) sign the instrument of transfer in statutory Form 14A to effect transfer of the completed end products of the development to the end purchasers concerned, the expenses of so doing are subject to reimbursement by the Company of costs and expenses incurred by PKNP.	
4. <u>Roles of the Company</u> (A) The Company will be solely responsible at its sole costs and expenses (such expenditure are not deductible as part of the development project expenditure under the JVA III and may be deducted from the Company's entitlement under the JVA III) - (i) to make available and complete Zone 1 Bandar Meru Raya with the existing completed main access road, water supply mains, electricity supply mains, telephone main supply lines, and main sewer lines outside or up to the boundaries of the development which have been completed as at the date of JDA I for connection and tapping to the housing accommodation building of the development and basic infrastructures within the boundaries of the development comprising earthworks, internal roads and drains, internal sewers and ancillary works, street lighting, TNB substation, telephone ducting and junction chambers, water pipe reticulation, landscaping and installations of playground equipment in accordance with plans as may be approved by the relevant authorities together with security fencing running through the boundaries of the development completed with arch entrance gates and guard houses, CCTV surveillance system, auto barrier gates system and ancillary earthworks	We are of the view that these terms are reasonable as it clearly sets out the role and responsibilities of the Company and pursuant to the proposed joint development of the Zone 1 Bandar Meru Raya.

Salient terms	SCA Comments
(which have been completed as at the date of JDA I); (ii) to construct and undertake the completion of the additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya to better support the development consisting of construction of a new external main drains to provide drainage outlets for internal drains within the development, upgrading, repairs and resurfacing of existing external 66' road reserve, construction of a new 66' new external road with road kerbs and pedestrian walks, street lighting, landscaping works, external telephone infrastructure, external water supply infrastructure and external sewerage works as more particularly referred to and specified and/or agreed in the JVA III by awarding the construction contract to Unipoh; and (iii) to construct and undertake the completion and commissioning of the proposed centralised sewerage treatment plants, Module 3 and 4 on PT 176807, Zone 7, Bandar Meru Raya to provide additional capacity of 42,500 PE for the township of Bandar Meru Raya ("STP Module 3 & 4") by awarding the contract of design construction and commissioning of STP Module 3 & 4 to Unipoh at agreed lump sum contract sum of RM17,500,000. In such manner agreed under JVA III. (B) The Company must - (i) oversee the progress of the development and report to the joint management committee established under the JDA I, comprising 4 members, 2 representatives each nominated by PKNP and the Company, in respect thereof; (ii) co-ordinate, superintend and supervise the carrying out of the development in accordance with the JDA I and decisions of the joint management committee established under the JDA I and the committee formed under the JVA III; (iii) cause to be signed by PKNP all plans, drawings, forms and applications drawn up by the consultants which need to be submitted to the relevant authorities, including but not limited to the local planning authority or other authority regulating the development for their approval; (iv) pay the submission fees for submission of all plans pertaining to the housing accommodation building in the development; (v) caused to be signed by PKNP all agreements of sale as registered owner of Zone 1 Bandar Meru Raya with Unipoh as vendor to effect sales of all the completed end products of the development to the end purchasers; (vi) pay all charges and outgoings in respect of contribution to the local authority and other utilities boards or corporations for the provision of all services to the development; (vii) pay the cost of soil investigation, development charges, and contribution charges in respect of earthworks and drainage and such other	

Salient terms	SCA Comments
contribution charges as may be levied by Majlis Bandaraya Ipoh; (viii) pay the premium, survey fees and all other outgoings for issuance of block titles and individual titles to all approved subdivided lots of Zone 1 Bandar Meru Raya; (ix) use its reasonable endeavours to procure that so far as may be practicable - (a) the development is begun and completed in accordance with the projected timetable for development and is implemented in good order; (b) the sale is effected in a timely manner and on favourable terms; (x) assume payment of all quit rents, assessment, rates and other outgoings in respect of Zone 1 Bandar Meru Raya until the transfer of the completed end products of the development to end purchasers; and (xi) do such other acts, matters and things as may be consistent with, necessary for or incidental to the attainment of any of the foregoing. (C) The Company must bear and pay for the premium survey fees and all other outgoings for the issuance of block titles and individual titles for all approved subdivided lots of Zone 1 Bandar Meru Raya. All quit rents, assessment, rates and other outgoings in relation to Zone 1 Bandar Meru Raya up to the transfer of the completed end products of the development to end purchasers are to be borne by the Company. The collaboration in relation to the development commences following the execution of JDA I and will continue thereafter until the completion of the Project or if earlier, the date of termination of JDA I.	
5. <u>Termination</u> (A) In the event that the JDA I is terminated due to the Company's insolvency or default, PKNP is entitled to the following: (i) retake the possession of Zone 1 Bandar Meru Raya; (ii) retain all monies received by PKNP and to claim for damages from the Company for losses incurred by PKNP by reason of or caused by the default of the Company; (iii) institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis; and (iv) either - (a) opt to take over the development and appoint a contractor to continue the development and all additional costs and expenses reasonably incurred thereby for the appointment of such new contractor and to complete the development will be paid by the Company and the Company will be liable to pay PKNP all costs to complete the development and all claims made by Unipoh against PKNP; or	These terms are reasonable as they are common commercial terms in an agreement for transactions that are similar to the proposed joint venture. The termination clause is reasonable and will allow the non-defaulting party the avenue to terminate the agreement as well as safeguard the interest of the non-defaulting party in the event that any of the terms and conditions cannot be satisfied or waived.

Salient terms	SCA Comments
(b) continue with the JVA III assuming also the roles of the Company under JVA III and be entitled to all of the Company's entitlement under JVA I other than any entitlement relating to completed product offerings the costs of which have been borne by the Company, which the Company will remain entitled to receive. In no event shall PKNP, when electing to take over the development, be deemed to assume the Company's or Unipoh's liabilities or obligations to any lenders, financiers, creditors or any other interested parties in respect of the development. (B) In the event that the JDA I is terminated either because of PKNP's insolvency or default, then the Company is entitled to the following: (i) claim for damages from PKNP for losses incurred by reason of or caused by the default of PKNP and for the refund of any premium, survey fees, quit rent, assessment, rates and other outgoings in relation to Zone 1 Bandar Meru Raya paid by the Company and any money paid by the Company to PKNP pursuant to JDA I, free of interest; and (ii) opt to purchase Zone 1 Bandar Meru Raya from PKNP at the prevailing market rate, and PKNP must sell Zone 1 Bandar Meru Raya to the Company at not less than the prevailing market rate if the Company exercises its option to purchase. (C) If the Company does not exercise its right to purchase above, subject to the provisions of the JVA III and compliance with the Housing Development Act (Control and Licensing) 1966 and its regulations, PKNP is entitled to - (i) retake the possession of Zone 1 Bandar Meru Raya; and (ii) either - (a) take over the development and appoint a contractor to continue the development; or (b) continue with the JVA III assuming also the roles of the Company under the JVA III, in which case PKNP is also entitled to all of the Company's entitlement under the JVA III other than any entitlement relating to completed product offerings the costs of which have been borne by the Company, which the Company will remain entitled to receive. The termination of JDA I will not affect those parcels of project land that have been completed (completed units) regardless whether the completed units have been sold or unsold, and PKNP and the Company must continue to perform their obligations in respect of the completed units in accordance with the terms of the JDA I.	

Premised on the above, we are of the view that the abovementioned salient terms of the JDA I are fair and reasonable and not detrimental to the non-interested shareholders. For information, the JDA 1 was subsequently superseded by the JVA III and SA JVA III.



Our comments on the salient terms of the JVA III are as follows:-

1.	Salient terms	SCA Comments												
	<u>The Joint Venture</u> The Company and Unipoh agreed to enter into the JVA III for the objective of obtaining requisite approvals for the development Zone 1 Bandar Meru Raya, carrying out the execution and completion of the development, selling the units to end purchasers and do such other acts, matters and things as may be consistent with or incidental to the attainment of any of the foregoing objects. The development will be developed into 4 main phases comprising the following:- <table border="1"> <tr> <td>Phase 1:</td><td>Double storey Terrace house – 100 units Double storey Semi-detached house – 6 units Double storey Bungalows – 5 units together with additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya</td><td>Plot 1 – 106 Plot 204 – 209 Plot 227 – 231</td></tr> <tr> <td>Phase 2:</td><td>Double storey Terrace house – 73 units Double storey Semi-detached house – 32 units Double storey Bungalows – 2 units</td><td>Plot 107 – 129 Plot 204 – 209 & Plot 230 – 235 Plot 252 – 253</td></tr> <tr> <td>Phase 3:</td><td>Double storey Terrace House – 67 units Double storey Semi-detached house – 32 units Double storey Bungalows – 2 units</td><td>Plot 180 – 236 Plot 206 – 217 Plot 250 – 251</td></tr> <tr> <td>Phase 4:</td><td>Double storey Semi-detached house – 36 units Double storey Bungalows – 18 units</td><td>Plot 318 – 333 Plot 232 – 249</td></tr> </table>	Phase 1:	Double storey Terrace house – 100 units Double storey Semi-detached house – 6 units Double storey Bungalows – 5 units together with additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya	Plot 1 – 106 Plot 204 – 209 Plot 227 – 231	Phase 2:	Double storey Terrace house – 73 units Double storey Semi-detached house – 32 units Double storey Bungalows – 2 units	Plot 107 – 129 Plot 204 – 209 & Plot 230 – 235 Plot 252 – 253	Phase 3:	Double storey Terrace House – 67 units Double storey Semi-detached house – 32 units Double storey Bungalows – 2 units	Plot 180 – 236 Plot 206 – 217 Plot 250 – 251	Phase 4:	Double storey Semi-detached house – 36 units Double storey Bungalows – 18 units	Plot 318 – 333 Plot 232 – 249	The JVA III is entered to facilitate collaboration between PKNP, being the landowner and the Company, being the master developer and Unipoh, being the main contractor to jointly develop the Zone 1 Bandar Meru development. The purpose of the JVA III is to streamline the development process, share cost, risks and define the responsibilities and rights of each party involved.
Phase 1:	Double storey Terrace house – 100 units Double storey Semi-detached house – 6 units Double storey Bungalows – 5 units together with additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya	Plot 1 – 106 Plot 204 – 209 Plot 227 – 231												
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Phase 4:	Double storey Semi-detached house – 36 units Double storey Bungalows – 18 units	Plot 318 – 333 Plot 232 – 249												
	<u>The Company's Entitlement</u> (A) The Company shall be entitled to a share of the sale proceeds from the disposal of all the units comprised in the development under the JVA III made up of 2 components as follows:- (i) 20.90% of the proceeds of the minimum prices of all the units comprised in the development to be sold; and (ii) 20.90% of the excess portion of the proceeds of units sold in excess of the minimum prices as additional profit to the Company after first deducting the enhancement and upgrading cost and additional construction costs which shall first be paid to Unipoh. (B) Unipoh shall by way of first priority, be satisfied and discharged by way of set-off or contra against the Company's entitlement from all progress payments which may from time to time be due and payable to the Company until the whole of STP contract sum shall have been fully paid or discharged. Thereafter, the Company shall be paid the balance of the Company's entitlement progressively during each and every withdrawal made by Unipoh from the housing development account, on a quarterly basis not later than 7 days from the last day of each quarter. (C) PKNP shall not be entitled to any share of the proceeds from the proposed joint development under the JVA III.	We are of the opinion that these terms are reasonable as those were arrived at willing-buyer willing-seller basis. Our evaluation of the Settlement Consideration, derived from the Company's entitlement are set out in Section 5.4.1 of this IAL.												

	Salient terms	SCA Comments
3.	<u>Termination</u> (A) In the event that, upon expiration of 1 year from the date of official launching of the units in phase 1 of the development for sale, the total number of units sold in phase 1 shall fall short of 50% of the total units in phase 1, Unipoh shall have the right to elect, but not obliged to do so, to give notice in writing to PKNP and the Company to prematurely terminate the JVA III with regard to the construction of the remaining phases of the development. (B) In the event of termination of the JVA III, PKNP and the Company shall consent to the termination and the following legal consequences shall ensue and shall bind the parties of the JVA III following such termination: (i) Unipoh shall be bound to carry on and complete the construction of every of the units comprised in phase 1 of the development whether the units comprised therein are sold or not; (ii) Unipoh shall be bound to carry on and complete the construction of the STP Module 3 and 4 and the entire additional external main infrastructure in accordance with the terms of the JVA III, unless otherwise varied or instructed by the Company; (iii) Unipoh shall be bound to complete the construction of the basic infrastructures within the boundaries of the development supporting phase 1 of the development in accordance with the terms of the JVA III; (iv) The Company shall be paid their entitlement deriving from all units comprised in phase 1 of the development regardless whether the units are sold or not based on 20.9 % of the minimum prices or of the prevailing market value of all the units, whichever is higher; (v) Unipoh shall be entitled to the following: (a) full payment of the whole of the STP contract sum; (b) the balance of proceeds of sale of all sold units comprised in phase 1 of the development after deducting the payment to the Company; and (c) all right interest and title to the unsold units of phase 1 of the development; (vi) The parties of the JVA III agree that the whole of the Company's entitlement upon termination of the JVA III shall be applied or deemed payment towards settlement of the STP contract sum and as for the settlement of the balance of STP contract sum, Unipoh shall be entitled, at its own cost and expense, to take a transfer from PKNP such number of the undeveloped plots of the land comprised in the remaining phases of the development; (vii) For settlement of the balance of STP contract sum and for determination of the actual number of undeveloped plots of the land of sufficient value to effect such settlement the parties mutually agree that the value of the undeveloped plots of the land as shall be selected by Unipoh shall be determined and computed at the rate of RM40.00 per square foot or the prevailing market value of land area, whichever is higher, which price shall	These terms are reasonable as they are common commercial terms in an agreement for transactions that are similar to the proposed joint venture. The termination clause is reasonable and will allow the non-defaulting party the avenue to terminate the agreement as well as safeguard the interest of the non-defaulting party in the event that any of the terms and conditions cannot be satisfied or waived.

Salient terms	SCA Comments
be inclusive of the support of local infrastructure to be constructed to complement the same. (viii) Notwithstanding the termination of JVA III, PKNP and the Company shall continue to observe and fulfil their respective obligations and duties to enable Unipoh to complete the construction of phase 1 of the development and the eventual sale and transfer of the units to end purchasers comprised in phase 1 of the development. (C) In the event that Unipoh: (i) fails, neglects and/or refuse to commence the development within 12 months from the date of the last of the requisite approvals having been obtained for each phase or within the period as stipulated under the applicable laws or fails to commence and complete the development by the completion date; (ii) does any act or omission which for all intents and purposes be deemed to have unequivocally abandoned the development; or (iii) ceases to carry on its business or goes into voluntary or compulsory liquidation or a receiver or receiver and manager is appointed over the whole of its undertakings or assets; The Company shall give 60 days' notice to Unipoh requiring Unipoh to make good or remedy the default or the breach complained of. If the breach or default complained of shall remain outstanding after expiration of the said notice, the Company shall be entitled to terminate JVA III by giving notice thereof to Unipoh in which event JVA III shall terminate on the date specified in such termination notice. Upon such termination, the Company shall, in its absolute discretion, subject to prior approval of the Controller of Housing, be at full liberty to assume the responsibility of Unipoh to the exclusion of Unipoh or to appoint a third party in substitution of Unipoh to undertake and carry out the remainder portions of the development.	
4. <u>Exit from Joint Venture</u> (A) Provided Unipoh shall have duly completed the STP Module 3 and 4 and the additional external main infrastructure as stipulated in the JVA III, Unipoh shall be entitled at its discretion any time thereafter to elect to prematurely terminate the JVA III as to the remaining phases of the development which have yet to be commenced by giving notice of such intended termination in writing to PKNP and the Company to the same effect. (B) In the event of such premature termination of the JVA III by Unipoh with regards to the remaining phases of the development, PKNP and the Company shall agree, consent and accept such premature termination subject to the following legal consequences binding upon the parties of the JVA III: (i) Unipoh shall be bound to complete the construction of all buildings stipulated in the JVA III comprised in the on-going phase or phases of development which have been commenced with	These terms are reasonable as they define the conditions and mechanism under which Unipoh can exit from this joint venture and to ensure a fair and orderly process for all parties involved. These terms protect the interests of PKNP and the Company by outlining, how they can exit, the obligation and responsibilities of Unipoh before exiting the joint venture. Such terms are necessary by providing Unipoh the flexibility to exit the joint venture, if necessary, and to protect PKNP and the Company from any legal disputes in the future.

Salient terms	SCA Comments
	developer's licence and advertisement and sale permit in relation to such phase or phases having been procured; (ii) The balance of the Company's entitlement which has not been satisfied as at the date of termination ("Balance of the Company's Entitlement") shall be paid and satisfied in full by Unipoh; (iii) The Balance of the Company's Entitlement shall be determined and calculated based upon the Company's share of the minimum prices of all buildings comprised in the development or the prevailing market value, whichever is higher, less the following deductions: (a) all payments paid to account of the Company's Entitlement in respect of completed phase and on-going phase of the development; (b) STP contract sum subject to due completion of the works in STP contract; and (c) such other stipulated payments, fees, costs and expenses lawfully due and payable by the Company as if there were no such termination of JVA III. (iv) The parties of the JVA III agree and shall determine the actual sum payable in respect of the Balance of the Company's Entitlement within 1 month from the date of the notice of termination. (v) Unipoh shall within 6 months from the date of determination of the quantum payable in respect of Balance of the Company's Entitlement, make full payment of the Balance of the Company's Entitlement in exchange for the execution and delivery of transfer of all titles of equivalent value from remaining phases of the development for registration in favour of Unipoh or its nominee. The transfer of the titles to Unipoh or its nominee shall be effected in batches, so that against each payment made, the corresponding number of the titles of equivalent value shall be effected in favour of Unipoh or its nominee until full payment of the Balance of the Company's Entitlement and in this regard and against each payment made the Company shall cause PKNP to execute the instrument of transfer pertaining to the relevant titles of equivalent value in favour of Unipoh or its nominee and deposit the same with Unipoh or its solicitors within 7 days of payment of same. (vi) Subject to receipt of full payment of the Balance of the Company's Entitlement, PKNP and the Company shall forever release and discharge Unipoh from all obligations duties and covenants binding upon Unipoh to perform or fulfil under the JVA III and they shall have no further claim interest or benefit or right whatsoever in respect of the development or under the JVA III. (vii) Notwithstanding the termination of the JVA III, the parties agree that the JVA III shall come to an end and cease to have any further force and effect only upon Unipoh having made full payment of Balance of the Company's Entitlement and PKNP shall have duly transferred



Salient terms	SCA Comments
all the titles to on-going phase and remaining phases of the development to Unipoh or its nominee. (viii) Notwithstanding the termination of the JVA III, PKNP and the Company shall continue to observe and fulfil their respective obligations and duties hereunder to enable Unipoh to complete the construction of the on-going phase of the development and the eventual sale and transfer of the units comprised in such on-going phase of the development.	
5. <u>Financing of the Proposed Joint Development</u> PKNP and the Company shall not be required to pay or provide finance for the development. Unipoh shall ensure and procure that all claims for payments of the Company's Entitlement and Unipoh's entitlement will be paid for from the proceeds in accordance with the terms of the JVA III. Unipoh shall fully bear and discharge the financing costs. Zone 1 Bandar Meru Raya. The land shall not be charged and shall remain unencumbered during the validity of the JVA III. Unipoh shall be responsible to raise its funds by other means to finance the construction of the proposed joint development without the security of Zone 1 Bandar Meru Raya the land as collateral security.	This term is reasonable as they are commercial terms between the parties. It is not detrimental to the Company as the Company is not required to pay or provide financing to the Zone 1 Bandar Raya Meru development, hence finance risk is mitigated.

Premised on the above, we are of the view that the abovementioned salient terms of the JVA III are fair and reasonable and not detrimental to the non-interested shareholders.

Our comments on the salient terms of the SA JVA III are as follows:-

Salient terms	SCA Comments
1. <u>The Company's entitlement</u> (A) The Company's Entitlement shall be pre-determined and pre-agreed at the aggregate liquidated sum of RM40,377,531.00 subject to first deduction therefrom the value of the STP Contract Sum of RM17,500,000.00 and the portion of the premium to be borne by the Company payable to the State Authority of Perak of RM4,856,503.20 (land premium) and the balance thereof amounting to RM18,021,027.80 shall be paid and satisfied in the following manner: (i) for the first twenty-four (24) calendar months from the date of the Supplemental Agreement, by twenty-four (24) equal monthly instalments of RM500,000.00 each the first of such Instalments to commence on 23 January 2025 and thereafter the subsequent Instalments on the 23rd day of each and every succeeding calendar month; and (ii) thereafter for the next twenty-four (24) calendar months by twenty-three (23) equal monthly instalments of RM250,875.00 each and the last (24th) instalment of RM250,879.80 the first of such instalments under this paragraph to commence on 23 January 2027 and thereafter the subsequent Instalments on the 23rd day of each and every succeeding calendar month until full settlement.	As set out in Clause 3 of the JVA III, the Company shall be paid with their entitlement deriving from all units comprised in phase 1 of the Zone 1 Bandar Meru Raya development regardless whether the units are sold or not, based on 20.9 % of the minimum prices or of the prevailing market value of all the units, whichever is higher. The allocation of the entitlement sharing percentage of 20.9% for the Group and 79.1% for Unipoh was arrived based on willing-buyer-willing-seller basis.



Salient terms	SCA Comments
For avoidance of doubt, the payments of the above-mentioned instalments shall not be subject to or conditional upon the state of construction of the development nor the receipts of proceeds of sales from end purchasers. The Company shall cease to have any further or other claim or interest in the development or any share therein. (B) Unipoh shall have an automatic extension thereof of up to thirty (30) days without requiring any application or notification on condition that the unpaid instalment is paid with interest for the additional number of days taken to complete the purchase calculated at the rate of 8% per annum thereon.	
2. <u>Land Premium</u> Unipoh undertake to pay the Land Premium in three (3) phases for the years 2024 to 2026 as determined by the State Authority of Perak as follows:- (a) RM1,797,240.00 for the year 2024; and; (b) RM3,059,263.20 due and payable in the years 2025 and 2026.	This term is reasonable as they are commercial terms between the parties.
3. <u>STP Contract</u> (A) Each and every progressive claims of the STP contract sum certified as due and payable to Unipoh based on the progressive completion of construction of the STP Module 3 and 4 shall be set off as payments to account of the Company's entitlement until the whole of the STP contract sum shall have been fully discharged and satisfied. (B) In the event that Unipoh shall fail to complete the STP contract for reason attributable to the breach or default of Unipoh resulting in the STP contract being lawfully terminated in accordance to the terms thereof, Unipoh shall be liable to pay the balance of the unclaimed STP contract sum to the Company within 30 days from the date of termination of the STP contract and the Company shall have the right to appoint a new contractor to complete the STP contract whereby Unipoh shall be liable for any price increase to complete the STP contract which shall be payable within 30 days upon demand by the Company.	This term is reasonable as they are commercial terms between the parties. It sets out the responsibilities and mode of payment in relation to the construction of the STP for the Zone 1 Bandar Meru development.
4. <u>Transfer of titles in tranches</u> (A) The Company and Unipoh agreed that the value of the Company's entitlement shall be apportioned among the individual titles to all the approved housing lots from subdivision of the land to be issued to the development in accordance to the respective land area of the approved housing lots in relation to the total area of all the approved housing lots and the apportioned sum assigned to each of the housing lots are as set out in the SA JVA III to the intent that the apportioned sums attributable to each of the titles in the amounts as specified in the SA JVA III shall make up the sum total of the Company's entitlement and the apportioned sum in relation to each titles shall constitute definite consideration for the completion of transfer of each of the titles;	These terms outline the terms and conditions, mode of payment, apportionment, entitlement, values and the processes involved for the transfer of title as a result of the execution of the SA JVA III.

Salient terms	SCA Comments
(B) Notwithstanding any provisions in the JVA III to the contrary, the applicable titles shall be transferred (in statutory Form 14A) from PKNP to Unipoh based on the payments made by Unipoh to account of the Company's entitlement from time to time. In this connection, all payments from time to time made by Unipoh to account of the Company's entitlement whether by way of contra payments against the STP contract sum under the STP contract or the payments made on behalf of the Company for payment of land premium or the instalments paid to the Company to account of the Company's entitlement shall be treated as payments of the apportioned sums apportionable to the relevant titles in the order and sequence as stipulated in the SA JVA III. (C) The transfer of the titles shall be completed in stages as divisible transactions or contracts under the JVA III and for each of such transactions or contracts the consideration of relevant titles shall be the apportioned sums apportioned to each of the approved housing lots or the titles as stipulated in the SA JVA III. (D) The timing for determination of the amount of payments made or deemed made for the purpose and for determination of the entitlement of Unipoh for transfer of the relevant titles shall be done at every interval of 3 months during the validity of JVA III the first such interval shall be 3 months from the date of SA JVA III and thereafter at each and every succeeding interval of 3 months thereafter. The determination of the applicable titles for transfer shall be based on the order and sequence stipulated in the SA JVA III.	
5. <u>Validity of the JVA III</u> (A) The Company and Unipoh agreed and declared that the conditions precedent as stipulated in the JVA III have been and shall be deemed substantively fulfilled, performed or waived and as such the JVA III has ceased to be unconditional; (B) The parties acknowledged and agreed that the SA JVA III is subject to the Company's shareholders' approval being first obtained in the event the same is so required; and (C) Except as were expressly modified, amended or varied in the Supplemental Agreement, all other terms and conditions of the JVA III shall remain in full force and effect and enforceable against the parties thereto.	These terms are reasonable despite the termination of JVA III, PKNP and the Company shall continue to observe and fulfil their respective obligations and duties to enable Unipoh to complete the construction of Phase 1 of the Zone 1 Bandar Meru Raya development and the eventual sale and transfer of the units to end purchasers comprised in Phase 1 Zone 1 Bandar Meru Raya development.

Premised on the above, we are of the view that the abovementioned salient terms of the SA JVA III are fair and reasonable and not detrimental to the non-interested shareholders.

5.5 Industry overview and prospects

We take note of the industry overview and prospects as disclosed in Section 5, Part A of the Circular.

Key developments in the Malaysian economy as extracted from quarterly bulletin for the third quarter of 2025 ("3Q2025") published by Bank Negara Malaysia are as follows:



- (i) The Malaysia economy expanded by 5.2% in the 3Q2025, driven by sustained domestic demand and higher net export. The factors supporting the growth in the 3Q2025 includes:
 - a. Sustained household spending;
 - b. Steady investment activities; and
 - c. Higher net export.
- (ii) The unemployment rate remained unchanged at 3.0% in 3Q2025 (2Q2025: 3.0%). Employment improved to 16.97 million persons in 3Q2025 (2Q2025: 16.85 million persons) amid continued demand for labour. Labour supply remained forthcoming as the labour force participation rate increased further to 70.9% in 3Q2025 (2Q2025: 70.8%);
- (iii) Headline inflation moderated to 1.3% and core inflation increased to 2.0%. While the higher core inflation added impetus to headline inflation, this was offset by declines in selected administered prices, namely electricity and diesel, during the quarter.
- (iv) Following the pre-emptive OPR reduction by 25 basis points at the July 2025 Monetary Policy Committee ("MPC") meeting, the MPC maintained the Overnight Policy Rate ("OPR") at 2.75% in its meetings in September and November 2025. For the Malaysian economy, the latest developments as of the November MPC meeting indicated better-than-expected growth in the third quarter, driven by sustained domestic demand, resilient electrical and electronics ("E&E") exports, and recovery in commodity production. Looking ahead, the MPC assessed that resilient domestic demand will continue to support growth going into 2026. Employment, wage growth and income-related policy measures will remain supportive of household spending. The expansion in investment activity will be driven by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (RMK13). Measures under Budget 2026 will also support growth. The MPC assessed that this growth outlook remains subject to uncertainties, in particular surrounding global developments. Downside risks to the growth outlook remain from slower global trade, weaker sentiment, as well as lower-than-expected commodity production. Meanwhile, upside potential to growth could arise from a better global growth outlook, stronger demand for E&E goods, and robust tourism activity.
- (v) Both headline and core inflation are expected to remain moderate for the remainder of the year. Based on the Ministry of Finance's Economic Outlook 2026, headline inflation is projected to average between 1%-2% for 2025 amid steady domestic demand and continued easing in global cost conditions. These factors, together with Government measures to cushion the impact of domestic policy reforms on households, will help sustain a low and stable inflation environment.

(Source: Bank Negara Malaysia ("BNM") Quarterly Bulletin 3Q2025).

Overview of Malaysian Property Market Outlook

The Property Market Report 2024 highlights exceptional performance, recorded the highest volume and value of property transactions in Malaysia over the past decade. This impressive growth was fueled by a robust expansion in market activities across all sub-sectors. The volume and value of transactions expanded by 5.4% and 18.0%, respectively, reaching 420,545 transactions worth RM232.30 billion, compared to 2023 (399,008 transactions worth RM196.83 billion).

The highest achievement of the property market was supported by the strong growth of Malaysia's economy and the continuous government support, including the full implementation of the New Industrial Master Plan 2030 (NIMP 2030), the National Energy Transition Roadmap, and the Twelve Malaysia Plan.



Market activity was further supported by strong transaction volumes across nearly all states, particularly in Kelantan, which experienced a substantial growth exceeding 96%, following the fully implementation of stamping applications and stamp duty payments through Stamp Duty Assessment and Payment System (STAMPS).

The residential sub-sector sustained its expansion and solidified its position as the largest contributor to the national transaction activity, recording a marginal growth in both volume and value. By price range, the segment above RM1.0 million recorded the highest growth at 15.0%, while other price ranges showed more modest increases. This growth can be attributed to government initiatives outlined in Budget 2024, which increased confidence in the property market, including the easing of requirements for the Malaysia My Second Home (MM2H) program. Additionally, strong performance in the commercial sub-sector acted as a catalyst for transaction activity with significant increases of 13.6% and 51.6% in value and volume, respectively, as compared to the previous year.

The growth in 2024 property market is highly supported by the implementation of various government efforts and initiatives to drive Malaysia's economy and simultaneously stimulating the expansion of the property market nationwide through the MADANI Economy Framework. Several initiatives which were outlined under Budget 2023 and 2024 by the government become a catalyst to the sustainable property market activities, among others:-

- i. The full stamp duty exemption on the instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysian citizens remained until December 31, 2025.
- ii. Establishment of a high-tech industrial area in Kerian, Northern Perak, to widen the E&E cluster ecosystem in the Northern Region.
- iii. The allocation of RM546 million to continue the implementation of 36 Program Perumahan Rakyat (PPR), including new project in Kluang, Johor, and another 15 PPR projects, is expected to be completed, and this are expected to benefit 5,100 potential new residents.
- iv. The allocation of RM358 million will be channelled to continue the construction of 3,500 housing units under the 14 Program Rumah Mesra Rakyat.
- v. Provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan (SJKP), which will benefit 40,000 borrowers.
- vi. Impose of a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.
- vii. Ease the requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia.

(Source: Property Market Report for 2024 released by National Property Information Centre)

Northern Region Property Market Overview

The performance of the Northern Region (Perak, Perlis, Kedah and Pulau Pinang) property market was moderate in 2024. The volume and value of transactions showed a mixed performance compared to 2023. The region registered 107,653 transactions worth RM36.51 billion, showing a 2.5% increase in volume compared to 2023 but value decreased by 1.5%. Combined, these four states within the region formed 25.6% and 15.7% of the national volume and value transactions.

The property market activity for two states showed an upward trend in the review period, led by Perak (4.7%) followed by Kedah (3.6%), while two states showed the opposite trend, led by Perlis (7.1%) and followed by Pulau Pinang (1.0%).

On a similar note, transaction values for two states showed an upward trend in the review period, led by Perak (9.8%), followed by Perlis (0.1%), while two other states showed the opposite, a decline of 6.7% and 6.3% in Pulau Pinang and Kedah respectively.



By state, Perak recorded the highest volume of transactions (46,538 transactions), which contributed 43.2% of the total transactions of the Northern Region. However, in terms of transactions value, Pulau Pinang led the region with 43.6% (RM15.92 billion) of the total.

For the Northern Region, residential property continued to be the most actively transacted sub-sector, representing 58.0% (62,459 transactions) of the total transactions. Main contributors of residential transactions were Perak, Pulau Pinang, and Kedah. Likewise, the residential sub-sector dominated the region's overall property transactions value with a 53.5% share.

(Source: Northern Region Property Market Report 2024 - National Property Information Centre)

Prospects of the Group

We take note of the industry overview and outlook of the Malaysian economy, the property development industry, the hospitality and tourism industry in Malaysia as well as the prospects of the Group as set out in Section 5.5 of Part A of the Circular.

According to the Independent Market Research Report prepared by Protégé, the property development industry in Malaysia is forecast to grow at a CAGR of 7.0% from RM32.20 billion in 2025 to RM40.87 billion in 2029, driven by demand factors such as persistent need for affordable housing, ongoing major transportation infrastructure developments improving connectivity which may stimulate interest in the surrounding properties, as well as population growth and rising household income.

As for the hospitality and tourism industry, the Malaysian tourism and hospitality industry is expected to continue growing and is forecast to grow at a CAGR of 21.1% from RM121.56 billion in 2025 to RM316.81 billion in 2029, driven by support from the Malaysian Government, sufficient supply of hotels and hotel rooms, and growing digitalisation. For information, the Malaysian tourism and hospitality industry continued to improve, registering a growth of 41.5% from RM85.88 billion in 2023 to RM121.56 billion in 2024. Factors that are expected to drive demand for tourism and hospitality services moving forward includes increasing consumer affluence, introduction of the Malaysian Visa Liberation Plan, access to Malaysia via multiple modes of transportation, and expansion and upgrading of airports.

We also note that the Proposed Regularisation Plan aims to improve the financial health of the Group and resolve its affected listed issuer status. This will be achieved by strengthening the Group's cash flow through the Proposed Disposal of Hulu Bernam Lands and the Proposed Settlement, supporting its efforts to revitalise its business operations.

As discussed earlier, the Proposed Joint Development is in-line with the overall strategy of the Group to revitalise its property development division by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network which will position the property development division favourably for future growth, generate sustainable and recurring income. The Proposed Joint Development will lay the groundwork for future revenue streams and operational performance, of which are expected to positively impact the property development division's revenue and overall performance.

It's also represents a strategic step toward unlocking value and leveraging opportunities in the property development sectors, positioning this segment for sustainable growth and profitability in the future. Barring any unforeseen circumstance, the Proposed Regularisation Plan will improve the Group's cash flow and financial position as part of its efforts to regularise its business operations.



In addition, the Proposed Disposal of Hinterland also aligns with the Group's financial and asset management strategy by optimising ownership structures without affecting the Group's consolidated financial position. Further, the Hinterland holds strategic importance in supporting LMTSB's expansion plans, enhancing port efficiency, and strengthening its service capacity, ultimately contributing to the Group's overall value creation.

Premised on the above, we are of the view that the prospects of the Group following the completion of the Proposed Regularisation Plan is favourable, after taking into consideration, amongst others, the pro forma gain arises from the Proposed Disposal of Hulu Bernam Lands and the Proposed Settlement, the potential growth and benefits arise from the Proposed Joint Development to revitalise its property development division as well as the steps and initiatives taken by the Group to improve its financial condition as set out in Section 5.6, Part A of the Circular, which are expected to improve the financial position of the Group. For information, based on the audited consolidated statement of cash flow for the FYE 2024, the Group's net operating cash flow stood at RM46.32 million, an increase of approximately RM15.82 million or 51.9% from the corresponding year.

Nonetheless, we wish to also highlight that the Proposed Regularisation Plan are subject to risks and uncertainties which are not within the Company's control such as change in political, economic and environmental consideration as well as the regulatory risk. The occurrence of any of such events may materially impact the businesses and may adversely affect the Group's revenue and profitability to be derived from its property development, port and logistic as well as hospitality and tourism.

5.6 Risk factors relating to the Proposed Regularisation Plan

We take note of the risk factors as disclosed in Section 6, Part A of the Circular.

The non-interested shareholders should also take note of the additional risk factor in relation to the Proposed Regularisation Plan.

Non-fulfilment of conditions precedent of all the agreements entered

The agreements in relation to the Proposed Regularisation Plan are conditional upon the fulfilment of the conditions precedent and obligations of the parties therein. In the event any of the conditions precedent are not fulfilled and/or waived, the Proposed Regularisation Plan may not be effected.

Counterparty risk

The Proposed Regularisation Plan are subject to counterparty risk as there is no assurance that the parties to the agreements will consistently fulfil their duties and obligations in accordance to terms and conditions as stated in the said agreements. Any breach of material obligations may entitle the non-defaulting parties to terminate the agreements and take necessary actions to claim damages or seek other remedies for any losses incurred as a result of the default or breach. As such, there is no assurance that the parties will realise the anticipated benefits from the Proposed Regularisation Plan and/or recover all costs or losses incurred arising from the termination. Parties shall endeavour to take all steps necessary to ensure continued compliance with its duties and obligation as set out in the said agreements.

Property development risk

The development of the Proposed Joint Development will be subject to several risks which include, amongst others, shortages of materials, equipment and skilled labour, escalation of construction costs, market demand and competition from the supply of residential/commercial properties in the surrounding areas, adverse weather conditions, natural disasters, accidents, failure or delay in obtaining approvals from the relevant authorities.



Such adverse events may lead to interruptions or delays in the completion of the development of the Proposed Joint Development, which may consequently result in cost overruns that may potentially affect the Group's profitability and cash flow.

Risk of property overhang

The property development and construction business are highly dependent on the supply and demand factors which are predominantly affected by the prevailing economic conditions, competition with other property developers and government regulations. Any adverse developments affecting the property market such as the decrease in demand in properties and a drop in the property rental market may have an adverse impact on the business operations and cash flow of the Group.

The Group may also face the risk of property overhang, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. There may be possibility of occurrence of property overhang at the time of completion of the development of the SVTP Industrial Hub Project in the future. This will affect the sale of the Group's properties and in turn affect its financial performance.

We also wish to highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the Proposed Regularisation Plan, no assurance can be given that one or a combination of risk factors as stated above and in Section 6, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.

In evaluating the Proposed Regularisation Plan, non-interested shareholders should carefully consider the said risk factors and their respective mitigating factors before voting on the resolutions pertaining to the Proposed Regularisation Plan at the forthcoming EGM. Non-interested shareholders should also note that the risk factors mentioned therein are not meant to be exhaustive.

5.7 Financial effects of the Proposed Regularisation Plan

As the Related Party Transactions are part of the Proposed Regularisation Plan and these proposals are inter-conditional upon each other, we have considered the pro forma effects of the Proposed Regularisation Plan. The financial effects of the Proposed Regularisation Plan as disclosed in Section 7, Part A of the Circular are as follows:-

(i) Share capital and substantial shareholders' shareholdings

The Proposed Share Capital Reduction will reduce the issued share capital of the Company from RM272.77 million to RM87.77 million. The Proposed Regularisation Plan (save for the Proposed Share Capital Reduction) will not have any effect on the Company's share capital and substantial shareholders' shareholdings in the Company as the Proposed Regularisation Plan do not involve any new issuance of Shares. For avoidance of doubt, as the RPS-B are not convertible into new Company Shares, there are no dilutive effects on the substantial shareholders' shareholdings of the Company arising from the Proposed Issuance of RPS-B.

(ii) NA and gearing

For illustration purposes only, the pro forma effects of the Proposed Regularisation Plan on the NA and gearing of the Company's audited statements of financial position as at 31 December 2024 and on the assumption that the Proposed Regularisation Plan had been effected on that date are as follows:-



		(I)	(II)	(III)
	as at 31 December 2024 (RM'000)	After the Proposed Share Capital Reduction (RM'000)	After (I) and the Proposed Disposal of Hulu Bernam Lands (RM'000)	After (II) and the Proposed Disposal of Hinterland (RM'000)
Equity attributable to owners of the Company/ NA	97,853	97,853 ^[1]	130,071 ^[4]	128,172 ^[4]
Borrowings	144,027 ^[5]	144,027	74,137 ^[10]	74,137
Gearing (%) ^[10]	1.47	1.47	0.57	0.58
NA per share ^[2] (RM)	0.98	0.98	1.30	1.28

	(IV)	(V)	(VI)
	After (III) and the Proposed Settlement (RM'000)	After (IV) and Proposed Issuance of RPS-B (RM'000)	After (V) and Change in Accounting Estimates (RM'000)
Equity attributable to owners of the Company/ NA	154,732 ^[8]	149,448 ^[11]	154,847 ^[11]
Borrowings	74,137	105,068	105,068
Gearing (%) ^[10]	0.48	0.70	0.68
NA per share ^[2] (RM)	1.55	1.49	1.55

- [1] Calculated based on the Group's total borrowings divided by the shareholders' equity.
- [2] Calculated based on the Group's shareholders' equity divided by the total number of issued Shares.
- [3] After cancellation of RM185.00 million from the share capital of the Company pursuant to the Proposed Share Capital Reduction.
- [4] After incorporating estimated pro forma gain arising from the Proposed Disposal of Hulu Bernam Lands of approximately RM32.21 million.
- [5] As Hinterland will be disposed to LMTSB (which is a subsidiary of the Group), the estimated net pro forma gain from the Proposed Disposal of Hinterland of approximately RM6.01 million will be eliminated at the Group level. However, the tax expense in relation to the Proposed Disposal of Hinterland of approximately RM1.90 million will be incurred and will not be eliminated at the Group level.
- [6] After incorporating estimated net pro forma gain of approximately RM26.58 million arising from the Proposed Settlement.
- [7] After deducting estimated expenses of RM6.30 million in relation to Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income.
- [8] The Proposed Issuance of RPS-B will result in the issuance of RPS-B amounting to RM20.93 million, debt waivers (net of tax) from the Scheme Creditors amounting to RM27.87 million and impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by the Company to PCB Development's scheme creditors amounting to RM26.86.
- [9] The carrying amount of RPS-A1 and RPS-A2 as at 31 December 2024 as disclosed under total borrowings does not include the cumulative compounded gross preferential dividends accruing up to 31 March 2026.
- [10] The pro forma adjustment for the redemption of RPS-A1 and RPS-A2 includes the cumulative compounded gross preferential dividends accruing up to 31 March 2026.
- [11] Presently, the financial statements of the Group are prepared on a non-going concern basis. Upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future. Consequently, the basis of preparation of the financial statements will revert to a going concern basis ("Change in Accounting Estimates"). As a result of the Change in Accounting Estimates, the following accounting treatments are made:-



(c) Reversal of impairment losses on property, plant and equipment resulting of RM3.79 million; and

(d) Reversal of impairment losses on right-of-use assets of RM1.61 million

Based on the Company's audited statements of financial position as at 31 December 2024, the NA per share was RM0.98. Upon the completion of the Proposed Share Capital Reductions, the Proposed Disposal of Hulu Bernam Lands and the Proposed Disposal of Hinterland, the NA per share increased to RM1.28 and is expected to increase to RM1.55 per share after the completion of the Proposed Settlement. However, the NA per share is expected to reduce to RM1.49 per share after the completion of the Proposed Issuance of RPS-B but recover to RM1.55 per share due to the Change in Accounting Estimates. For information, a change in the basis of preparation from non-going concern to going concern is considered a change in accounting estimates due to improved financial conditions and changes in asset valuation as adjustments are made based on new estimates. Hence, we are of the view that the Change in Accounting Estimates are reasonable as it was prepared in accordance with the relevant accounting standards.

In contrast with the movement of the NA per share as discussed above, the Group gearing will reduce from 1.47 times to 0.57 times after the completion of the Proposed Disposal of Hulu Bernam Lands and the Proposed Disposal of Hinterland and will further reduce to 0.48 times after the completion of the Proposed Settlement. However, its gearing will increase to 0.70 times after the completion of the Proposed Issuance of RPS-B but will reduce to 0.68 times due to the Change in Accounting Estimates.

(iii) Earnings and EPS

For illustrative purposes, assuming the Proposed Regularisation Plan were effected based on the Company's audited statements of comprehensive income for FYE 2024, the pro forma effects on the earnings and EPS of the Group are as follows:

		(I)	(II)	(III)
	as at 31 December 2024 (RM'000)	After the Proposed Share Capital Reduction (RM'000)	After (I) and the Proposed Disposal of Hulu Bernam Lands (RM'000)	After (II) and the Proposed Disposal of Hinterland (RM'000)
PAT attributable to the owner of the Company	2,786	2,786	35,004 ⁽¹⁾	33,105 ⁽²⁾
Number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic EPS (sen)	2.79	2.79	35.00	33.11

	(IV)	(V)	(VI)
	After (III) and the Proposed Settlement (RM'000)	After (IV) and Proposed Issuance of RPS-B (RM'000)	After (V) and Change in Accounting Estimates (RM'000)
PAT attributable to the owner of the Company	59,665 ⁽³⁾	54,381 ⁽⁴⁾	59,780 ⁽⁵⁾
Number of shares	100,000,000	100,000,000	100,000,000
Basic EPS (sen)	59.67	54.38	59.78



- [1] After incorporating estimated pro forma gain arising from the Proposed Disposal of Hulu Bernam Lands of approximately RM22.21 million.
- [2] As Hinterland will be disposed to LMTSB (which is a subsidiary of the Group), the estimated net pro forma gain from the Proposed Disposal of Hinterland of approximately RM6.01 million will be eliminated at the Group level. However, the tax expense in relation to the Proposed Disposal of Hinterland of approximately RM1.90 million will be incurred and will not be eliminated at the Group level.
- [3] After incorporating estimated net pro forma gain of approximately RM26.56 million arising from the Proposed Settlement.
- [4] After deducting estimated expenses of RM6.30 million in relation to Proposed Regularisation Plan that will be charged to the statements of profit or loss and other comprehensive income.
- [5] The Proposed Issuance of RPS-B will result in the issuance of RPS-B amounting to RM30.93 million, debt waivers (net of tax) from the Scheme Creditors amounting to RM27.87 million and impairment loss on amount due from PCB Development in relation to the Issuance of RPS-B by the Company to PCB Development's scheme creditors amounting to RM26.86.
- [6] Presently, the financial statements of the Group are prepared on a non-going concern basis. Upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future. Consequently, the basis of preparation of the financial statements will revert to a going concern basis. As a result of the Change in Accounting Estimates, the following accounting treatments are made:-
 - (a) Reversal of impairment losses on property, plant and equipment resulting of RM3.79 million; and
 - (b) Reversal of impairment losses on right-of-use assets of RM1.61 million

Based on the Company's audited statements of comprehensive income for the FYE 2024, the EPS was 2.79 sen. Upon the completion of the Proposed Share Capital Reductions, the Proposed Disposal of Hulu Bernam Lands and the Proposed Disposal of Hinterland, the EPS increased to 33.11 sen and is expected to increase to 59.67 sen after the completion of the Proposed Settlement. However, the EPS is expected to reduce to 54.38 sen after the completion of the Proposed Regularisation Plan with an estimated expenses of RM6.30 million to be expensed off to the statement of profit and loss and other comprehensive income but recover to 59.78 sen due to the Change in Accounting Estimates.

We note that the Proposed Regularisation Plan are not expected to have any material impact on the Group's earnings and EPS for the FYE 2024 as it is only expected to be completed by first quarter of year 2026. However, the Board expects the Proposed Regularisation Plan, as part of the Group's plan to regularise its financial condition and return the Group to profitability, to contribute positively to the future earnings of the Group.

Moving forward, the Group's future earnings would depend on, amongst others, the Proposed Joint Development, the proposed development projects through PFI Scheme in Bandar Meru Raya, the proposed development of Bagan Datuk Special Economic Zone as well as the expansion of the Group's port and logistic business.

Based on the above, we are of the opinion that the financial effects of the Proposed Regularisation Plan are fair and reasonable and not to the detriment of the non-interested shareholders.

5.8 Evaluation of the Non-RPT Proposals

As the Related Party Transactions are part of the Proposed Regularisation Plan and these proposals are inter-conditional upon each other, we have also commented on the Non-RPT Proposals on a high-level basis, pursuant to the Proposed Regularisation Plan as follows:-

(a) Proposed Capital Reduction;

Based on the Group's audited financial position as at 31 December 2024, the Group's accumulated losses stood at RM174.92 million. The aim for the Proposed Regularisation Plan is to regularise the financial condition of the Group, to return the Group to profitability and be able to generate long term shareholders value.



As such, the Proposed Share Capital Reduction is required to enable the Group to rationalise its balance sheet, reduce the accumulated losses position so that the Group will be able to better retain its future profits and work towards rewarding shareholders via dividend.

(b) Proposed Disposal of Hulu Bernam Lands;

The Proposed Disposals of Hulu Bernam Lands are a key step in regularising the Group's financial condition, especially in light of its PN17 status which has restricted its access to financing.

The information of the Proposed Hulu Bernam Lands are set out in Section 2.3, Part A of the Circular. The summary information of the Hulu Bernam Lands are as follows:-

Description	Disposal Consideration (RM' million)	Market Value (RM' million)	Original cost of Investment (RM' million)	Net book value as at 31 December 2024 (RM' million)
Parcel 1 Land	21.13	30.70	7.20	10.22
Parcel 2 Land	49.50	57.50	24.41	25.81
Parcel 3 Land	18.94	31.30	10.21	11.13
Total	89.57	119.50	41.82	47.16

Based on the above, we note that the Disposal Considerations for Hulu Bernam Lands of RM89.57 million excluding the Land Premium, which was arrived at on a willing buyer - willing seller basis, it represents a premium of RM47.75 million (114.18%) and RM42.41 million (89.93%) from the original total costs of investment of RM41.82 million and total net book values as at 31 December 2024 of RM47.16 million respectively.

However, the Disposal Considerations for Hulu Bernam Lands of RM89.57 million excluding the Land Premium, represents a discount of RM29.93 million (25.05%) to the market value of the Hulu Bernam Lands appraised by Firdaus B Associates on 18 September 2025, using the Comparison Approach. Taking into consideration the Land Premium, the adjusted total disposal consideration to the Company for the Proposed Disposals of Hulu Bernam Lands amounts to RM108.75 million, which represents a discount of RM10.75 million or 9.00% over the market value of Hulu Bernam Lands of RM119.50 million.

Notwithstanding the above, the Proposed Disposal of Hulu Bernam Lands are expected to generate RM89.38 million in proceeds (after deducting TMHTP's total entitlement of RM0.19 million for the Proposed Disposal of Parcel 1 Lands, in accordance with the terms and conditions of SPA 1 and SA SPA 1), will primarily be used to fully redeem RPS-A1 and RPS-A2, settle Parcel 2 Land, and support working capital. These transactions are projected to yield a cumulative net pro forma gain of RM32.21 million (net of tax), reflecting the realisation of investment value and contributing positively to the Group's net assets and earnings, thereby improving its overall financial position and performance. Nevertheless, considering the above as well as the financial conditions of the Company, being an affected listed issuer under PN17 limiting its ability to secure financing and restricting its business activities, we are of the view that the Disposal Consideration for Hulu Bernam Lands are fair and reasonable.

(c) Proposed Issuance of RPS-B;

The issuance of RPS-B to Scheme Creditors is part of the SOA approved on 19 April 2021 and sanctioned by the Court on 7 May 2021, serving as a form of deferred cash payment. RPS-B can be redeemed at the Company's discretion at any time within its 5-year tenure, with full redemption and accrued dividends due at maturity without notice. Unlike issuing new shares, RPS-B minimises immediate dilution of earnings and shareholding, while providing the Company with flexibility in managing its financial obligations.



(d) Proposed Amendments I;

The Proposed Amendment is undertaken to facilitate the implementation of the Proposed Issuance of RPS-B.

(e) Proposed Amendments II;

The Proposed Amendments II are intended to facilitate key changes, including the revision of redemption dates for RPS-A1 and RPS-A2, adjustments to the cumulative compounded gross preferential dividend rates to 5% per annum until 31 January 2025 and 8% thereafter until the RPS-A2 maturity date, as well as the substitution of security documents under the supplemental agreement dated 11 September 2023 related to the CIMB Debt Settlement Agreement.

Premised on the above, we are of the view that the Non-RPT Proposals are reasonable and not detrimental to the non-interested shareholders of the Company.

6 CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Regularisation Plan and have set out our evaluation in Section 2 through Section 5 of this IAL. As the Related Party Transactions are part of the Proposed Regularisation Plan and the proposals are inter-conditional upon each other, we summarised the potential advantages and disadvantages of the Proposed Regularisation Plan as follows:

Potential Advantages	Potential Disadvantages
The Proposed Regularisation Plan is to regularise the financial condition of the Group to return the Group in stronger financial footing and generates long term shareholder value. The successful implementation of the Proposed Regularisation Plan signifies the Company's successful turnaround and financial recovery, enhancing its reputation and investors' confidences. Furthermore, it provides the Company with increased flexibility in its business operation and management as well as potential access to new funding opportunities.	The Group's EPS will be reduced and its gearing will increase as a result of the Proposed Issuance of RPS-B. For clarity, the reduction in EPS is due to the entire RM6.3 million professional fees incurred pertaining to the Proposed Regularisation Plan being expensed off to the statement of profit and loss and other comprehensive income. However, any remaining balance of debts not settled to the Scheme Creditors will be fully waived, and going forward, the impact to the EPS may somewhat be mitigated through the potential contribution from the Group's business, particularly its property development division.
Proposed Regularisation Plan is favourable, after taking into consideration, amongst others, the pro forma gain arises from the Proposed Disposal of Hulu Bernam Lands and the Proposed Settlement, the potential growth and benefits arise from the Proposed Joint Development to revitalise its property and development division. As a resultant, the Group's gearing will reduce from 1.47 times to 0.69 times upon completion of the Proposed Regularisation Plan. Conversely, the Group NA per share will increase from RM0.98 to RM1.55 upon completion of the Proposed Regularisation Plan.	
As set out in Section 5.7 of the IAL, upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future.	



Potential Advantages	Potential Disadvantages
Consequently, the basis of preparation of the financial statements will revert to a going concern basis, meaning the Group is viewed as continuing in business for the foreseeable future.	

Premised on the above, we are of the view that the potential advantages outweigh the potential disadvantages.

We have taken cognisance of the rationale and justification, financial evaluation, effects and risk factors of the Proposed Regularisation Plan. Based on our evaluation and comments on the Proposed Regularisation Plan, we are of the opinion that the Proposed Regularisation Plan is **fair and reasonable** and are **not detrimental** to the non-interested shareholders.

Accordingly, we recommend that the non-interested shareholders to vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

Before arriving at the decision to vote on the resolutions pertaining to the Proposed Regularisation Plan, it is pertinent that the non-interested shareholders consider the issues and implications raised in this IAL as well as other considerations as set out in Part A of the Circular carefully and the Directors' statement and recommendation in respect to the Proposed Regularisation Plan as set out in Section 14, Part A of the Circular.

Yours faithfully,
For and on behalf of
STRATEGIC CAPITAL ADVISORY SDN. BHD.

NG WOON LIT
Director
Investment Representative
eCMSRL/B5412/2015

TAN DAI LIANG, CFA
Director
Investment Representative
eCMSRL/B6239/2015

1. Development Initiatives

The development initiatives which are in the contemplation and discussion of Perak Corp and PKNP are as follows:

(A) Teluk Dalam Land

- (i) The joint development of parcels of lands located at Teluk Dalam, Mukim Lumut, State of Perak and measuring approximately 56.289 acres in aggregate for the purpose of expanding and growing Perak Corp's property development businesses (known as "**Teluk Dalam Land**").
- (ii) Jointly develop the Teluk Dalam Land together with the 8 plots of land, measuring approximately 0.966 acres in and around the same area as the Teluk Dalam Land and which are held by Perak Corp.
- (iii) As at the date of the MDA⁽¹⁾, Perak Corp and PKNP are in discussion with third party for the development of 2 parcels of lands within the Teluk Dalam Land, measuring approximately 39.302 acres, and the assistance of the third party, among others, to market the project and to get investors.

Note:

- (1) As at the LPD, the execution date of the potential joint development agreement with the third party cannot be determined at this juncture as Perak Corp and PKNP are still in early discussions with relevant parties regarding the potential development of Teluk Dalam Land.

(B) SVTP Industrial Hub

- (i) PKNP is the registered owner of landbanks measuring 2,751.60 acres, located in Kanthan, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, which are designated for industrial development ("**SVTP Landbanks**").
- (ii) premised on Perak Corp experience as the master developer for the Lumut Port Industrial Park, PKNP has appointed Perak Corp as the master developer for part of the SVTP Landbanks measuring 816 acres in aggregate.
- (iii) PKNP concluded negotiations with Northern Corridor Implementation Authority ("**NCIA**") on the termination of the earlier agreement dated 28 December 2020 between PKNP and NCIA which relates to the SVTP Industrial Hub.
- (iv) The development of the SVTP Industrial Hub is targeted to be undertaken in 3 phases.

(C) Hinterland

- (i) Possible future joint development of the hinterland for LMT to broaden and further expand Perak Corp Group's current port and logistics activities and services for the LMT.
- (ii) As at the date of MDA, PKNP has submitted to the relevant land registry application for 3 plots of land situated adjacent to LMT. The possible future development of the hinterland for LMT will proceed further subject to and upon the obtaining of the state approval to do so.

- (D) Other projects
 - (i) Housing projects in Bandar Meru Raya where the Perak state authority has approved the alienation of state lands measuring approximately 43.79 acres located in Mukim Hulu Kinta, Daerah Kinta.
 - (ii) Any other development initiatives which are mutually beneficial to their interest and are in line with their respective mandates and core business activities.

Upon the parties mutually agree to proceed further with any of the possible future developments, the parties agree to execute the development agreement.

The development projects of the above landbanks may also be undertaken through joint venture with third parties. In view of the development rights to be granted by PKNP to Perak Corp, subject to such consideration for the grants of the development rights to be agreed and included in the development agreement, the parties have agreed in principle for Perak Corp to pay the consideration under the development agreement to PKNP by (i) issuing and allotting new Perak Corp Shares in favour of PKNP; (ii) making cash payment to PKNP; (iii) issuing and allotting redeemable convertible preference shares in favour of PKNP; or (iv) a combination of any of the above.

2. Conditions Precedent

The obligations of Perak Corp and PKNP in respect of the development initiative and the execution of any development agreement for the development initiative are in all respects conditional upon the fulfilment or waiver, as the case may be, of each of the following conditions:

- (A) parties agreeing on the structure to be adopted for the development initiatives;
- (B) parties agreeing with the scope and details of the development plan and schedule for the development initiative, including the infrastructure;
- (C) the consideration for the grant of development rights for the development initiatives and the payment terms of the consideration for the grant of development rights for the development initiative;
- (D) the parties agreeing on the funding obligations of the parties for the development initiative and the funding mechanism;
- (E) as required and in line with Perak Corp internal process and requirements, conducting due diligence exercises for each of the development initiatives; and
- (F) Perak Corp, where applicable, obtaining any other approvals or consents required from any appropriate authority to give effect to the development initiative, as well as from Bursa Securities under or in relation to its regularisation plan.

Each party shall bear its own costs for the fulfilment of the conditions and is not entitled to claim for reimbursement of the same from the other party in the event the development does not proceed further. And upon fulfilment of the above conditions, within 60 days from the notice issued by PKNP, the parties shall negotiate in good faith and use their reasonable efforts to agree and execute a mutually acceptable development agreement in respect of the relevant confirmed development initiative.

3. Principal Terms of Development Agreement

During the process towards the satisfaction of the above conditions and during the process of negotiation of the development agreement, the development agreement for a confirmed development initiative will be based on the principal terms and conditions set out below and such other terms and conditions as may be agreed between the Perak Corp and PKNP. In the event the agreement to be entered into involves a joint venture agreement with other third parties, the following terms and conditions will be amended accordingly. Such conditions precedent necessary to be included, including but not limited to those set out below:

- (A) Such conditions precedent necessary to be included, including but not limited to those set out below:
 - (i) Perak Corp obtaining the approval of its shareholders, as the case may be, in relation to:
 - (a) the development initiative to be undertaken;
 - (b) the regularisation plan;
 - (c) the allotment and issuance of shares to PKNP, where applicable; and
 - (d) the cash payment consideration to PKNP, where applicable.
 - (ii) Perak Corp, where applicable, obtaining the approvals of the state and estate land board for the proposed joint development of the Teluk Dalam Land.
 - (iii) Perak Corp, where applicable, obtaining the approval in principle of Bursa Securities for:
 - (a) the proposed issue of shares of Perak Corp to PKNP to satisfy the development rights consideration for a development initiative; and
 - (b) the listing and quotation of all the consideration shares on Bursa Securities and an exemption for PKNP from the obligation to make a mandatory offer for the remaining shares to the existing shareholders.
- (B) Under a development agreement, PKNP will grant to Perak Corp the necessary rights to:
 - (i) undertake and manage the development of the confirmed development initiative;
 - (ii) design and build or procure the design and build of all units and infrastructure comprised in the development plan for the confirmed development initiative;
 - (iii) arrange, procure and manage the funding for the confirmed development initiative;
 - (iv) undertake the preparation and submission of all plans and other applications for approvals, and all other works, processes, measures necessary or incidental to the implementation of the confirmed development initiative;
 - (v) develop the infrastructure in accordance with the approved layout plans (kebenaran merancang) and within the time line mutually agreed between the parties under the development agreement;

APPENDIX I – SALIENT TERMS OF THE MDA (Cont'd)

- (vi) promote, market and handle the disposal to end purchaser all or part or section of the units upon such terms and conditions as Perak Corp deems fit provided the same is in compliance with the terms and conditions under the development agreement and enter into any agreement or arrangement with any party for such purposes provided that the same is compliance of the understanding and terms and conditions under the development agreement;
 - (vii) develop either by itself or via or with any other party as it may determine, any part or section of the units in the manner as Perak Corp considers fit subject to the terms and conditions under the development agreement (including any prior approval to be obtained from PKNP or others);
 - (viii) enter into any agreement or arrangement with consultants, contractors, suppliers, purchasers of any part of the land comprise in the development agreement, and any other party in relation to the works or the confirmed development initiative or any part thereof or for any other purposes consistent with or incidental to the performance of its obligations under the development upon such terms as Perak Corp considers fit;
 - (ix) if applicable, take over the management, operation and maintenance of the land comprise in the development agreement and to sell, rent or lease or otherwise deal with the land comprise in the development agreement or any part thereof or any buildings thereon;
 - (x) receive proceeds from the sale or lease of a unit or a vacant lot of the projects from the end purchaser and to apply or utilise the same towards discharging its obligations to PKNP, under the development agreement and for all other purposes as allowed under the development agreement;
 - (xi) take any other steps, actions or measures as Perak Corp considers necessary pursuant or in relation to any of the above or which in the absolute opinion of Perak Corp would be considered as necessary or essential or otherwise consistent with the intentions and objectives of the development agreement;
 - (xii) procure the provision of the public amenities on the land comprise in the development agreement; and
 - (xiii) do such other acts, matters and things as may be consistent with, necessary for or incidental to the attainment of any of the foregoing.
- (C) PKNP will be named as the landowner, while Perak Corp will be named as the master developer or such agreed role as set out in the development agreement of the confirmed development initiative.
- (D) PKNP, as owner of the land comprise in the development agreement, must at all times co-operate with and use its best endeavours to assist Perak Corp to enable Perak Corp to discharge its duties under the development agreement and complete the development initiative in any way that Perak Corp sees fit so long as the same is not incongruent with Perak Corp's obligations to PKNP under the terms of the development agreement. PKNP must respond promptly to request properly made by Perak Corp for approvals, instructions, execution of any relevant document, information or other assistance.

APPENDIX I – SALIENT TERMS OF THE MDA (Cont'd)

- (E) PKNP must, as owner of the land comprise in the development agreement, and as may be required by Perak Corp, promptly and diligently:
 - (i) enter into planning or other obligations with the local planning or other appropriate authority regulating the development initiative and use of the land comprise in the development agreement (under any statutory provisions applicable to the development initiative) in such form as may be reasonable in the circumstances and, if it is necessary to do so, to procure the grant of planning permission or other requisite consents for the development initiative;
 - (ii) enter into sale or lease agreements and such agreements or arrangements as the registered owner of the land comprise in the development agreement as may be required to enable Perak Corp to complete any sale or lease or other arrangements contemplated in the development agreement, in such form as may be reasonable in the circumstances, and to transfer the title to the applicable part of the land comprise in the development agreement or units pursuant thereto or to effect the lease in favour of the end-user (as the case may be);
 - (iii) transfer to Perak Corp any money received by it in respect of a sale or lease or other arrangements contemplated in the development agreement; and
 - (iv) make such claims bring or be party to such actions or proceedings, and do such acts matters and things in consequence as may be necessary to enable or consistent with enabling Perak Corp properly to carry out its obligations under the development agreement.
- (F) If necessary and expedient to do so, PKNP will grant a limited and revocable power of attorney in favour of Perak Corp authorising Perak Corp to deal with the land comprise in the development agreement for the purposes of a confirmed development initiative, the disposal to an end purchaser and the development agreement, but not to otherwise sell, dispose or deal with the land comprise in the development agreement. Perak Corp must keep PKNP indemnified against loss, damage, claim or other liability incurred by them under or in consequence of any act done under the power of attorney, except and to the extent that such liability arises out of or in consequence of the breach of the obligations of PKNP under the development agreement.
- (G) Perak Corp must in respect of a confirmed development initiative:
 - (i) undertake the planning and management of the confirmed development initiative and perform all of its obligations under the development agreement in compliance with the governing laws, regulations, approved development order and within the time frame stipulated under the development agreement;
 - (ii) undertake all preparatory works including the preparation of plans, survey and other works required prior to and in connection with the application for the subdivision, amalgamation, etc., to the land comprise in the development agreement;
 - (iii) notify PKNP if any of Perak Corp's authorised signatories is no longer authorised to sign any document or otherwise to act on Perak Corp's behalf;
 - (iv) co-ordinate, superintend and supervise the carrying out of the confirmed development initiative;
 - (v) determine and use its best endeavours to procure funding for all project expenditures for the development of the confirmed development initiative;

APPENDIX I – SALIENT TERMS OF THE MDA (Cont'd)

- (vi) engage such qualified consultants, advisors, contractors and all such personnel required for the development and completion of the confirmed development initiative;
 - (vii) monitor cost and exercise cost controls;
 - (viii) advise on the feasibility of schemes of development for the land comprise in the development agreement, the character of the confirmed development initiative, alternative design and construction approaches, materials and appearance, cost implications of different schemes of development, the need to obtain requisite consents, and the marketability of the land comprise in the development agreement as developed;
 - (ix) submit the applications for obtaining the requisite consents;
 - (x) determine the timing, nature and scope of each of the phases of the confirmed development initiative;
 - (xi) advise on site assembly and the acquisition or extinguishment of interests and rights in or over the land comprise in the development agreement held by any third parties, and conducting negotiations and taking steps to acquire or extinguish such interests or rights;
 - (xii) use its reasonable endeavours to procure that so far as may be practicable:
 - (a) the confirmed development initiative is begun and completed in accordance with the projected timetable for the development and is implemented in good order;
 - (b) the disposal to end purchaser effected in a timely manner and on favourable terms;
 - (xiii) determine promotional and marketing campaigns for the disposal to end purchaser and conducting negotiations for the disposal to end purchaser;
 - (xiv) if applicable, maintain and manage the land comprise in the development agreement until the completion of the disposal to end purchaser and the establishment of the management corporations; and
 - (xv) assume payment of all quit rents, assessment, rates and other outgoings in respect of the land comprise in the development agreement from the date of the development agreement.
- (H) Perak Corp must in respect of the confirmed development initiative, use its best endeavours to procure all necessary funding and finance for all items of expenditure relating to the confirmed development initiative. Perak Corp may secure a bridging financing facility or other financial arrangement. And with the prior consent of PKNP, charge the land comprise in development agreement as security for any financing secured by Perak Corp to fund and finance items of expenditure directly relating to the confirmed development initiative.

4. Events of Default

It is an event of default if:

- (A) a party breaches any material obligation under this MDA, upon receipt of written notice, the defaulting party does not remedy the breach within 30 days after the date of the notice;

APPENDIX I – SALIENT TERMS OF THE MDA (Cont'd)

- (B) a party ceases or threatens to cease to carry on business;
- (C) an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to any party;
- (D) a receiver, receiver and manager, official manager, trustee, administrator, other controller (as defined in the Act) or similar officer is appointed over the assets or undertaking of any party; or
- (E) any party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them.

5. Effect of Event of Default

If an Event of Default occurs, the non-defaulting Party has the rights to issue a notice of termination to terminate this MDA with immediate effect.

6. Post-Termination

Following the giving of a notice of termination under any of the provisions of this MDA, no party will have any further obligation under this MDA to the other parties, except in respect of:

- (A) any obligation under this MDA which is expressed to apply after the termination of this MDA; and
- (B) any rights or obligations which have accrued in respect of any breach of any of the provisions of this MDA to any party prior to such termination.

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1. Joint Development**(A) Collaboration & Joint Development**

In consideration of the respective obligations, covenants, undertaking and representation under the JVA II, PKNP and Perak Corp must:

- (i) collaborate with each other to jointly carry out the Proposed Joint Development; and
- (ii) undertake their respective roles and obligations set out in the JVA II.

(B) Project Land

- (i) PKNP is the registered owner of 42 pieces of leasehold lands:
 - (a) a total gross acreage of 816.08 acres and nett acreage (excluding PKNP's Reserved Lands, ponds, and other reserves) of 530.71 acres;
 - (b) all located in Mukim Hulu Kinta, Daerah Kinta, Perak;
 - (c) free from all encumbrances; and
 - (d) under the zoning of commercial with land use of industrial and commercial.
- (ii) As at the date of JVA II, the issue documents of title to the total PKNP lands are in the possession of PKNP.
- (iii) Perak Corp has approached Advancecon with a proposal for Perak Corp and Advancecon to jointly undertake the infrastructure works and develop the total lands excluding the ponds, Lot 45 PT 253451, Lot 46 PT 253452 and Lot 47 PT 253453, all located in Mukim Hulu Kinta, Daerah Kinta, measuring, approximately, 746.73 acres in area and for Perak Corp to enter into a joint development agreement with Advancecon.
- (iv) PKNP will retain all of its right over the lands held under title numbers Lot 8 PT253415, Lot 10 PT253417, Lot 45 PT 253451, Lot 46 PT 253452 and Lot 47 PT 253453, all located in Mukim Hulu Kinta, Daerah Kinta, which are located within and are part of the total PKNP lands, which PKNP will retain and has the full rights to deal with it as PKNP deems fit in due course.
- (v) In relation to the Lot 8 PT253415 and Lot 10 PT253417, which form part of the PKNP's Reserved Land but which are also part of the land, PKNP has instructed Perak Corp and Advancecon to undertake infrastructure works on Lot 8 PT253415 and Lot 10 PT253417 and:
 - (a) for Lot 8 PT253415, PKNP will pay the infrastructure cost at the commercial value to be determined based on the market value at the point of sale; and
 - (b) for Lot 10 PT253417, PKNP will pay the infrastructure cost at actual construction cost, administration cost and financial cost estimated at RM 13.55 per square foot, subject to final verification.

Lot 8 PT253415 and Lot 10 PT253417 will not be included in any sale.

APPENDIX II – SALIENT TERMS OF THE JVA II (Cont'd)

- (vi) The verified and agreed cost for the infrastructure constructed specifically for Lot 8 PT253415 and Lot 10 PT253417 will be deducted against PKNP's entitlement under the joint development agreement prior to the release of the remaining PKNP's entitlement from the joint development proceeds account.

(C) Development Name

The name of the development will be "Silver Valley Technology Park Industrial Hub" or any other name as may be agreed by PKNP and Perak Corp.

(D) Development in phases

The Proposed Joint Development will be developed in 3 phases as detailed out in and in accordance with the proposed sequential size areas as follows and in accordance with demand from end-purchasers:

Phase	Gross Acreage	Nett Acreage
1	274.85	144.11
2	206.31	179.25
3	265.57	207.35
Total	746.73	530.71

PKNP and Perak Corp have agreed to enter into the JDA with Advancecon as the joint developer for the Proposed Joint Development. The percentage of the industrial plots or other product offerings to end purchasers will be approved by joint management committee from time to time, of which Perak Corp shall notify to Advancecon on the ratio under JDA with Advancecon. The development agreement must be on the basis that the total completion period must not be more than 5 years. Any request for extension of the period, Perak Corp shall obtain the approval of the joint management committee.

(E) Illegal Occupier

The cost of removing illegal occupiers from the land shall be borne by Perak Corp, and to be reimbursed to PKNP by deducting from Perak Corp money in the designated account under the JVA II.

(F) Quit rents, assessment, rates and other outgoings

All outstanding quit rents, assessment, rates and other outgoings in relation to the lands accrued as at 31 December 2023, totalling RM 12,642,494.60, are to be borne by PKNP. However, Perak Corp must procure Advancecon to advance such sum under the JDA with Advancecon subject to reimbursement of the same by way of deduction from PKNP's entitlement under the JDA with Advancecon prior to the release of the same from the proceeds account. For the avoidance of doubt, Advancecon is permitted to pay the outstanding payment in stages which are involved in a stage of the Proposed Joint Development based on the approved development plan under the JDA with Advancecon.

(G) Establishment of joint management committee

- (i) For the effective co-ordination, planning, carrying out, management and completion of the Proposed Joint Development, PKNP and Perak Corp must establish a joint management committee to jointly make decision on matters in relation to the Proposed Joint Development which are under the purview of the joint management committee and oversee the progress of the Proposed Joint Development within one month from the date of this JVA II or such other period of time as agreed by the parties. The joint management committee shall be represented by 4 representatives nominated by PKNP and Perak Corp equally.

- (ii) The quorum of the joint management committee should comprise 2 members, comprising 1 nominated by PKNP and 1 by Perak Corp of which all decision of the joint management committee requires unanimously in favour of such decision. Unless no decision is reached after the conclusions of 2 meetings, then the respective decision by senior management or board of directors of PKNP and Perak Corp shall be final and binding on the joint management committee.

(H) Creation of charge or collateral security

Perak Corp may charge over such parcel of lands in phase 1 and phase 2 of the land as security for any bridging finance for funding of the Proposed Joint Development, subject to complete documentation and information being submitted and the terms of the charge being acceptable to PKNP, the bridging finance to be obtained by Advancecon must be on a staggered basis and based on the financial requirement of the infrastructure works and the phases of the Proposed Joint Development.

2. Roles

(A) PKNP

- (i) grant a non-exclusive licence to Perak Corp to allow Perak Corp entry to and use of the land for the purposes of the joint development and the sale.
- (ii) the licence granted above extends to Advancecon, any contractor, its subcontractors and their respective agents and employees, the professional team and any other consultants whose services are engaged in connection with the Proposed Joint Development and the sale, prospective purchasers and any such other persons as Perak Corp and/or Advancecon may invite to the land for the purposes of the Proposed Joint Development and the sale.

(B) Perak Corp

- (i) oversee the progress of the Proposed Joint Development and report to the joint management committee in respect thereof;
- (ii) co-ordinate, superintend and supervise the carrying out of the Proposed Joint Development in accordance with the JVA II and decisions of the joint management committee and joint management committee of JDA with Advancecon;
- (iii) undertake the planning and management of the Proposed Joint Development and perform all of its obligations under the JVA II in compliance with the governing laws, regulations, approved development order etc. and within the time frame stipulated under the JVA II and in accordance with the directions and decisions of the joint management committee and joint management committee of JDA with Advancecon;
- (iv) determine and fund or procure Advancecon to fund the Proposed Joint Development in compliance with the directions and decisions of the joint management committee and joint management committee of JDA with Advancecon;
- (v) appoint Advancecon, the party approved by joint management committee, as the joint developer for the Proposed Joint Development and in accordance with the instruction and decisions of the joint management committee;
- (vi) monitor cost and exercise cost controls in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;

APPENDIX II – SALIENT TERMS OF THE JVA II (Cont'd)

- (vii) determine promotional and marketing campaigns for the sale and conduct negotiations for the sale, together with Advancecon, in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;
- (viii) ensure the maintenance and proper management of the land until the completion of the sale in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;
- (ix) procure the design and build of the main infrastructure comprised in the development plan for the Proposed Joint Development in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;
- (x) provide input and assist Advancecon on the preparation and submission of all plans and other applications for approvals, and all other works, processes, measures necessary or incidental to the implementation of the Proposed Joint Development in accordance with the decisions of the joint management committee of JDA with Advancecon;
- (xi) procure the development of the main infrastructure in accordance with the approved layout plans (Kebenaran Merancang) within the time line mutually agreed between the parties and in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;
- (xii) promote, market and handle the sale, together with Advancecon, all or part or section of the industrial plots and enter into any agreement or arrangement with any party for such purposes in accordance with the JVA II and decisions of the joint management committee of JDA with Advancecon;
- (xiii) procure the deposit of PKNP's share of revenue and Perak Corp's share of revenue into the designated account;
- (xiv) apply or utilise and ensure the distribution of the funds in the designated account towards discharging the obligations of the parties under the JVA II in accordance with the JVA II;
- (xv) take any other steps, actions or measures as Perak Corp reasonably considers necessary pursuant or in relation to any of the above consistent with the intentions and objectives of the JVA II and decisions of the joint management committee and joint management committee of JDA with Advancecon;
- (xvi) procure the provision of the public amenities on the land in accordance with the decisions of the joint management committee and joint management committee of JDA with Advancecon;
- (xvii) use its reasonable endeavours to procure that so far as may be practicable:
 - (i) the Proposed Joint Development is begun and completed in accordance with the projected timetable for development and is implemented in good order;
 - (ii) the sale is effected in a timely manner and on favourable terms;
- (xviii) assume payment of all quit rents, assessment, rates and other outgoings in respect of the land on and from 1 January 2024;
- (xix) ensure and procure Advancecon to carry out its obligations in accordance with the JDA with Advancecon;

- (xx) ensure PKNP is entitled to be admitted as a member of the joint management committee of JDA with Advancecon established under the JDA with Advancecon to jointly make decisions on those matters under the purview of the joint management committee of JDA with Advancecon; and
- (xxi) do such other acts, matters and things as may be consistent with, necessary for or incidental to the attainment of any of the foregoing.

3. Sharing of Revenue

- (A) In consideration of PKNP's roles and obligations under JVA II, PKNP is entitled to sum equivalent to RM9.70 per square foot of each sale of an industrial plot (excluding the PKNP's Reserved Lands) which is sold to any end-user as an industrial plot ("**PKNP's Basic Revenue Share**").
- (B) Perak Corp must ensure that the terms of the JDA with Advancecon provide that Perak Corp's entitlement under the JDA with Advancecon and PKNP's Basic Revenue Share must be paid progressively to a designated account under JVA II, by way of quarterly instalments based on the sales proceeds of industrial plots under the JDA with Advancecon ending every 31 March, 30 June, 30 September and 31 December within 7 days from the end of each quarter of every calendar year ("**JDA Quarterly Payment**").
- (C) PKNP's Basic Revenue Share for each sale of an industrial plot must be paid to PKNP within 7 business days from the expiry of 6 months from the receipt of a JDA Quarterly Payment in the designated account by:
 - (i) Perak Corp issuing and allotting Perak Corp Shares in favour of PKNP;
 - (ii) the release of funds from a bank account opened by Perak Corp and jointly operated and managed by the PKNP and Perak Corp;
 - (iii) Perak Corp making a cash payment to PKNP;
 - (iv) Perak Corp issuing and allotting redeemable convertible preference shares of Perak Corp [or Perak Corp procuring the issue and allotment of redeemable convertible preference shares of a subsidiary or related company of Perak Corp] in favour of PKNP; or
 - (v) a combination of any of the above,As may be determined by PKNP at its sole discretion.
- (D) Subject to the full payment of all PKNP's Basic Revenue Share and PKNP's additional share of revenue pursuant to JVA II, Perak Corp is entitled to the remaining funds in the designated account after deduction of all PKNP's Basic Revenue Share and PKNP's additional share of revenue pursuant to JVA II.
- (E) PKNP is entitled to late payment interest of any late payment of PKNP's Basic Revenue Share and PKNP's additional share of revenue pursuant to JVA II at the rate of 6% per annum calculated on daily basis.

4. Termination

- (A) In the event that the JVA II is terminated due to Perak Corp's insolvency or default, PKNP is entitled to the following:
- (i) retake the possession of the land;
 - (ii) retain all monies received by PKNP and to claim for damages from Perak Corp for losses incurred by PKNP by reason of or caused by the default of Perak Corp;
 - (iii) institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis; and
 - (iv) take over the Proposed Joint Development and appoint a contractor to continue the Proposed Joint Development and all additional costs and expenses reasonably incurred thereby for the appointment of such new contractor and to complete the Proposed Joint Development will be paid by Perak Corp and Perak Corp will be liable to pay PKNP all costs to complete the Proposed Joint Development.

In no event shall PKNP, when electing to take over the Proposed Joint Development, be deemed to assume Perak Corp's or Advancecon's liabilities or obligations to any lenders, financiers, creditors or any other interested parties in respect of the Proposed Joint Development.

- (B) In the event the JVA II is terminated either because of PKNP's insolvency or default on PKNP's part, then Perak Corp may claim for damages from PKNP for losses incurred by reason of or caused by the default of PKNP, and:
- (i) for the refund of any balance of advances in relation to PKNP's obligations under the Proposed Joint Development in relation to quit rent, assessment, rates and other outgoings and infrastructure costs (if any) paid by Advancecon under the JDA with Advancecon and not repaid to Advancecon under the JDA with Advancecon, free of interest; and
 - (ii) if the JDA with Advancecon is terminated prior to the unconditional date of the JDA with Advancecon, reimburse all direct cost and expenses incurred by Advancecon under JDA with Advancecon prior to the unconditional date under JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed within 30 business days upon demand by Perak Corp.
- (C) The termination of the JVA II will not affect those industrial plots that have been completed regardless whether the completed industrial plots have been sold or unsold, and
- (i) PKNP and Perak Corp must continue to perform their obligations in respect of the completed industrial plots in accordance with the terms of the JVA II; and
 - (ii) PKNP's rights, title and interests to PKNP's share of revenue and Perak Corp's share of revenue respectively comprised in the completed industrial plots (in each case, whether sold or unsold) remain unaffected.

1. Joint Development**(A) Collaboration and the Proposed Joint Development**

In consideration of and subject to the respective agreements, undertakings, covenants and obligations of the parties as hereinafter set out, the parties hereby agree:

- (i) to collaborate with each other to jointly carry out the Proposed Joint Development; and
- (ii) undertake their respective roles and obligations as set out in the JDA with Advancecon.

(B) To ensure that the objective of the JDA with Advancecon is achieved, Perak Corp agrees to deploy 1 dedicated personnel to Advancecon project and sale office at appropriate time and Advancecon shall provide a dedicated work station and facilities at Advancecon's project and sales office and permit Perak Corp's personnel to participate in the administration and management of the Proposed Joint Development and grant Perak Corp Personnel access to all records solely in relation to the development to enable Perak Corp personnel to carry out its duties and responsibilities efficiently.

(C) Development Lands

- (i) The Proposed Joint Development shall be carried out on lands measuring approximately 746.73 acres and held under 39 parcels of lands located in Mukim Hulu Kinta, Daerah Kinta, Perak and Perak Corp shall procure PKNP to provide the lands free from encumbrances.
- (ii) PKNP shall provide assistance to Perak Corp and Advancecon (both acting on behalf of PKNP) to remove and evict illegal occupiers or squatters on all or any part of the lands. Any legal fees and/or costs incurred by PKNP for the removal and eviction of the illegal occupiers or squatters shall be borne by Perak Corp and deducted from Perak Corp's monies maintained in the joint bank account set up pursuant to the JVA II.
- (iii) PKNP will retain all its right over (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453 and Perak Corp and Advancecon acknowledge and accept that PKNP has full rights to deal with PKNP's Reserved Lands as PKNP deems fit. Notwithstanding, PKNP has instructed Perak Corp and Advancecon to undertake work on Lot 8 PT253415 and Lot 10 PT253417.

Perak Corp will procure that PKNP pay the main infrastructure cost which is calculated based on the following:

- (a) for Lot 8 PT253415, at the commercial value to be determined based on the market value at the point of sale; and
 - (b) for Lot 10 PT253417, at actual construction cost, administration cost and financial cost estimated at RM13.55 per square foot, subject to final verification.
- (iv) The main infrastructure constructed specifically for Lot 8 PT253415 and Lot 10 PT253417 includes roads and related ancillary works, side tables of the roads, drains, sewerage systems, gas and water reticulation systems, electrical cables, street lightings, water pipes, telephone cables, sewer lines, man-hole and covers and any other related ancillary work to be constructed, laid upon or installed as

approved by the relevant authorities, will be deducted from PKNP's Basic Revenue Share.

(D) Acknowledgement of the roles and rights of PKNP

- (i) PKNP shall be a member of the joint management committee which shall comprise representatives of PKNP, Perak Corp and Advancecon following the date of the JDA with Advancecon.
- (ii) All the sales proceeds are to be deposited into the proceeds account jointly operated by Advancecon, Perak Corp and PKNP for the management and distribution of the sale proceeds according to the JDA with Advancecon.
- (iii) the joint management committee shall have the roles and rights under the JDA with Advancecon for reviewing and planning the development which includes discussing and deciding on any issues arising from or in connection with the Proposed Joint Development which do not overlap with exclusive decisions to be made by Perak Corp and PKNP under the joint management committee pursuant to the JVA II as set out below:
 - (a) the percentage of industrial lots permitted to be sold;
 - (b) the product offerings (other than industrial lots) and the percentage for each item of the product offerings (other than industrial lots) to be offered to end purchasers;
 - (c) the possible construction of a scheduled waste facility to cater to the needs of clients of SVTP Industrial Hub;
 - (d) performance concerns involving Advancecon and recommendations related thereto; and
 - (e) matters affecting PKNP's proprietorship over the total PKNP lands including (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453;

provided that in exercising such exclusive decisions:

- (a) Perak Corp shall procure that the joint management committee pursuant to JVA II shall first consider the market demand, investors' requirements, construction cost and financiers' requirements under the financing or future financing to be undertaken by Advancecon pursuant to the Proposed Joint Development;
- (b) for the product offerings (other than industrial lot), Perak Corp shall procure that the joint management committee pursuant to JVA II shall grant the first right of refusal to Perak Corp and Advancecon to construct product offerings (other than industrial lot). Perak Corp and Advancecon must exercise the first right of refusal within 6 months (or such other date as mutually agreed by PKNP, Perak Corp and Advancecon) from the date such right is granted by the joint management committee established pursuant to JVA II; and
- (c) to the extent that if any issues arising from or in connection with the Proposed Joint Development which overlap with exclusive decisions to be made by Perak Corp and PKNP under the joint management committee established pursuant to JVA II and that such issues would affect the rights

APPENDIX III – SALIENT TERMS OF THE JDA WITH ADVANCECON (Cont'd)

and interest of Advancecon, such issues shall be firstly discussed at joint management committee level under the JDA with Advancecon.

- (iv) the members of the joint management committee of JDA with Advancecon shall comprise of 1 representative from each PKNP, Perak Corp and Advancecon respectively. If conclusion cannot be made by the joint management committee, the joint management committee of JDA with Advancecon shall refer to the senior management or director of each PKNP, Perak Corp and Advancecon.

(E) Development in phases and Term

- (i) The development to be undertaken in 3 phases as follows:

Phase	Acres
1	274.85
2	206.31
3	265.57
Total	746.73

- (ii) the collaboration of the parties in relation to the Proposed Joint Development commences following the execution of JDA with Advancecon and will continue until the expiry of 5 years from the unconditional date of JDA with Advancecon or unless extended by the parties or the date of termination, whichever is earlier.

(G) Obligation to procure funding

- (i) Advancecon shall give its best effort to procure all necessary funding for the Proposed Joint Development.
- (ii) For any proposed creation of charge over any parcel of the lands excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453 to fund the development for any phase of the Proposed Joint Development:
- (a) a corporate guarantee by Advancecon Holdings Bhd, in such form and substance satisfactory to PKNP and Perak Corp, up to the value of the lands (RM9.70 per square foot) excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453 proposed to be charged, must be provided by Advancecon in favour of PKNP;
- (b) additionally, if required by PKNP and Perak Corp, Advancecon shall also provide indemnity in favour of PKNP and Perak Corp, in such form and substance satisfactory to PKNP and Perak Corp; and
- (c) all financing and sale proceeds shall be deposited into account(s) jointly operated or maintained by PKNP, Perak Corp and Advancecon.

2. Revenue Shares

(A) PKNP's Basic Revenue Share

Under JVA II, PKNP is entitled to PKNP's basic revenue share which is a sum equivalent to RM9.70 per square foot of each of the industrial and commercial lots (excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453) sold to end-user. And it shall be paid from the proceeds

APPENDIX III – SALIENT TERMS OF THE JDA WITH ADVANCECON (Cont'd)

account to the joint bank account set up pursuant to JVA II after deduction of all advances paid by Advancecon on behalf of PKNP.

(B) Perak Corp's Revenue Share

Subject to full payment of all development costs, Perak Corp is entitled to a sum equivalent to 35% of the nett development value. However, Perak Corp shall incur costs in implementing this joint venture. Pending full payment of all development cost, Perak Corp shall be paid an amount equivalent to 10% from the proceeds of sales of each industrial lot sold to end-purchaser or any percentage as mutually agreed by the parties from time to time, after deducting the advances paid by Advancecon on behalf of Perak Corp in relation to Perak Corp's obligations under the JDA with Advancecon.

(C) Developer's Revenue Share

Subject to the full payment of all development cost, PKNP's Basic Revenue Share and Perak Corp's revenue share, Advancecon is entitled to a sum equivalent to 65% of the nett development value. The gross development value totalling RM1,032,755,328 is based on the assumption of sale of nett saleable land measuring 592.72 acres with main infrastructure work.

(D) Manner of Payment

The payment to Perak Corp and PKNP's basic revenue share shall be paid progressively when the industrial lots are sold by quarterly instalments based on the Proposed Joint Development industrial lots sales collection ending every 31 March, 30 June, 30 September and 31 December within 7 business days from the end of each quarter of every calendar year.

3. Conditions Precedent

(A) Perak Corp and Advancecon agreed that the JDA with Advancecon is conditional upon the following conditions:

- (i) Advancecon obtaining appropriate authorities' approvals for the Proposed Joint Development;
- (ii) Perak Corp and Advancecon obtaining its shareholders' approval;
- (iii) Perak Corp and Advancecon obtaining Bursa Securities or other regulatory bodies approval;
- (iv) the written undertaking from PKNP that the land is free from all encumbrances and the original issue document of titles of the land shall be released to Perak Corp immediately, at the written request of Perak Corp for change of land category, condition or restriction, or charging of the land excluding (i) Lot 8 PT 253415; (ii) Lot 10 PT 253417; (iii) Lot 45 PT 253451; (iv) Lot 46 PT 253452; and (v) Lot 47 PT 253453 to a third party financier by Advancecon (where applicable), subject to and in accordance with the provisions of the JDA with Advancecon; and
- (v) Advancecon has obtained a bridging financing facility of other financial arrangement from the financial institution(s);

within the condition period of 15 months from the date of the JDA with Advancecon⁽¹⁾, or such other extended period as may be mutually agreed upon by the parties.

Note:

- (1) Pursuant to the terms of the JDA with Advancecon, the condition period was set for a duration of 15 months commencing from 8 January 2024 and lapsed on 8 April 2025. On 7 May 2025, Perak Corp and Advancecon had entered into a mutual written extension letter, to further extend the condition period for additional 6 months period from 8 April 2025. On 7 October 2025, Perak Corp and Advancecon had entered into a mutual written extension letter, to further extend the condition period for additional 6 months period from 8 October 2025.
- (B) In the event that any of the conditions precedent is not fulfilled or obtained or performed by the respective parties within the conditional period despite all reasonable efforts by the parties hereto, or in the event the conversion approval is rejected, thus the JDA with Advancecon shall terminate and automatically lapse whereupon:
- (i) if the non-fulfilment is caused by or attributable to a default of Perak Corp, Perak Corp shall refund all deposits or advances in relation to Perak Corp's obligations under the Proposed Joint Development (if any) paid by Advancecon, free of interest and reimburse Advancecon all direct cost and expense incurred by Advancecon pursuant to the JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed, and Advancecon shall within 30 business days upon demand by Perak Corp remove all its belongings from the land, exit the land and return the lands to PKNP; and Perak Corp shall within 30 business days after having completed any restoration works which must be done within 30 business days or such other period agreed by PKNP in connection with all damage occasioned to the land; or
 - (ii) if the non-fulfilment is caused by a default of Advancecon, Advancecon shall reimburse all direct cost and expenses incurred by Perak Corp and PKNP pursuant to the JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed. Advancecon shall remove all its belongings from the land, exit the land and return the lands to Perak Corp or PKNP, after having completed any restoration works which must be done within 30 business days or such other period agreed by Perak Corp (in consultation with PKNP) in connection with all damage occasioned to the land; or
 - (iii) if the non-fulfilment is caused by a default of PKNP, Perak Corp shall procure PKNP to refund all advances in relation to PKNP's obligations under the Proposed Joint Development (if any) paid by Advancecon, free of interest and reimburse all direct cost and expenses incurred by Advancecon pursuant to the JDA with Advancecon, subject to production of documents to substantiate the cost and expense claimed. Advancecon shall within 30 business days upon demand by Perak Corp remove all its belonging from the land, exit the land and return the lands to Perak Corp or PKNP, on an as is where is basis; or
 - (iv) if the non-fulfilment is not due to the fault of either party, Perak Corp shall refund all deposits and advances in relation to Perak Corp's obligations under the Proposed Joint Development and procure PKNP to refund all advances in relation to PKNP's obligations under the Proposed Joint Development paid by Advancecon free of interest, and Advancecon shall remove all its belonging from the land, exit the land and return to Perak Corp or PKNP, after Perak Corp or Advancecon having completed all restoration works which must be done within 30 days or such other period agreed by Perak Corp (in consultation with PKNP) in connection with any damage occasioned to the land.

after which the JDA with Advancecon will be of no further force and effect and thereafter the parties shall be released from all further obligations to each other.

4. Event of Default

Save as otherwise provided in the JDA with Advancecon, any one of the following events will constitute an event of default:

(A) If Advancecon:

- (i) fails, neglects and/or refuse to commence, the works on the commencement date or such other extended period as may be mutually agreed upon by the parties;
- (ii) fails to complete the Proposed Joint Development by the completion date; or
- (iii) fails to proceed with the works diligently or the carrying out of the works is wholly suspended continuously for more than 3 months before completion date thereof; or
- (iv) persistently or flagrantly breaches or neglects to comply with or carry out any of its material obligation under the JDA with Advancecon; or
- (v) is in breach of any of its obligations or any of the warranties, representations, covenants or terms under the JDA with Advancecon and if capable of remedy, is not remedied within 30 business days of written notice from Perak Corp; or

If Perak Corp is in breach of any of its obligations or any of the warranties, representations, covenants, obligations or terms under the JDA with Advancecon and if capable of remedy is not remedied within 30 business days of written notice from Advancecon;

then and in such an event (where such event is not attributable to reasons beyond the reasonable control of Advancecon or Perak Corp), the non-defaulting party may require the defaulting party to remedy the relevant default provided that notice in writing given to the defaulting party specifying the relevant default and requiring the defaulting Party to remedy the same within 21 days from the date of receipt of the notice or any other period as may be mutually agreed between the parties. Upon the expiry of the said notice, the non-defaulting party may, for so long as relevant default or event is continuing, without prejudice to any other right or remedy that it may possess, terminate the JDA with Advancecon with immediate effect and issue written notice to such effect to the defaulting party.

(B) Developer's insolvency or default on Developer's Part

- (i) Advancecon shall cease all operations on the lands, quit and return all possession of the lands to PKNP after having completed any restoration works;
- (ii) Perak Corp is entitled to retain all moneys received and to claim for damages from Advancecon for losses incurred by reason of or caused by the default of Advancecon;
- (iii) Perak Corp is entitled to institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis;
- (iv) Perak Corp is entitled to take over the development and appoint a contractor to continue, all additional costs incurred to complete the Proposed Joint Development will be paid by Advancecon; and

APPENDIX III – SALIENT TERMS OF THE JDA WITH ADVANCECON (Cont'd)

- (v) Advancecon shall fully settle all financing obtained in relation to the Proposed Joint Development and discharge all charges created on the lands within 3 months from the termination effective date.

- (C) Perak Corp's insolvency or default on Perak Corp's part

If the JDA with Advancecon is terminated due to Perak Corp insolvency or default on Perak Corp part, Advancecon is entitled to claim for reimbursement of all cost and expenses incurred up to the effective date of termination, including all amount outstanding to Advancecon in the development and proceeds account.

- (D) Industrial Lots

Notwithstanding the termination of JDA with Advancecon, it will not affect the industrial lots, i.e. land with complete main infrastructure which is one of the product offerings, regardless the industrial lots have been sold or unsold, each party must continue their respective roles and obligations.

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1. Agreement to Joint Venture

Perak Corp to provide Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land and do all such things as are normal done by a registered proprietor and TMHTP shall provide the technical, commercial, financial, sale and marketing and management expertise and shall develop the lands according to the terms and conditions contained in JVA I.

2. Obligations and covenants of the parties

- (a) The obligations of TMHTP and TMHTP covenant with Perak Corp that shall:
- (i) obtain the approval of its shareholders at its general meetings and the board of directors approving TMHTP to enter into JVA I for the purpose of the joint venture and the development of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land;
 - (ii) in carrying out the development, TMHTP shall observe all relevant laws, regulations, statutes and by-laws of the relevant authorities applicable to the development;
 - (iii) make good at its own expense or indemnify Perak Corp against any damage caused to any properties whether public or private adjoining to Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land if such damage is occasioned through any act or omission of TMHTP, its employees, agents, servants and contractors;
 - (iv) not create or permit to be created any form of nuisance in any manner on any public highway roads or any building or structure whether public or private or cause pollution of rivers or waterways in the course of carrying out the development and shall indemnify Perak Corp against all penalties in respect of such breaches;
 - (v) make it incumbent upon their agents employees servants and contractors to observe all relevant statutes, by-laws, regulations and or order whether present or future in relation to the development;
 - (vi) may devise, source, procure and raise the necessary funding and/or financing from banks or financial institutions by various legal methods and/or schemes including financing not necessarily from banks or financial institutions but from such other financial corporations which may comprise of innovative financing methods including private debt securities, asset backed securities, bonds or other forms of security instruments or such combination thereof;
 - (vii) not allowed to charge Parcel 1 Land, Parcel 2 Land and Parcel 3 Land to obtain financing for the purpose of development of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land save and except for the purpose of obtaining loan or financing to assist TMHTP or party nominated by TMHTP in the purchase of the lands from Perak Corp. For this purpose, Perak Corp shall enter into a direct sale and purchase agreement with the party or parties nominated TMHTP and in such case, Perak Corp shall provide the usual undertaking letter and other confirmation to the relevant financiers or banks to facilitate the release of the loan sum;
 - (viii) notwithstanding the above terms and conditions, TMHTP is allowed to purchase or nominate any party or parties to purchase the subdivided individual units or parcels of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land based on the purchase price as stated in JVA I;
 - (ix) be responsible for all matters pertaining to the sale, administration management and financial functions of the development. All sales proceeds shall be received by

APPENDIX IV – SALIENT TERMS OF THE JVA I (Cont'd)

TMHTP subject always to the rights of Perak Corp for entitlement under the JVA I;

- (x) the development shall be completed within 5 years from the date of JVA I becomes unconditional in accordance with JVA I or any other mutually extended period to be mutually agreeable by both parties or alternatively TMHTP shall settle or pay Perak Corp all Perak Corp's entitlement within 5 years from the date of JVA I becomes unconditional;
 - (xi) be responsible for and liable to pay all outgoings in respect of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land including quit rent and assessment commencing 1 January 2020 until the development is completed or the Perak Corp's entitlements are paid, whichever is earlier; and
 - (xii) liable for and shall indemnify and keep indemnified Perak Corp at all times against any damages, expenses, costs, liabilities, losses, claims, actions, fines, penalties and/or any proceedings whatsoever whether arising from common law or by statute in respect of personal injury or death of any person or any injury and/or damage of any kind to any property, real or personal arising out of or in the course of or by reason of any works carried out in the development due to any negligence, act, commission, omission or default by TMHTP, its employees, servants, contractors and or agents.
- (b) The obligations of Perak Corp and Perak Corp covenant with TMHTP that shall:
- (i) obtain the necessary approval of its board of directors approving Perak Corp to enter into JVA I in accordance with its terms and conditions for the purpose of joint venture and the development;
 - (ii) reasonably assist TMHTP's application to the relevant government authorities for the necessary approvals and Perak Corp shall if so requested by TMHTP, sign all applications, plans, elevations, specifications, drawings or any other relevant plans or documents in connection thereof provided always that TMHTP shall ensure all its applications plans, elevations, specifications, drawings and documents are in order and in compliance with the relevant statutes regulation by law or order governing such matters;
 - (iii) Vacant possession of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land is to be delivered to TMHTP upon the execution of JVA I. Upon delivery of vacant possession of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land to TMHTP, TMHTP shall be at liberty to cause any crops, trees, buildings or any other structures to be removed from there at the sole cost of TMHTP;
 - (iv) reasonably assist all application or applications as and when required by TMHTP for licences or permits which may be necessary for TMHTP to comply with for the purpose of developing Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land. Provided always that TMHTP shall ensure that all its applications are in order and in compliance with the relevant laws, by laws, statutes and order governing such matters;
 - (v) Subject to the express conditions and restriction in interest as stipulated in the document of title to Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land as issued by the relevant authorities, Perak Corp also hereby undertakes that any encumbrances whatsoever on the document of title of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land created before the execution of JVA I shall be discharged by Perak Corp at its own cost; and

- (vi) after the execution of JVA I and pending completion of JVA I. TMHTP shall be allowed to sell or nominate any party or parties to be the transferee of the subdivided units/lots to the Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land and Perak Corp to enter into direct sale and purchase agreement or a tripartite sale and purchase agreements with TMHTP and any new potential purchasers as TMHTP deemed fit from time to time for the sale and purchase of the subdivided lots/units based on the terms and conditions to be determined by TMHTP provided subject to the terms and conditions of JVA I contained.

3. Deposit of original titles and execution of memorandum of transfer (MOT)

- (a) Immediately upon signing JVA I, Perak Corp must deposit the original titles for Parcel 1 Lands, Parcel 2 Land, and Parcel 3 Land with its solicitors, who will then forward them to TMHTP's solicitors. TMHTP's solicitors are authorised to submit the titles to the relevant authority once the subdivision application is approved, in accordance with the annexed layout plan.
- (b) Upon issuance of the subdivided titles by the authority, Perak shall deposit them with its solicitors (as stakeholders). Perak Corp's solicitors must send copies of the same to TMHTP's solicitors, who will then prepare the MOT in favour of TMHTP, its nominees, or sub-purchasers.
- (c) Within 14 working days after receiving the MOT and related documents from TMHTP's solicitors, Perak Corp must execute and return the signed MOT.
- (d) Once subdivided titles are issued, they will be held by TMHTP's solicitors as stakeholders and used for registration of transfer under two scenarios:
 - (i) TMHTP's solicitors can submit the titles for transfer. Perak Corp will receive its entitlement upon confirmation that the titles are registered in TMHTP's (or nominee's) name, free from encumbrances and subject to any required redemption.
 - (ii) TMHTP's financiers will provide a letter of undertaking to release the loan. Perak Corp must, within 14 days, provide its letter of undertaking, the original titles, and other required documents to facilitate disbursement, after confirming the differential sum has been paid.

4. Power of attorney

- (a) Perak Corp shall grant an irrevocable power of attorney to TMHTP to act on behalf of Perak Corp solely for the purposes of implementing the development of Parcel 1 Lands, Parcel 2 Land, and Parcel 3 Land to carry out all actions necessary for the development and Liaise with all relevant authorities to obtain approvals for development, and particularly in land use conversion, variation or removal of land use conditions, subdivision approvals and transfer consents for any title or subdivided titles.
- (b) The power of attorney is irrevocable for valuable consideration except if JVA I is legally terminated.

5. Perak Corp's entitlement

In consideration of the mutual covenants and stipulations the parties agree that:

- (a) Perak Corp shall be entitled to the following based on RM9.50 per sq ft calculated based on the nett land areas:

APPENDIX IV – SALIENT TERMS OF THE JVA I (Cont'd)

Parcel	Total estimated entitlement
1	RM23,066,023.82 (made up of RM22,590,435.70 + 20% of nett profit of sub sale of all subdivided units or lots to Parcel 1 Lands)
2	RM79,275,495.50 + 20% of nett profit of sub sale of all subdivided units or lots to Parcel 2 Land
3	RM27,701,107.00 + 20% of nett profit of sub sale of all subdivided units or lots to Parcel 3 Land

- (b) Nett profit of the sale shall be defined as the total sale revenue less the total land cost before tax. Any taxes payable in respect of the profit from the development shall be borne by the respective parties to JVA I. The 20% of the nett profit is only payable to Perak Corp if the sale or subsale of any land or subdivided unit or lot is more than RM9.50 per sq ft.
- (c) Perak Corp is entitled to a minimum total of RM129,502,573.20 based on RM7.00 per sq ft of gross land area of 424.70 acres.
- (d) TMHTP shall settle the entitlement within 5 years from the unconditional date and shall pay a minimum RM1,000,000.00 annually, starting 3 months from obtaining subdivided titles, industrial use approvals and renewed 99 years lease titles.
- (e) The parties further agree that TMHTP is deemed to have in compliance of the payment of the deposit payable upon execution of JVA I in the following manner:
 - (i) RM2,000,000.00 paid to Perak Corp before the execution of JVA I as earnest deposit for Parcel 2 Land; and
 - (ii) execution of sales and purchase agreement for sale and purchase of Parcel 1 Lands between Perak Corp and MIP for RM24,968,376.30.
- (f) 6% interest per annum on any unpaid amount beyond the completion date, calculated daily.
- (g) TMHTP may assign its rights and obligations to third parties at its discretion, prior to completion date, subject to JVA I terms.
- (h) If nett land area deviates more than 5%, parties can revert to gross land area at RM7.00 per sq ft to recalculate entitlement.

6. Conditions precedent

The completion for the development for Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land by THMTP is conditional on the obtaining the following by Perak Corp:

- (a) Perak Corp must obtain approval from the relevant authority that all Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land are approved for industrial use;
- (b) Perak Corp must ensure that all 124 original subdivided titles to the units/lots for all 3 parcels are issued, as per the layout plan, and forward copies to TMHTP or its solicitors;
- (c) All 124 subdivided titles must be renewed with a fresh lease period of 99 years from the issuance date;
- (d) Perak Corp must obtain and forward the original letters of consent from the land office consenting to the sale/transfer of all the units/lots of each parcel to TMHTP or its nominees/purchasers;

- (e) Perak Corp must obtain written confirmation from the chargee that the redemption sum for Parcel 2 Land will be pro-rata for all individual subdivided titles; and not more than the balance sum payable by TMHTP as Perak Corp's Parcel 2 Land entitlement;
- (f) Perak Corp must obtain necessary board and members' resolutions approving its participation in the Development, if required; and
- (g) All the above conditions must be fulfilled within 12 months from the date of the JVA I or within any extended period mutually agreed in writing by both parties.

In the event that the conditions cannot be obtained within the specified time or are refused, either party may mutually agree to extend the time or TMHTP may unilaterally terminate JVA I and Perak Corp shall refund all monies to TMHTP of the Perak Corp's entitlement within 30 days free of interest (excluding late payment interest). Failing which, Perak Corp shall pay to TMHTP late refund interest of 6 % per annum until the full refund.

7. Right and power of Perak Corp on default of TMHTP

Events of default by TMHTP, in the event that TMHTP:

- (a) ceases or threatens to cease business before fully paying/delivering Perak Corp's entitlement;
- (b) winding-up petition is presented, order made, or resolution passed against TMHTP before full payment of Perak Corp's entitlement;
- (c) fail, refuse, neglect or omit to deliver and/or to pay Perak Corp's entitlement or any part thereof together with late payment interest when due;
- (d) fails to pay Perak Corp's entitlement within 5 years from the unconditional date (or extended period), based on approved plans and specifications by the relevant authority; or
- (e) commits an act or omission that frustrates the development; Perak Corp gives 30 days' notice and TMHTP fails to remedy the breach.

And in any such event, Perak Corp shall be entitled to at its option to specific performance by TMHTP of JVA I but without prejudice to Perak Corp's right to claim damages; or terminate JVA I by giving notice to TMHTP, TMHTP shall redeliver the land to Perak Corp of which has not been paid in full.

Once TMHTP has fully paid Perak Corp's entitlement for a particular parcel, Perak Corp shall not be entitled to terminate this JVA I but instead shall proceed to transfer the title free from encumbrances, even if other parcels are unsettled, however, TMHTP agree to indemnify Perak Corp against all claims, fines, actions, costs and legal proceedings by authority or third parties arising from any act or omission related to the development.

8. Right and power of TMHTP on default of Perak Corp

Event of default by Perak Corp, in the event that Perak Corp:

- (a) ceases or threatens to cease business;
- (b) winding-up petition is presented, order made, or resolution passed against Perak Corp; or

- (c) Breaches or threatens to breach any of the terms and in such event TMHTP shall give 30 days notice in writing to Perak Corp to remedy such breach and Perak Corp fails to remedy such breach.

And in any such event, TMHTP shall be entitled to at its option to specific performance by Perak Corp of JVA I but without prejudice to Perak Corp's right to claim damages; or terminate JVA I by giving notice to Perak Corp, and Perak Corp shall refund all sum paid within 30 days for unsold or not fully paid parcels, TMHTP may claim for all losses and damages including legal and recovery costs. Upon the full refund, Perak Corp may repossess unsold and unpaid parcels, and all existing sale and purchase agreements shall proceed to completion, subject to full payment, with registration under the purchaser, TMHTP or a related party.

9. Special conditions

- (a) Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land under JVA I shall be treated independently, and non-compliance in one parcel shall not affect the performance or completion of the other parcels.
- (b) Perak Corp acknowledges receipt of part of the total purchase price from TMHTP.
- (c) TMHTP or its nominated party/parties may lodge a caveat on any of the parcels of Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land to protect their interest pending transfer of title.
- (d) TMHTP nominates the following party as direct purchaser for Parcel 1 Lands, MIP.
- (e) Perak Corp irrevocably agrees to allow TMHTP to nominate the following party to assume all rights and obligations related to Parcel 2 Land, Makmur Damai Property Sdn Bhd.

10. Redemption of titles for Parcel 2 Land

- (a) Parcel 2 Land is currently charged to the chargee and the estimated still owing is RM60,000,000.
- (b) Upon request of TMHTP, Perak Corp shall take steps to redeem the subdivided titles of Parcel 2 Land from their own fund or to request TMHTP or the purchaser to redeem the said subdivided titles on behalf of Perak Corp.

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1. Validity of JVA I

Perak Corp and TMHTP hereby confirm JVA I is still subsisting and the parties entered into SA JVA I to vary, amend and/or to supplement JVA I as mutually agreed between the parties. At Perak Corp request, TMHTP shall pay to Perak Corp a sum of RM500,000.00 as advance payment to Perak Corp's entitlement within 7 days from the date of SA JVA I.

2. Additional obligations of TMHTP

- (a) Subject to Perak Corp fulfilment of the conditions precedent under JVA I, and the covenants by Perak Corp in accordance with SA JVA I, and for the purpose of carrying out the residential development of Parcel 3 Land and to realise the intention of the joint venture, TMHTP as Perak Corp's attorney shall be responsible to carry out all the relevant and necessary operations, activities and undertakings required to initiate, implement and construct the residential development on Parcel 3 Land. TMHTP shall also be responsible to market and sell the development units or components of the residential development and the operations, activities and undertakings to be carried out shall include, without limitation, the following:
- (i) the co-ordination, planning and preparation of the final development and/or concept plan, master layout plan and building plans for submission to and approval by the appropriate authorities, as well as the supervision of soil investigation and construction works, and the appointment of the architect, town planner, civil, structural and mechanical consulting engineers, quantity surveyor and other necessary technical and competent consultants;
 - (ii) the appointment of competent contractors, including specialist contractors where required, to undertake the construction operations of the residential development;
 - (iii) the application for all relevant approvals, licences, permits and consents from the competent authorities necessary for the residential development, and the execution of any operation, activity or undertaking in relation to their implementation and/or compliance;
 - (iv) the sourcing or raising of necessary financing for the residential development;
 - (v) the marketing and sale of the development units or components of the residential development, and if required, the application for a developer's licence under the Housing Development (Control and Licensing) Act 1966 and its subsidiary legislation, and the performance of all necessary obligations on the part of TMHTP thereunder and in accordance with applicable laws; and
 - (vi) upon the completion of the residential development, TMHTP shall at its own costs and expenses apply for and procure the issuance of the certificate of completion and compliance ("CCC").
- (b) For the avoidance of doubt, TMHTP shall be solely liable for the development cost incurred in connection with the residential development, and shall pay the same as and when it is due.

3. Perak Corp's entitlement

- (a) Perak Corp agrees to waive its entitlement to 20% of the net profit from the subsale of units in Parcel 3 Land, which TMHTP intends to maintain as a mixed residential project. Instead, Perak Corp will receive a fixed entitlement calculated at RM9.50 per square foot based on the net residential land area stated in the subdivided titles. The estimated

entitlement for Perak Corp under this arrangement is approximately RM27,701,107.00, based on an estimated net area of 2,915,906 sq ft.

- (b) TMHTP agrees to pay Perak Corp's entitlement within 5 years from the unconditional date. TMHTP must pay at least RM1,000,000.00 annually, starting within 3 months of the unconditional date. If TMHTP sells sub-divided units, it must pay Perak Corp the redemption value for each title within 6 months of receiving payment from buyers, subject to housing regulations.
- (c) For Parcel 2 Land, the redemption value per subdivided title is calculated by dividing Perak Corp's total entitlement by the number of sub-divided titles. An example is given: if the entitlement is RM79,275,495.50 over 34 titles, each title's redemption value is RM2,331,632.22. The redemption value shall be paid by TMHTP to Perak Corp less the redemption sum owing to Parcel 2 Land chargee bank to be pro-rated proportionately against the release of the progressive payment by the end purchaser or sub-sale purchaser or their financiers.
- (d) For Parcel 3 Land, the redemption value per subdivided title is calculated by dividing Perak Corp's total entitlement for example RM27,701,107.00 by the number of 1,444 titles, resulting in RM19,183.60 per title. TMHTP shall pay this amount to Perak Corp, minus any outstanding redemption sum owed to any chargee bank to be pro-rated proportionately against the release of the progressive payment by the end purchaser or sub-sale purchaser or their financiers.
- (e) In the event the payment of redemption value is lesser than RM1,000,000.00, being the agreed minimum sum payable to Perak Corp in JVA I, TMHTP shall pay Perak Corp the difference amount between minimum annual payment sum pursuant and the actual redemption value paid.
- (f) Upon the payment of the redemption value for each sub-divided title, Perak Corp shall have no further rights and claims on and over such title.

4. Conditions precedent

The parties agreed that the conditions precedent to be obtained and fulfilled under the JVA I shall be varied and replace with the following:

Condition precedent for Parcel 2 Land

- (a) The completion for the development of Parcel 2 Land by TMHTP is conditional on the obtaining of the following by Perak Corp with costs and expenses to be borne by Perak Corp unless expressly stated otherwise:
 - (i) Approval must be obtained for Parcel 2 Land to be used for "industrial" purposes. Perak Corp will bear up to RM12,000,000.00 in land conversion premium. If the premium exceeds RM12,000,000.00, TMHTP shall at the sole discretion be entitled to elect to:
 - (aa) Proceed with the conversion into industrial use and the parties agree to bear the conversion premium sum exceeding RM12,000,000.00 equally; or
 - (bb) Elect to convert Parcel 2 Land into a mixed residential development and the conditions precedent for Parcel 3 Land shall be applicable save for the numbers of units and subdivided titles to be subjected to TMHTP's and the relevant authorities' approvals;

APPENDIX V – SALIENT TERMS OF THE SA JVA I (Cont'd)

Once the industrial use conversion premium is paid, if TMHTP later chooses to change Parcel 2 Land's use again, TMHTP will bear all costs for getting such alternative use approved, without affecting Perak Corp's entitlement.

- (b) the relevant authority must issue 34 subdivided titles (or another number as informed by TMHTP) for Parcel 2 Land under "industrial" land use, based on the layout plan in JVA I.
- (c) All subdivided titles must be renewed for a new 99-year lease from the date of issuance.
- (d) Where applicable, Perak Corp must obtain and provide the original letter of consent from the land office allowing the sale and transfer of Parcel 2 Land units/lots to TMHTP, its nominees, or any potential purchaser.
- (e) Perak Corp must get a written confirmation from the chargee bank confirming that the redemption sum is pro-rated per subdivided title, each title can be redeemed individually and the redemption amount per title does not exceed TMHTP's remaining entitlement payment to Perak Corp.
- (f) Perak Corp must secure necessary shareholders' and board approvals for its participation in the land development under JVA I and SA JVA I.
- (g) Vacant possession of Parcel 2 Land must be delivered to TMHTP.
- (h) All conditions precedent must be fulfilled within 18 months from the date of SA JVA I, or within an extended period as mutually agreed in writing.

Conditions precedent for Parcel 3 Land

- (a) Perak Corp must obtain the rezoning of Parcel 3 Land to a residential zone.
- (b) The relevant authority must issue 1,444 subdivided titles (or another number approved by authorities or varied by TMHTP) for residential use for the residential development.
- (c) The subdivided titles must be renewed for an additional 99-years period.
- (d) Where applicable, Perak Corp must obtain and provide the original letter of consent from the land office allowing the sale and transfer of Parcel 3 Land's units/lots to TMHTP or nominated parties, including end-purchasers for the residential development.
- (e) Perak Corp must obtain necessary resolutions from its shareholders' and board approvals for its participation in the development of Parcel 3 Land as per JVA I and SA JVA I.
- (f) Perak Corp must deliver vacant possession of Parcel 3 Land to TMHTP.
- (g) A power of attorney for Parcel 3 Land must be executed, as outlined in SA JVA I, with indemnity from TMHTP in case of unlawful or wrongful use.
- (h) All conditions precedent must be fulfilled within 18 months from the date of SA JVA I, or within an extended period as mutually agreed in writing.

SA JVA I become unconditional once TMHTP's Solicitors receive all required documents from Perak Corp or its solicitors, or if TMHTP chooses to waive any of the conditions precedent. The date of receipt of these documents or waiver notification will be the unconditional date. TMHTP may, at its discretion, waive conditions for any parcel and proceed with its development independently, even if the conditions precedent for other parcels have not been met.

APPENDIX V – SALIENT TERMS OF THE SA JVA I (Cont'd)

At Perak Corp's request, TMHTP agrees to advance RM500,000.00 to Perak Corp within 7 working days from the unconditional date and such payment shall be made towards Perak Corp's entitlement. This sum, together with any prior advance made under Clause 1.2 of SA JVA I, will be collectively referred to as the advance sum.

The conditions precedent for Parcel 1 Lands have been addressed in the SPA I and SA SPA I and will remain binding on the involved parties. If the SPA I is terminated, the obligations and covenants will still apply mutatis mutandis.

To ensure smooth completion of conditions precedent for Parcel 2 Land and Parcel 3 Land, TMHTP agrees to discuss and consider advancing payments on behalf of Perak Corp as needed. Any such advances will be treated as payments towards Perak Corp's entitlement.

Failure to fulfil conditions precedent

In the event that any of the conditions cannot be obtained or not waived by TMHTP within the period as stated above or shall be refused:

- (a) TMHTP may with mutual agreement of Perak Corp vary the conditions precedent and agree on such terms including compliance period for the fulfilment of such conditions;
- (b) TMHTP may extend the compliance period; or
- (c) At the sole discretion of TMHTP, SA JVA I can be terminated.

If TMHTP decides to terminate SA JVA I, Perak Corp must refund all payments made by TMHTP related to the joint venture, including the advance sum, within 30 days, excluding interest except for late payment interest. If the refund is not made on time, Perak Corp shall pay 6% annual late interest. After receiving the refund, TMHTP must withdraw any private caveat over the lands at its own expense within 14 days.

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1. Agreement to amend and extend

In consideration of the parties herein agreeing to continue and to be abided by the terms and conditions stated in the SPA I and the terms and conditions herein contained, Perak Corp and MIP have agreed to enter into the SA SPA I inter-alia to vary some of the terms of conditions precedent and the payment terms to TMHTP and to extend the time period for the fulfilment of the conditions precedent provided subject to the terms and conditions herein contained.

2. The Substantive Amendments

Due to unforeseeable circumstances caused by COVID-19 pandemic and in order to expedite the process of the sale and purchase of the Parcel 1 Lands, Perak Corp and MIP have mutually agreed that Perak Corp shall not be required to apply and obtain 48 subdivided titles as per the layout plan annexed to SPA I instead to have both Lot 20570 and Lot 20571 to be converted for industrial use with the renewal of fresh 99 years lease upon issuance of the new converted industrial titles. For this purpose, the parties herein agreed to vary of some of the terms of the said SPA I as follows:

- (A) to delete recital E of SPA I stating: "pursuant to the JVA I, Perak Corp has agreed to apply to the relevant authority to subdivide Parcel 1 Lands into 48 separate subdivided individual titles based on the layout plan";
- (B) to amend purchase price of RM24,968,376.30 as stated in clause 2.1 of SPA I to RM23,256,259.07 (ie. RM24,968,376.30 – RM1,712,117.23);
- (C) to amend clause 2.1(b) of SPA I balance purchase price payable shall be RM20,759,421.44 instead of RM22,471,538.67;
- (D) to delete sub-clause 2.1(b)(iii) of SPA I stating: "ARX-YSC Sdn Bhd RM1,712,117.23;
- (E) to amend sub clause 3.1 (c) of SPA I and replace the same with the revised subclause 3.1(c) "Upon the fulfilment of subclause 3.1(a), subclause 3.1(b), subclause 3.1 (d) and subclause 3.1(e) herein contained, Perak Corp shall take steps to apply and obtain the relevant consent to transfer from the state authority consenting to the transfer of the subdivided titles to Parcel 1 Lands in favour of MIP or party or parties nominated by MIP from time to time (hereinafter referred to as "**the State Authority Consent**") and all costs and expenses thereto shall be borne by Perak Corp";
- (F) to delete the entire current subclause 3.2 of SPA I and replace the same with the following revised subclause 3.2:

"In view of the fact that the parties herein have agreed not to subdivide Parcel 1 Lands, MIP agreed to pay the additional sum of RM633,447.25 being the additional cost for the extension of the lease of 99 years for the difference of land between the nett land area of 54.77 acres and the gross land area of 73.174 acres totalling 18.404 acres (hereinafter referred as "Difference of Land Area") Provided MIP has received the relevant letter from the relevant land office requesting for the payment of the additional cost and the same shall be payable together with the payment of the balance purchase price as stated in clause 2.1 (b) of SPA I. In the event of the actual costs impose by the relevant land office is higher than the amount stated herein, then the additional amount to be paid by MIP shall be calculated based on the actual amount imposed by the relevant land office.";

APPENDIX VI – SALIENT TERMS OF THE SA SPA I (Cont'd)

(G) to add new sub clause 3.8 after sub clause 3.7 as follow:

For the smooth and effective completion of the condition precedent herein, the parties hereby agree that MIP shall at Perak Corp's request, discuss and mutually agree on the need for MIP to advance any payment to be made by Perak Corp for its fulfilment of the conditions precedent herein. All payments made by MIP toward the payment for fulfilment of condition precedent on Perak Corp's behalf shall be deemed as payment toward balance purchase price.

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APPENDIX VII – SALIENT TERMS OF THE SPA I

1. The Agreement / Purpose

Perak Corp agrees to sell and MIP agrees to purchase Parcel 1 Lands at the total consideration of RM24,968,376.30 ("**Purchase Price**") (calculated based on RM10.50 per square foot of nett land area).

2. Manner of Payment of the Purchase Price

- (A) Upon execution of SPA I, MIP shall pay Perak Corp and TMHTP for 10% of the Purchase Price in two tranches as follows:

Party	Payable upon execution	Payable within 7 working days from execution date
Perak Corp	RM1,129,521.78	RM1,129,521.79
Perak Corp	RM23,779.40	RM23,779.41
TMHTP	RM95,117.62	RM95,117.63

- (B) The remaining 90% of the Purchase Price shall be paid within 5 months from the date of SPA I becoming unconditional with an automatic extension of another 1 month with late payment interest of 6% for the unpaid balance Purchase Price in the following manner:

Party	Balance purchase price
Perak Corp	RM20,331,392.13
Perak Corp	RM428,029.31
TMHTP	RM1,712,117.23

3. Conditions Precedent

- (A) The parties agree that the sales and purchase of Parcel 1 Lands shall be subjected to Perak Corp fulfilling the following conditions precedent:
- (i) Perak Corp shall at their own cost apply and obtain the subdivided titles to Parcel 1 Lands whereby the category of the use of Parcel 1 Lands are for industrial use and with renewed 99 years lease period;
 - (ii) Perak Corp shall at their own cost apply and obtain or to cause the subdivided titles to have a renewed lease period of ninety 99 years lease commencing from the date of issuance of the subdivided titles;
 - (iii) Upon issuance of the subdivided titles to Parcel 1 Lands, Perak Corp shall take steps to apply and obtain the relevant consent to transfer from the state authority consenting to the transfer of the subdivided titles to Parcel 1 Lands in favour of MIP or party or parties nominated by MIP from time to time and all costs and expenses thereto shall be borne by Perak Corp;
 - (iv) Perak Corp shall within 3 months from the date of SPA I with an extension of 1 month, obtain its shareholders' approval for the sale of Parcel 1 Lands, if applicable;
 - (v) Perak Corp shall within 3 months from the date of the SPA I with an extension of 1 month, obtain the relevant regulatory bodies approval for the sale of Parcel 1 Lands, if applicable.

- (B) Perak Corp shall within 6 months from the date of SPA I apply to the relevant land office for the subdivided titles, and upon receipt of the subdivided titles, Perak Corp shall apply with the state authority for consent to transfer the subdivided titles to MIP and/or party or parties nominated by MIP within 6 months from obtaining the subdivided titles. In the event Perak Corp is unable to obtain the subdivided titles, Perak Corp shall be entitled to further a period of 3 months to obtain the relevant subdivided titles or such longer period as may be reasonable required by Perak Corp.
- (C) In the event that Perak Corp is unable to obtain the subdivided titles and/or the state authority consent within the stipulated period, MIP shall be entitled at their sole discretion to termination or to continue with the purchase of Parcel 1 Lands. If terminated, Perak Corp shall refund to MIP all monies paid by MIP towards the Purchase Price free of interest within 14 days of such termination in simultaneous exchange of the memorandum of transfer and other documents that have been forwarded to MIP. Perak Corp shall pay MIP for the late payment interest of 6% per annum calculated on daily basis on such sum to be refunded from the expiry date of 14 days period. Such full refund and/or payment shall render SPA I as null and void.

4. Conditions of Sale

The sale and purchase of Parcel 1 Lands herein contained shall be subject to the following conditions:

- (A) The area and condition of Parcel 1 Lands is on "as is where is basis" as at the date of execution of SPA I and MIP is deemed to have inspected and agreed with the area and condition of Parcel 1 Lands provided always subject to vacant possession to be delivered by Perak Corp to MIP;
- (B) MIP is liable, at its own costs; to carry out the inspection and examination of the status, contour and geographical condition of Parcel 1 Lands;
- (C) MIP is liable, at its own costs; to carry out such soil or other geological or engineering tests over Parcel 1 Lands that may be necessary for the purpose of the project;
- (D) MIP is liable, at its own costs; to obtain all the required approvals, licences and permits for the purpose of the project from the relevant technical departments and/or the relevant authority;
- (E) Perak Corp is liable, at its own costs; to inspect and confirm with the respective local government and/or relevant authority on the zoning of the local planning plan of Parcel 1 Lands for the purpose of the project and for industrial use;
- (F) Perak Corp is liable, at its own costs; to comply with all the terms, conditions and requirements by the local government and/or relevant authority on the land use and the local planning plan of Parcel 1 Lands for the purpose of the project and for the purpose of erecting factory for industrial use and to forward the relevant letter of approval from the relevant authority to MIP's solicitors within 6 months from the date hereof or such longer period as may be reasonably required by Perak Corp;
- (G) MIP is liable, at its own costs; to appoint the necessary surveyors and consultants for the project including to prepare, execute and surrender the necessary documents for the sub-division and issuance of individual title deeds for Parcel 1 Lands;
- (H) MIP is liable, at its own costs; to appoint the necessary consultants for the project to prepare the necessary lay-out plan, building plan and other relevant plans for the project;

APPENDIX VII – SALIENT TERMS OF THE SPA I (Cont'd)

- (I) Perak Corp is liable, at its own costs; to pay the premiums and the costs of conversion and/or extension of lease and/or sub-division and/or issuance of the individual subdivided titles to Parcel 1 Lands provided the subdivided titles to Parcel 1 Lands shall has a renewed lease period of 99 years from the date of the issuance of the titles at the sole cost of Perak Corp;
- (J) MIP is liable, at its own costs; to provide the required local infrastructure and main road to the Parcel 1 Lands including to bear the costs of the land fills, consultants, all required plans for approval by the relevant authority and the development of Parcel 1 Lands;
- (K) Perak Corp is liable, at its own costs; to evict the squatters on Parcel 1 Lands including to manage any settlement (whichever necessary and/or applicable) who is occupied on Parcel 1 Lands including any compensation (if any and where applicable);
- (L) The sale and purchase and transfer of Parcel 1 Lands herein contained shall be subject to all the conditions and restrictions and category of land use expressed or implied imposed in the title deeds of Parcel 1 Lands relating to or affecting Parcel 1 Lands;
- (M) The parties hereto producing all relevant and essential documents to effect and legalize the execution of SPA I and transfer of Parcel 1 Lands;
- (N) Subject to the terms and conditions of SPA I, the original title deeds of the Parcel 1 Lands shall be produced and delivered to Perak Corp's solicitors who shall forward the same to MIP's solicitors;
- (O) The state authority consent is to be obtained from the relevant authority by Perak Corp;
- (P) Parcel 1 Lands and the subdivided titles to be issued shall be free from all encumbrances whatsoever; and
- (Q) The transfer of the subdivided titles and the subsequent development shall be subject to conditions as may be imposed by the state authorities.

Any non-compliance of the conditions above shall postpone the completion date free from any interest. Notwithstanding that, the sale and purchase of Parcel 1 Lands shall be subject to the following specific conditions:

- (A) Perak Corp shall apply to the relevant authority to surrender and re-alienate the said lots for the purposes stated in SPA I;
- (B) in the event if the approved layout plan by the relevant authority is different substantially from the layout plan annexed in the SPA I (ie the subdivided titles is less than 48 titles or as may be approved by the relevant authority) or the use of Parcel 1 Lands are not for industrial use, then MIP is allowed to decide whether to proceed with the purchase or to withdraw from the purchase of Parcel 1 Lands. If MIP decides not to proceed with the purchase of Parcel 1 Lands, then Perak Corp shall within fourteen (14) day from receipt of the written notice from MIP's solicitors refund to MIP all monies paid by MIP towards the payment of the purchase price, which shall include all deposit paid pursuant to SPA I. If the nett land area varies more or less than 5% of the estimated nett land size as stated in the layout plan annexed hereto, the purchase price shall be adjusted accordingly subject to Perak Corp's minimum purchase price of RM22,302,822.36 only calculated based on RM7.00 only per square foot on Parcel 1 Lands' gross area of 296,000 sqm; and
- (C) Perak Corp shall bear all filing fees, premiums, survey fees and all other costs of the aforesaid application to surrender and re-alienate the said lots including all costs for issuance of new title deeds.

5. VACANT POSSESSION

Perak Corp shall surrender to MIP vacant possession of Parcel 1 Lands free from any encumbrances within 7 working days MIP has fully paid the purchase price.

6. EVENT OF DEFAULT

- (A) In the event that MIP shall default in payment of the Purchase Price or any part therein, provided Perak Corp shall have complied with the terms and conditions of SPA I and a 30 days written notice has been given to MIP by Perak Corp's solicitors, then Perak Corp shall absolutely has the right to terminate SPA I and to forfeit sum equivalent to 10% of the Purchase Price as the agreed liquidated damages. All other monies paid to Perak Corp save and except for the agreed damages shall be refunded to MIP within 14 days from the date written notification from MIP's solicitors.
- (B) Perak Corp shall within 14 days from the date of such notice of termination and such forfeiture; refund to MIP the balance money (if any) paid by MIP free of interest whereupon the SPA I shall become null and void and no further effect and neither party shall have any claims whatsoever against the other under or in respect of SPA I (save for return of all documents to Perak Corp which have been forwarded by Perak Corp or Perak Corp's solicitors to MIP's solicitors, provided that MIP does not require the memorandum of transfer for claiming of refund of stamp duty) and the refund of the monies to MIP mentioned above.
- (C) Upon termination of SPA I, Perak Corp shall be at liberty to resell or deal with the Parcel 1 Lands as Perak Corp shall think fit without having to account to MIP for any profit made on such resale.
- (D) In the event of any breach by Perak Corp of any of the provisions of SPA I, MIP shall be entitled to the remedy of specific performance against Perak Corp and to all reliefs following there from or in lieu of the remedy of specific performance or at MIP's sole discretion to terminate the SPA I and Perak Corp shall be liable to, within 14 days from the date of receipt by Perak Corp of the MIP's solicitors termination notice, refund or cause to refund to MIP the deposit and all other monies received by Perak Corp and pay an additional sum equivalent to the deposit to MIP as agreed liquidated damages. Within 30 days from the date MIP received of the refund payment from Perak Corp, MIP shall:
 - (i) withdraw and/or cause MIP's solicitors to withdraw the private caveat at MIP's own cost and expenses in the event MIP has lodged a private caveat against Parcel 1 Lands; and
 - (ii) return to Perak Corp all the documents which have previously been delivered by Perak Corp or Perak Corp's solicitors under the provisions of SPA I whereupon SPA I shall ipso factor determine and be null and void and no further action whatsoever shall be taken upon these presents by either party.
- (E) Perak Corp shall be liable to pay late refund penalty at the rate of 6% per annum on such sum to be refunded and/or paid to MIP on a daily basis from the expiry of 14 days period to the date of full refund and/or payment is made.

1. ADDENDUM AND AGREEMENT TO VARY

In consequence of the mutual agreement between the parties herein, the parties have mutually agreed that the following amendments and additions to the SPA I and SA SPA I shall be made and deemed to have immediate effect as from the date of the Second SA SPA I:

- (A) Perak Corp hereby agrees to sell and MIP hereby agrees to purchase Parcel 1 Lands at the total consideration of RM21,127,997.32 only, and the breakdown of the purchase price for each of Parcel 1 Lands shall be as follows

Land	Purchase Price (RM)
Lot 20570	7,812,879.61
Lot 20571	13,315,117.71
Total	21,127,997.32

- (B) In relation to the purchase price, the parties acknowledged and agree that:
- (i) the obligation to pay all the premiums for the conversion and the lease extension shall remain with Perak Corp;
 - (ii) the amended purchase price is exclusive of the estimated premiums of RM2,128,261.75;
 - (iii) Perak Corp shall be deemed to have discharged its obligations to pay the premiums for the conversion and the lease extension by agreeing to the revised purchase price; and
 - (iv) notwithstanding the amount of the premium is an estimate, there shall be no adjustment to the premium and the purchase price as stipulated in the Second SA SPA I shall be deemed as the full and final consideration payable by MIP to Perak Corp.
- (C) the balance purchase price of RM18,631,159.69 shall be paid by MIP to Perak Corp in the following manner:
- (i) prior to the execution of the Second SA SPA I, MIP has paid to Perak Corp a sum amounting to RM1,250,000.00 and the amount of which shall form part of the balance purchase price;
 - (ii) upon the execution of the Second SA SPA I, MIP shall make payment of a sum equivalent to RM250,000.00 only to Perak Corp forming part of the purchase price; and
 - (iii) the remaining sum of RM17,131,159.69 only shall be payable to Perak Corp's solicitors within 2 months from the unconditional date. In the event that MIP is unable to pay the remaining balance purchase price within the completion period for any reason. Perak Corp shall grant to MIP an automatic extension of 1 month from the expiry of the completion period to pay remaining balance purchase price provided always that MIP shall pay to Perak Corp an interest on the remaining balance purchase price or any outstanding balance thereof at the rate of 7% per annum calculated on a day to day basis from the first day of the extended completion period until the date of receipt of the full remaining balance purchase price by Perak Corp.

- (D) The entire conditions precedent of SPA I shall be amended by the following:
- (i) Perak Corp shall obtain Bursa Securities' approval for the circular to Perak Corp's shareholders for shareholders' approval to transfer the Parcel 1 Lands to MIP in accordance with the terms of SPA I. The parties acknowledge that, until the Bursa Securities's approval is obtained, the sale and purchase of Parcel 1 Lands form part of Perak Corp's regularisation plan;
 - (ii) Perak Corp shall obtain the letter of consent from the state authority for the transfer of Parcel 1 Lands to MIP in accordance with the terms of the SPA I;
 - (iii) Perak Corp shall obtain the approval of the shareholders of Perak Corp at a general meeting and approval of its board of directors; and
 - (iv) MIP shall obtain the approval from the economic planning unit ("**EPU**") of the prime minister department ("**EPU Approval**") pursuant to the EPU's Guidelines on Acquisition of Properties effective 1 March 2014 for the acquisition of Parcel 1 Lands by MIP.

The conditions precedent period shall be fulfilled by 31 January 2025 with an automatic extension of 3 months from the expiry of the consent period. If in the event, the submissions submitted to relevant authorities but the conditions are still not obtained, a further 3 months extension is automatically extended^(a).

Note:

- (a) MIP has, vide its letter dated 27 November 2025, agreed to further extend the period for Perak Corp to fulfil all the conditions precedent of Second SA SPA I up to 31 March 2026.
- (E) If Perak Corp fails to fulfil the conditions precedent under paragraph above (through no deliberate delay, fault or conduct of Perak Corp and all necessary applications have been filed or submitted by Perak Corp in a timely manner) by the expiry of the second extended consent period and no further extension has been granted by MIP to Perak Corp, MIP shall have the right to terminate the agreements and Perak Corp shall refund to MIP all sums which have been paid by MIP to Perak Corp under the agreements within thirty (30) days from the date of notification that the conditions precedent cannot be obtained or has been rejected or the Bursa Securities' approval, Perak Corp's members and board approvals, the state consent to transfer and/or EPU Approval is/are granted subject to any conditions is/are not accepted by the any party which is affected by the approval conditions, failing which Perak Corp shall pay to MIP late refund interest of 7% per annum until the full refund of all monies paid by MIP together with interest provided that in the event that Perak Corp shall fail to fulfil the conditions precedent under paragraph above through any act attributable to Perak Corp, then MIP shall at its discretion be entitled to either:
- (i) elect to terminate the agreements and Perak Corp shall refund to MIP all sums which have been paid by MIP to Perak Corp under the agreements together with a sum equivalent to 10% of the purchase price as agreed liquidated damages within 30 days from the date of notification that the conditions precedent cannot be obtained or has been rejected or the approval conditions is not accepted by the affected party failing which Perak Corp shall pay to MIP late payment interest of 7% per annum until the full refund and payment of all monies to MIP; or
 - (ii) obtain an order for specific performance against Perak Corp and all costs and expenses arising therefrom including MIP's solicitors' fee on a solicitor-client basis shall be borne by Perak Corp.

- (F) If MIP fails to obtain the EPU Approval (through no deliberate delay, fault or conduct of MIP and all necessary applications have been filed or submitted by MIP in a timely manner) by the expiry of the second extended consent period and no further extension has been granted by Perak Corp to MIP, Perak Corp shall have the right to terminate the agreements and Perak Corp shall refund to MIP all sums which have been paid by MIP under the agreements within 30 days from the date of notification that the conditions precedent cannot be obtained or has been rejected or approval conditions is not accepted by the affected party, failing which Perak Corp shall pay to MIP late refund interest of 7% per annum until the full refund of all monies paid by MIP together with interest provided that in the event that MIP shall fail to obtain the EPU Approval through any act attributable to MIP, Perak Corp shall at Perak Corp's discretion be entitled to either:
- (i) elect to terminate the agreements and Perak Corp shall forfeit a sum equivalent to 10% of the purchase price as agreed liquidated damages and refund to MIP all balance sums which have been paid by MIP to Perak Corp under the agreements. if the sums paid MIP to Perak Corp is less than the said agreed liquidated damages, MIP shall pay to Perak Corp the shortfall between the sums paid by MIP to Perak Corp and the said agreed liquidated damages within 30 days from the date of notification that the conditions precedent cannot be obtained from the date of notification that the conditions precedent cannot be obtained or has been rejected or the approval conditions is not accepted by the affected party failing which MIP shall pay to Perak Corp the late payment interest of 7% per annum until the full payment of the balance of the agreed liquidated damages to Perak Corp; or
 - (ii) obtain an order for specific performance against MIP and all costs and expenses arising therefrom including Perak Corp's solicitors' fee on a solicitor-client basis shall be borne by MIP; provided further that, Perak Corp acknowledges that in the event that the application by MIP for the EPU Approval shall be rejected or kept in view by EPU as a result of any shortage of documents or request of documents to be provided by Perak Corp, Perak Corp shall provide MIP with such documents within 14 days from MIP's written request thereof, failing which MIP shall not be held responsible for any delay or rejection in the EPU Approval and the period for MIP's procurement of the EPU Approval shall be extended according to the number of excess days taken by Perak Corp in performing the act or providing a certain document to MIP.

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1. Settlement of Parcel 2 Land entitlement

- (A) TMHTP shall settle the Parcel 2 Land entitlement of RM63,500,000.00 as follows:
- (i) a sum of RM14,000,000.00 being the conversion and lease renewal premium ("**Agreed Premium**") of Parcel 2 Land, in the event the actual amount is less than the Agreed Premium, TMHTP shall reimburse Perak Corp, conversely, Perak Corp shall authorise TMHTP to deduct the shortfall from the final sum; and
 - (ii) the balance sum of RM49,500,000.00 towards consideration for the transfer of Parcel 2 Land to TMHTP ("**Disposal Consideration II**") in the following manner:
 - (a) upon the execution of the Second SA JVA, the sum of RM3,557,062.00 shall be deemed as payment received by Perak Corp towards partial settlement of the Disposal Consideration II in accordance with item below;
 - (b) subject to fulfilment of the conditions precedent, the balance of the Disposal Consideration II of RM45,942,938.00 ("**Balance Disposal Consideration II**") shall be paid in the following manner:
 - (aa) a sum to be paid to CIMB being payment toward the redemption sum necessary to redeem the charge over Parcel 2 Land subject to the terms below;
 - (bb) a sum of RM2,000,000.00 to Perak Corp upon execution of the Second SA JVA I;
 - (cc) a sum of RM8,100,000.00 shall be paid to TMHTP's solicitors as stakeholder in 9 equal monthly instalments of RM900,000.00 each on 21 February 2024, 21 March 2024, 21 April 2024 and in the event the conditions precedent are not fulfilled by the third instalment, all subsequent instalments shall be payable on the twenty first day of each calendar month to TMHTP's solicitors as stakeholder until full disbursement;
 - (dd) the final balance sum (less any further payment made by TMHTP to Perak Corp under the JVA I and SA JVA I not reflected herein and less any premium shortfall) shall be paid by TMHTP to TMHTP's solicitors as stakeholder on the 21 day of the calendar month following the last instalment payment referred to paragraph above and TMHTP's solicitors shall be authorised to release such payment to Perak Corp upon the issuance of the document of title duly registered in favour of TMHTP or after 14 days from the presentation of the transfer in favour of TMHTP at the relevant land office/registry.
- (B) In the event that TMHTP shall fail to pay the Disposal Consideration II or any part thereof within the time and manner provided above, TMHTP is automatically granted a further period of 3 months to pay the such sum due subject to the payment of interest at the rate of 6% per annum on the daily outstanding amount of the payment due from the day immediately next following the expiry of such due date to the date of full payment of the amount due.

- (C) Perak Corp confirmed the receipt of RM3,557,062.00 being refundable deposit sums from TMHTP and its associates in respect of various proposed development projects to be undertaken by Perak Corp. In consideration of Perak Corp's agreement to set-off the amount received by Perak Corp from TMHTP and its associates against the contra sum, TMHTP shall within 30 days from the Second SA JVA I provide and/or obtain the relevant letters of discharge by TMHTP or from its associates discharging Perak Corp from its obligations to refund the relevant deposits. In the event of a termination of the Second SA JVA I, the letters of discharge shall remain valid and enforceable and the deposit sums if not paid by TMHTP shall be deducted from Perak Corp's entitlement under the JVA I and SA JVA I. TMHTP shall indemnify and keep Perak Corp indemnified against any claims from TMHTP's associates up to such contra amount arising from the deposit sums.
- (D) In the event that the Balance Disposal Consideration II is insufficient to pay for the redemption sum, Perak Corp undertake and covenant to forthwith, and in any event no later than 14 days from the date of request of the same by TMHTP's solicitors, pay to TMHTP's solicitors the difference between the redemption sum and the Balance Disposal Consideration II to enable TMHTP's solicitors to redeem Parcel 2 Land. Failing which, TMHTP shall not be charged any late interest for such number of days delayed and TMHTP's solicitors is hereby authorised by the parties to utilise the shortfall sum towards the payment of redemption sum to CIMB.

2. Agreed Premium

In consideration of Perak Corp acceptance of the Parcel 2 Land entitlement as early settlement, TMHTP shall bear Perak Corp's portion of the Agreed Premium for an amount up to RM14,000,000.00 subject to the following:

- (A) in the event that the actual conversion and lease renewal premium shall be less than RM14,000,000.00, TMHTP shall reimburse Perak Corp for the difference between RM14,000,000.00 and the actual conversion and lease renewal premium; and
- (B) in the event that the actual conversion and lease renewal premium shall exceed RM14,000,000.00, such balance premium shall be paid by Perak Corp and Perak Corp hereby authorises TMHTP and/or TMHTP's solicitors to deduct the premium shortfall from the final balance sum to be paid by TMHTP to Perak Corp

3. Conditions Precedent

Perak Corp shall upon the execution of the Second SA JVA I:

- (A) obtain its shareholders' approval to enter into the JVA I, SA JVA I and Second SA JVA I and provide TMHTP with the certified true copy of the shareholders' resolution; and
- (b) at their own costs and expenses do such acts and execute all such forms and documents as prescribed by the relevant authority for the application for consent to transfer in favour of TMHTP to the relevant state authority.

The shareholders' approval and consent to transfer are to be obtained within 3 months from the date of the Second SA JVA I with an automatic extension of 3 months or such extended time frame as the parties shall mutually agree, taking into account the reasons for such delay in obtaining the consent to transfer.

4. Default

If TMHTP fails to pay the Disposal Consideration II on or before the completion date or any further extension period granted by Perak Corp or if Perak Corp shall fail or refuse to complete the sale of Parcel 2 Land or breach any terms of the Second SA JVA I or in the event that Parcel 2 Land cannot be transferred for any reason not attributable to the parties, then:

- (A) the non-defaulting party shall by written notice be entitled to terminate the Second SA JVA I and Perak Corp shall cause the refund of all monies paid herein to TMHTP free of interest within 14 days of receipt of the TMHTP's notice and after TMHTP's receipt of full refund, the Second SA JVA I shall be deemed to be terminated and null and void and neither party shall have any further claim against the other under the Second SA JVA I and the parties shall revert to the terms and conditions under the JVA I and SA JVA I and agree in good faith to enter into further negotiations to review the terms and conditions of the JVA I and SA JVA I in respect of terms and conditions concerning Parcel 2 Land provided that in the event of the defaulting party being TMHTP, Perak Corp shall be entitled to retain the sum of RM2,000,000.00 paid by TMHTP and the said payment shall be transferred towards the account of Parcel 3 Land entitlement; or
- (B) the non-defaulting party may apply for specific performance of the Second SA JVA I and all relief flowing therefrom and such costs and expenses including the non-defaulting party's solicitors costs at a solicitor-client basis shall be borne by the defaulting party.

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1. Revocation of SA JVA I and Second SA JVA I

- (A) The parties hereto mutually agree to hereby revoke the SA JVA I and Second SA JVA I and to enter into the Third SA JVA I to supplement the terms and conditions of the JVA I subject to the terms and conditions of the Third SA JVA I.

2. Conditions Precedent

The conditions precedent of the JVA I for Parcel 2 Land and Parcel 3 Land shall be replaced by and refer to the conditions precedent in the respective SPA II and SPA III as follows:

Parcel 2 Land

- (A) The payment of the balance of revised Perak Corp's JVA I entitlement for Parcel 2 Land by TMHTP to Perak Corp shall be subject to the following conditions precedent to be fulfilled by TMHTP or Perak Corp at their own costs and expenses:
- (i) Perak Corp shall obtain Bursa Securities' approval for the circular to Perak Corp's shareholders for the shareholders' approval to transfer Parcel 2 Land to TMHTP in accordance with the terms of the JVA I, the Third SA JVA I and the SPA II. The parties acknowledge that, until Bursa Securities' approval is obtained, the SPA II forms part of Perak Corp's regularisation plan;
 - (ii) Perak Corp shall obtain the letter of consent from the state authority for the transfer of Parcel 2 Land to TMHTP in accordance with the terms of the JVA I, the Third SA JVA I and SPA II;
 - (iii) Perak Corp shall obtain the approval of the shareholders of Perak Corp at a general meeting and approval of its board of directors for Perak Corp's execution of the JVA I, the Third SA JVA I and SPA II and forward the certified true copies of Perak Corp's documents duly certified by its company secretary to the TMHTP's solicitors; and
 - (iv) TMHTP shall obtain the relevant approval from the EPU of the Prime Minister's Department pursuant to the EPU's Guidelines on Acquisition of Properties effective 1 March 2014 for the acquisition of Parcel 2 Land by TMHTP ("**EPU Approval for Parcel 2 Land**") (where applicable) approving the acquisition of Parcel 2 Land by TMHTP or parties nominated by TMHTP from Perak Corp and all costs and expenses for the EPU Approval for Parcel 2 Land shall be borne by TMHTP.

Parcel 3 Land

- (B) The payment of the balance of revised Perak Corp's JVA I entitlement for Parcel 3 Land by TMHTP to Perak Corp shall be subject to the following conditions precedent to be fulfilled by TMHTP or Perak Corp at their own costs and expenses:
- (ii) Perak Corp shall obtain Bursa Securities' approval for the circular to Perak Corp's shareholders for the shareholders' approval to transfer Parcel 3 Land to TMHTP in accordance with the terms of the JVA I, the Third SA JVA I and the SPA III. The parties acknowledge that, until Bursa Securities' approval is obtained, the SPA III forms part of Perak Corp's regularisation plan;

APPENDIX X – SALIENT TERMS OF THE THIRD SA JVA I (Cont'd)

- (iii) Perak Corp shall obtain the letter of consent from the state authority for the transfer of Parcel 3 Land to TMHTP in accordance with the terms of the JVA I, the Third SA JVA I and SPA III;
- (iv) Perak Corp shall obtain the approval of the shareholders of Perak Corp at a general meeting and approval of its board of directors for Perak Corp's execution of the JVA I, the Third SA JVA I and SPA III and forward the certified true copies of Perak Corp's documents duly certified by its company secretary to the TMHTP's solicitors; and
- (v) TMHTP shall obtain the relevant approval from the EPU of the Prime Minister's Department pursuant to the EPU's Guidelines on Acquisition of Properties effective 1 March 2014 for the acquisition of Parcel 3 Land by TMHTP ("**EPU Approval for Parcel 3 Land**") (where applicable) approving the acquisition of Parcel 3 Land by TMHTP or parties nominated by TMHTP from Perak Corp and all costs and expenses for the EPU Approval for Parcel 3 Land shall be borne by TMHTP.

3. Perak Corp's Entitlement to Parcel 2 Land and Parcel 3 Land

In consideration of TMHTP's agreement for an early settlement of Perak Corp's JVA I entitlement for Parcel 2 Land and Parcel 3 Land and TMHTP's agreement to waive Perak Corp's obligations to obtain the following (in respect of Parcel 2 Land and Parcel 3 Land) at Perak Corp's costs and expenses:

- (A) approval for and the conversion of land use for "industrial" use;
- (B) subdivision of the titles and renewal for a fresh lease period of 99 years,

Perak Corp and TMHTP have agreed that the revised Perak Corp's JVA I entitlement for Parcel 2 Land and Parcel 3 Land are as follows:

- (i) the revised Perak Corp's JVA I Entitlement for Parcel 2 Land shall be RM63,500,000.00, before deduction of the agreed premiums for conversion of land use and renewal of lease. The details are as follows:

	RM
Original Perak Corp's JVA I entitlement for Parcel 2 Land	79,275,495.50
(-) Early Settlement Discount	15,775,495.50
Revised Perak Corp's JVA I entitlement for Parcel 2 Land	<u>63,500,000.00</u>

Perak Corp and TMHTP agree that the agreed total premiums for the conversion of land use and renewal of lease payable for Parcel 2 Land shall be RM14,000,000 and therefore, the balance of Revised Perak Corp's JVA I entitlement for Parcel 2 Land shall be RM49,500,000.00; and

- (ii) the revised Perak Corp's JVA I entitlement for Parcel 3 Land shall be RM21,989,138.74, before deduction of the premiums for the conversion of land use and renewal of lease. The details are as follows:

	RM
Original Perak Corp's JVA I entitlement for Parcel 3 Land	27,701,107.00
(-) Early Settlement Discount	5,711,968.26
Revised Perak Corp's JVA I entitlement for Parcel 3 Land	<u>21,989,138.74</u>

APPENDIX X – SALIENT TERMS OF THE THIRD SA JVA I (Cont'd)

Perak Corp and TMHTP agree that the total premiums for the conversion of land use and renewal of lease payable for Parcel 3 Land shall be RM6,107,330.68 and the parties further agree that these premiums shall be shared equally between the parties i.e. RM3,053,665.34 each and therefore, the balance of Revised Perak Corp's JVA I entitlement for Parcel 3 Land shall be RM18,935,473.40,

(the sums after deduction of early settlement discount shall collectively referred to as "**Revised Perak Corp's JVA I Entitlement**").

- (C) The parties agree that the Parcel 2 Land premium and Parcel 3 Land premium shall be the final amount agreed as between Perak Corp and TMHTP for the purposes of finalising the Revised Perak Corp's JVA I Entitlement for the early settlement of Perak Corp's entitlement. The parties agree that there shall be no adjustment to Perak Corp's JVA I Entitlement to Parcel 2 Land and Parcel 3 Land nor the consideration under the SPA II and SPA III in the event that the premium issued/ imposed by the land authority shall defer from the Parcel 2 Land agreed premium and/or the Parcel 3 Land agreed premium.

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APPENDIX XI – SALIENT TERMS OF THE SPA II

1. Perak Corp and TMHTP agree that the total consideration for Parcel 2 Land is RM49,500,000.00 ("**Disposal Consideration II**"). Perak Corp acknowledged and confirmed that as at the date of SPA II, TMHTP has paid to Perak Corp a sum of RM9,157,062.00 in the following manner:
 - (i) a sum of RM3,557,062.00 (contra sum) received by Perak Corp shall now be deemed as part payment towards Disposal Consideration II; and
 - (ii) a further sum of RM5,600,000.00 has been received by Perak Corp towards settlement of Perak Corp's JVA I Entitlement for Parcel 2 Land under the JVA, the SA JVA I and the Second SA JVA I and the said sum shall now be deemed as part payment towards Disposal Consideration II.
2. Perak Corp confirmed that it has received a total sum of RM3,557,062.00 being refundable deposit sums from TMHTP and its associates in respect of various proposed development as follows:

	Details	Contra Sum (RM)
i.	Part deposit payment from TMHTP to Perak Corp in relation to the JVA I	1,257,062.00
ii.	Deposit payment from ARX Properties Sdn Bhd for the proposed development on 750 acres along the border of the recreational, tourism and memorial park forest reserve	500,000.00
iii.	Deposit payment from ARX Holdings Sdn Bhd for the proposed joint development for 50 acres of land held under Geran 154028, Lot 517373, Mukim Hulu Kinta, Daerah Kinta, Perak	800,000.00
iv.	Deposit payment from Palm Volts Sdn Bhd for the proposed joint venture on 3,217 units of residential development in Seri Iskandar, Manjung	500,000.00
v.	Deposit from Selat Mentari Sdn Bhd for the proposed joint development of building for Lembaga Hasil Dalam Negeri Malaysia and others	500,000.00
		3,557,062.00

3. In consideration of Perak Corp's agreement to contra the payments at TMHTP's request, TMHTP shall release and shall procure ARX Properties Sdn Bhd, ARX Holdings Sdn Bhd, Palm Volts Sdn Bhd and Selat Mentari Sdn Bhd to release any claims and/or rights over the contra sum, the lands and/or projects stated above with effect from the date of SPA II and TMHTP shall indemnify and keep Perak Corp indemnified against any claims and/or actions however arising from the contra payment.
4. Subject to the fulfilment of the conditions precedent of the SPA II, the balance of Disposal Consideration II of RM40,342,938.00 ("**Balance Disposal Consideration II**") shall be paid or caused to be paid by TMHTP to Perak Corp's Solicitors to act as a stakeholder within 2 months from the date of SPA II become unconditional to enable the stakeholder to release the Balance Disposal Consideration II in accordance with the terms and conditions of SPA II.

APPENDIX XI – SALIENT TERMS OF THE SPA II (Cont'd)

Perak Corp's solicitors shall and are authorised to release the Balance Disposal Consideration II to Perak Corp after the expiry of 7 days from the date the memorandum of transfer in favour of TMHTP shall have been presented at the relevant land authority or upon the issuance of the document of title duly registered in favour of TMHTP, whichever shall be the earlier.

The date the SPA II becomes unconditional upon the receipt of the Bursa Securities' approval, the state consent to transfer, Perak Corp's resolutions and company documents referred in the SPA II and the EPU Approval for Parcel 2 Land by TMHTP's solicitors.

5. If TMHTP is unable to pay or cause to be paid to the stakeholder the Balance Disposal Consideration II on or before the expiry of the completion date, Perak Corp agrees to grant to TMHTP an automatic extension of time of another 1 month from the expiry of the 2 months period above for the payment of the Balance Disposal Consideration II or part thereof subject to interest being payable by TMHTP to Perak Corp at the rate of 7% per annum on the amount of the Balance Disposal Consideration II remaining outstanding and unpaid at the expiry of the completion date until the date of full payment of the Balance Disposal Consideration II.
6. Perak Corp and TMHTP agree that the conditions precedent shall be fulfilled by the following period:
 - (i) by 31 January 2025;
 - (ii) in the event that the conditions precedent cannot be obtained within the consent period, the consent period shall be automatically extended by 3 months from the expiry of the consent period provided that the parties have made the submissions to the relevant authorities for the application of the conditions precedents in timely manner, where applicable (first extended consent period);
 - (iii) provided that the parties have made the submission to the relevant authorities for the application of the conditions precedents in timely manner but the condition precedents are still not obtained, by the expiry of the first extended consent period, the first extended consent period shall be automatically extended to a further 3 months from the expiry of the first extended consent period (second extended consent period) to enable the parties to obtain such conditions precedent or to enable the affected party to appeal against such adverse conditions; and
 - (iv) in the event that the conditions precedent to be fulfilled by Perak Corp are still not fulfilled by the expiry of the second extended consent period, then TMHTP shall at its absolute discretion elect either to grant such further extension to Perak Corp to allow Perak Corp's fulfilment of such conditions precedent remained unfulfilled by Perak Corp; or terminate the SPA II by a written notice to Perak Corp whereupon paragraph below shall apply^(a); or the EPU Approval has not been obtained by the TMHTP by the expiry of the second extended consent period, then Perak Corp shall at its absolute discretion elect either to grant such further extension to the TMHTP for TMHTP's procurement of the EPU Approval; or terminate SPA II by a written notice to TMHTP whereupon paragraph below shall apply.

Note:

- (a) TMHTP has, vide its letter dated 27 November 2025, agreed to further extend the period for Perak Corp to fulfil all the conditions precedent of SPA II up to 31 March 2026.

APPENDIX XI – SALIENT TERMS OF THE SPA II (Cont'd)

7. If Perak Corp fails to fulfil the conditions precedent (through no deliberate delay, fault or conduct of Perak Corp and all necessary applications have been filed or submitted by Perak Corp in timely manner) by the expiry of the second extended consent period and no further extension has been mutually agreed between the parties, TMHTP shall have the right to terminate the SPA II and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA II within 30 days from the date of notification that the conditions precedents cannot be obtained or has been rejected or the adverse condition is not accepted by the affected party, failing which Perak Corp shall pay to TMHTP late refund interest of 7% per annum until the full refund of all monies paid by TMHTP together with interest provide that in the event that Perak Corp shall fail to fulfil the conditions precedent through any act attributable to Perak Corp, TMHTP shall at its discretion be entitled to either:
- (i) elect to terminate the SPA II and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA II together with an agreed liquidated damages equivalent to 10% of the Disposal Consideration II; or
 - (ii) obtain an order for specific performance against Perak Corp and all costs and expenses arising therefrom including TMHTP's solicitors' fee on a solicitor-client basis shall be borne by Perak Corp.
8. If TMHTP fails to fulfil the conditions precedent (through no deliberate delay, fault or conduct of TMHTP and all necessary applications have been filed or submitted by TMHTP in timely manner) by the expiry of the second extended consent period and no further extension has been mutually agreed between the parties, Perak Corp shall have the right to terminate the SPA II and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA II within 30 days from the date of notification that the conditions precedents cannot be obtained or has been rejected or the adverse condition is not accepted by the affected party, failing which Perak Corp shall pay to TMHTP late refund interest of 7% per annum until the full refund of all monies paid by TMHTP together with interest provided that in the event that TMHTP shall fail to fulfil the conditions precedent through any act attributable to TMHTP, Perak Corp shall at its discretion be entitled to either:
- (i) elect to terminate the SPA II and Perak Corp forfeit a sum equivalent to 10% of the Disposal Consideration II as agreed liquidated damages and refund to TMHTP all balance sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA II.

If the sum to be forfeited is less than 10% of the Disposal Consideration II, then TMHTP shall pay to Perak Corp the balance of the agreed liquidated damages sum within 30 days from the date of notification that the conditions precedents cannot be obtained or, failing which TMHTP shall pay to Perak Corp late payment interest of 7.00% per annum until the full payment of the all balance of the agreed liquidated damages sum together with interest; or
 - (ii) obtain an order for specific performance against TMHTP and all costs and expenses arising therefrom including Perak Corp's solicitors' fee on a solicitor- client basis shall be borne by TMHTP;

APPENDIX XI – SALIENT TERMS OF THE SPA II (Cont'd)

provided further that, Perak Corp acknowledges that in the event that the application by TMHTP for the EPU Approval shall be rejected or kept in view by EPU as a result of any shortage of documents or request of documents to be provided by Perak Corp, Perak Corp shall within 14 days provide EPU or TMHTP with such documents, failing which TMHTP shall not be held responsible for any delay or rejection in the EPU Approval.

9. Notwithstanding the consent period, TMHTP acknowledges that the parties are entering into the Third SA JVA I and SPA II as Perak Corp wishes to meet its financial obligations to its financiers totalling approximately RM42,000,000.00 (subject to confirmation by Perak Corp's financiers) and TMHTP agrees to render its cooperation and shall take all the necessary steps to ensure the condition precedent to be fulfilled by TMHTP is fulfilled expeditiously.

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APPENDIX XII – SALIENT TERMS OF THE SPA III

1. Perak Corp and TMHTP agree that the total consideration for Parcel 3 Land is RM18,935,473.40 ("**Disposal Consideration III**"). Perak Corp acknowledged and confirmed that as at the date of SPA III, TMHTP has paid to Perak Corp a sum of RM1,242,938.00 towards Perak Corp's JVA I entitlement of Parcel 3 Land under the JVA I, the SA JVA I and the Second SA JVA I and the parties hereto agree that the said sum shall now be deemed as deposit and part payment towards Disposal Consideration III.
2. Subject to the fulfilment of the conditions precedent of the SPA III, the balance of Disposal Consideration III of RM17,692,535.40 ("**Balance Disposal Consideration III**") shall be paid or caused to be paid by TMHTP to Perak Corp's solicitors to act as a stakeholder within 2 months from the date of SPA III become unconditional to enable the stakeholder to release the Balance Disposal Consideration III in accordance with the terms and conditions of the SPA III.

Perak Corp's solicitors shall and are authorised to release the Balance Disposal Consideration III to Perak Corp after the expiry of 7 days from the date the memorandum of transfer in favour of TMHTP shall have been presented at the relevant land authority or upon the issuance of the document of title duly registered in favour of TMHTP, whichever shall be the earlier.

The date the SPA III becomes unconditional upon the receipt of the Bursa Securities' approval, the state consent to transfer, Perak Corp's resolutions and company documents referred in SPA III and the EPU Approval for Parcel 3 Land by TMHTP's solicitors.

3. If TMHTP is unable to pay or cause to be paid to the stakeholder the Balance Disposal Consideration III on or before the expiry of the completion date, Perak Corp agrees to grant to TMHTP an automatic extension of time of another 1 month from the expiry of the 2 months period above for the payment of the Balance Disposal Consideration III or part thereof subject to interest being payable by TMHTP to Perak Corp at the rate of 7% per annum on the amount of the Balance Disposal Consideration III remaining outstanding and unpaid at the expiry of the completion date until the date of full payment of the Balance Disposal Consideration III.
4. Perak Corp and TMHTP agree that the conditions precedent shall be fulfilled by the following period:
 - (i) by 31 January 2025;
 - (ii) in the event that the conditions precedent cannot be obtained within the consent period, the consent period shall be automatically extended by 3 months from the expiry of the consent period provided that the parties have made the submissions to the relevant authorities for the application of the conditions precedents in timely manner, where applicable (first extended consent period);
 - (iii) provided that the parties have made the submission to the relevant authorities for the application of the conditions precedents in timely manner but the condition precedents are still not obtained, by the expiry of the first extended consent period, the first extended consent period shall be automatically extended to a further 3 months from the expiry of the first extended consent period (second extended consent period) to enable the parties to obtain such conditions precedent; and

- (iv) in the event that the conditions precedent to be fulfilled by Perak Corp are still not fulfilled by the expiry of the second extended consent period, then TMHTP shall at its absolute discretion elect either to grant such further extension to Perak Corp to allow Perak Corp's fulfilment of such conditions precedent remained unfulfilled by Perak Corp; or terminate the SPA III by a written notice to Perak Corp whereupon paragraph below shall apply^(a); or the EPU Approval has not been obtained by TMHTP by the expiry of the second extended consent period, then Perak Corp shall at its absolute discretion elect either to grant such further extension to the TMHTP for TMHTP's procurement of the EPU Approval; or terminate the SPA III by a written notice to TMHTP whereupon paragraph below shall apply.

Note:

- (a) TMHTP, vide its letter dated 27 November 2025, has agreed to further extend the period for Perak Corp to fulfil all the conditions precedent of SPA III up to 31 March 2026.
5. If Perak Corp fails to fulfil the conditions precedent (through no deliberate delay, fault or conduct of Perak Corp and all necessary applications have been filed or submitted by Perak Corp in timely manner) by the expiry of the second extended consent period and no further extension has been mutually agreed between the parties, TMHTP shall have the right to terminate the SPA III and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA III within 30 days from the date of notification that the conditions precedents cannot be obtained or has been rejected or the adverse condition is not accepted by the affected party, failing which Perak Corp shall pay to TMHTP late refund interest of 7% per annum until the full refund of all monies paid by TMHTP together with interest provide that in the event that Perak Corp shall fail to fulfil the conditions precedent through any act attributable to Perak Corp, TMHTP shall at its discretion be entitled to either:
- (i) elect to terminate the SPA III and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA III together with an agreed liquidated damages equivalent to 10% of the Disposal Consideration III; or
 - (ii) obtain an order for specific performance against Perak Corp and all costs and expenses arising therefrom including TMHTP's solicitors' fee on a solicitor-client basis shall be borne by Perak Corp.
6. If TMHTP fails to fulfil the conditions precedent (through no deliberate delay, fault or conduct of TMHTP and all necessary applications have been filed or submitted by TMHTP in timely manner) by the expiry of the second extended consent period and no further extension has been mutually agreed between the parties, Perak Corp shall have the right to terminate the SPA III and Perak Corp shall refund to TMHTP all sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA III within 30 days from the date of notification that the conditions precedents cannot be obtained or has been rejected or the adverse condition is not accepted by the affected party, failing which Perak Corp shall pay to TMHTP late refund interest of 7% per annum until the full refund of all monies paid by TMHTP together with interest provided that in the event that TMHTP shall fail to fulfil the conditions precedent through any act attributable to TMHTP, Perak Corp shall at its discretion be entitled to either:
- (i) elect to terminate the SPA III and Perak Corp forfeit a sum equivalent to the 10% of Disposal Consideration III as agreed liquidated damages and refund to TMHTP all balance sums which have been paid by TMHTP to Perak Corp in respect of or in relation to the joint venture or contemplated or under the SPA III.

APPENDIX XII – SALIENT TERMS OF THE SPA III (Cont'd)

If the sum to be forfeited is less than 10% of Disposal Consideration III, then TMHTP shall pay to Perak Corp the balance of the agreed liquidated damages sum within 30 days from the date of notification that the conditions precedents cannot be obtained or has been rejected, failing which TMHTP shall pay to Perak Corp late payment interest of 7% per annum until the full payment of the all balance of the agreed liquidated damages sum together with interest; or

- (ii) obtain an order for specific performance against TMHTP and all costs and expenses arising therefrom including Perak Corp's solicitors' fee on a solicitor- client basis shall be borne by TMHTP;

provided further that, Perak Corp acknowledges that in the event that the application by TMHTP for the EPU Approval shall be rejected or kept in view by EPU as a result of any shortage of documents or request of documents to be provided by Perak Corp, Perak Corp shall within 14 days provide EPU or TMHTP with such documents, failing which TMHTP shall not be held responsible for any delay or rejection in the EPU Approval.

- 7. Notwithstanding the consent period, TMHTP acknowledges that the parties are entering into the Third SA JVA I and SPA III as Perak Corp wishes to meet its financial obligations to its financiers totalling approximately RM42,000,000.00 (subject to confirmation by Perak Corp's financiers) and TMHTP agrees to render its cooperation and shall take all the necessary steps to ensure the condition precedent to be fulfilled by TMHTP is fulfilled expeditiously.

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1. Agreement to Sell and Purchase

Perak Corp hereby agree to sell and LMTSB hereby agree to purchase the Hinterland on as is where is basis at the total consideration of RM8,530,000.00 only.

PKNP, vide its development and property board committee on 22 August 2024 and board approval/decision on 26 September 2024 and 9 December 2024, has, among others, agreed that Perak Corp shall be the beneficial owner of Hinterland and approves the Proposed Disposal of Hinterland.

2. Conditions Precedent

- (A) SPA IV is conditional upon the following matters being done, completed or obtained, as the case may be, within 12 months from the date of the SPA IV (cut-off date) with an automatic extension of 6 months with prior written notice (extended cut-off date):
- (i) the further approval of the board of directors of PKNP to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and execution of SPA IV;
 - (ii) the further approval of the board of directors of Perak Corp to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV;
 - (iii) the approval of the shareholders of Perak Corp to the Proposed Disposal of Hinterland to LMTSB or its nominee, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV;
 - (iv) the further approval of the board of directors of LMTSB to the purchase of the Hinterland, in accordance with the terms and conditions of the SPA IV and the execution of the SPA IV, if applicable;
 - (v) the approval of Bursa Securities on Perak Corp's regularisation plan;
 - (vi) the issuance of the title deed for Hinterland endorsed with PKNP's name as the registered proprietor;
 - (vii) the consent of state authority for the transfer of Hinterland to LMTSB; and
 - (viii) such other approvals (if any) as may be necessary from any relevant authority having jurisdiction over the transactions described in the SPA IV being obtained on terms (if any) acceptable to Perak Corp and LMTSB and not withdrawn or amended.
- (B) If any of the conditions above is not fulfilled by the parties hereto by the cut-off date or the extended cut-off date, then the SPA IV shall forthwith terminate and cease to have further effect and all obligations and liabilities of the parties shall cease and determine and upon such termination Perak Corp shall refund to LMTSB all monies paid by LMTSB to Perak Corp pursuant to the SPA IV (if any) free of interest and no party shall have any claim whatsoever against any of the other parties, save in respect of any antecedent breaches and the terms on confidentiality shall remain unless:
- (i) The parties agree to extend the cut-off date or the extended cut-off date for such further period as shall be mutually agreed in writing; or
 - (ii) The parties agree to proceed with the SPA IV despite non fulfilment of any of the conditions above.

- (C) The SPA IV shall continue to be valid and to have full force and effect regardless of whether -
- (i) Perak Corp is successful to ensure that it is no longer classified as an affected listed issuer under the PN 17 of the Main Market Listing Requirements of Bursa Securities; or
 - (ii) Perak Corp is delisted as a listed issuer,
- and if Bursa Securities' approval is not obtained and/or Perak Corp is delisted, the parties agree that the conditions in paragraph 2(A)(v) shall automatically be waived.
- (D) Subject to compliance of all terms and conditions of the SPA IV by LMTSB, in the event that PKNP and/or Perak Corp fails to secure the issuance of the title deed for Hinterland within 12 months from the date of the SPA IV (subject to the agreed extension period, if any), either party to the SPA IV shall have the absolute right to terminate the SPA IV and upon such termination Perak Corp shall refund to LMTSB all monies paid by LMTSB to Perak Corp pursuant to the SPA IV free of interest. Thereafter, the SPA IV shall be treated as null and void and neither party shall have any claims whatsoever against the other under the SPA IV.

3. Manner of payment

- (A) The Disposal Consideration IV of Hinterland payable by LMTSB to Perak Corp shall be as follows:
- (i) the sum of RM1,264,000.00 as refundable deposit and part payment of the Disposal Consideration IV has been paid by LMTSB to Perak Corp prior to execution of the SPA IV in the following manner:
 - (a) RM853,000.00 on 23 August 2024; and
 - (b) RM411,000.00 on 28 January 2025,the receipt of which Perak Corp has acknowledged and both payments are collectively referred to as "deposit"; and
 - (ii) the sum of RM7,266,000.00 being the balance of the Disposal Consideration IV shall be paid within 3 months from the date of fulfilment of the conditions set out in paragraph 2(A) above.
- (B) In the event of any delay of payment of any part of the Disposal Consideration IV by LMTSB then LMTSB shall pay to Perak Corp the administrative charges and/or penalty of 8% per annum calculated on daily basis over the outstanding sum from the due date until full settlement without prejudice to the rights of Perak Corp to terminate the SPA IV as per the terms and conditions of the SPA IV.

4. Issuance of title to the land and instrument of transfer

- (A) PKNP and Perak Corp shall cause and do all things necessary for the issuance of the title deed for the Hinterland upon execution of SPA IV and upon payment of the deposit, whichever is later.
- (B) Subject to compliance of all terms and conditions of SPA IV, in the event PKNP and/or Perak Corp fails to secure the issuance of the title deed for Hinterland within 12 months from the date of SPA IV (subject to the agreed extension period, if any), either party to SPA IV shall have the absolute right to terminate SPA IV and upon such termination Perak Corp shall refund to LMTSB all monies paid by LMTSB to Perak Corp free of interest.
- (C) Subject to prior written consent by PKNP and/or Perak Corp together with additional term and conditions, LMTSB may nominate any other person or persons or company as the transferee of Hinterland, whereby all liabilities of LMTSB mentioned in SPA IV shall remain and enforceable against LMTSB.
- (D) Perak and Perak Corp shall cause and do all things necessary for the transfer of Hinterland upon issuance of title deed for Hinterland (subject to any agreed extension period) as follows:
 - (i) PKNP to execute the memorandum of transfer of Hinterland in favour of LMTSB or its nominee; and
 - (ii) PKNP to file the application of the state authority consent to transfer Hinterland to LMTSB or its nominee.
- (E) In any event, if PKNP and/or Perak Corp fails to secure the issuance of the title deed of Hinterland, Perak Corp and LMTSB may opt to proceed with SPA IV subject to further terms and conditions to be agreed upon.
- (F) All costs and expenses for the transfer of Hinterland in favour of LMTSB or its nominee shall be borne by LMTSB.
- (G) All costs and expenses of premium and for the issuance of the title deed for Hinterland shall be borne by Perak Corp.

5. Default by LMTSB

In the event LMTSB fail to pay the balance Disposal Consideration IV within the completion date without any fault of Perak Corp and provided that Perak Corp has complied with all the terms of the SPA IV, Perak Corp shall be entitled to terminate the SPA IV by notice in writing to LMTSB and thereafter shall be entitled to forfeit the deposit as agreed liquidated damages and refund to LMTSB any other monies paid by or on behalf of LMTSB to Perak Corp or Perak Corp's solicitors as stakeholders to account towards the Disposal Consideration IV under and pursuant to the SPA IV, free from interest within 14 days from the date of LMTSB's receipt of the notice of termination failing which interest at the rate of 8% per annum calculated on daily basis shall be charged on Perak Corp on such sums remain outstanding from the date the same is due until the whole sum thereof including the interest thereto is fully realised and upon receipt of such refund, LMTSB shall:

- (i) withdraw the private caveat lodged by LMTSB against Hinterland in a manner as provided in the SPA IV;
- (ii) redeliver vacant possession of Hinterland (if vacant possession has been delivered earlier to LMTSB) with fair wear and tear accepted; and

- (iii) return Perak Corp's documents to Perak Corp with Perak Corp's interest remain intact (if the same or any have been delivered to LMTSB's solicitors or LMTSB's financier's solicitors, as the case may be),

and thereafter the SPA IV shall be deemed terminated and neither party hereto shall have any claims against the other save and except for any antecedent breach of the SPA IV and Perak Corp shall be at liberty to dispose of and/or otherwise deal with Hinterland in whatever manner Perak Corp shall think fit without further reference to LMTSB.

6. Default by Perak Corp

In the event of any breach by Perak Corp of any of the provisions of the SPA IV or Perak Corp fail, neglect, unable and/or refuse to comply with the terms herein or to complete the sale without any fault by LMTSB and provided that LMTSB has complied with all the terms of the SPA IV, LMTSB shall be entitled to either:

- (A) the remedy of specific performance; or
- (B) to terminate the SPA IV by notice in writing served on Perak Corp and on receipt of the written notice of termination by Perak Corp, Perak Corp shall:
 - (i) forthwith refund free of interest to LMTSB all monies paid by or on behalf of LMTSB to Perak Corp or Perak Corp's solicitors as stakeholders to account towards the Disposal Consideration IV under and pursuant to the SPA IV including the deposit within 14 days from the date of such termination failing which Perak Corp shall pay to LMTSB interest at the rate of 8% per annum calculated on daily basis shall be charged on Perak Corp on such sums remain outstanding from the date the same is due until the whole sum thereof including the interest thereto is fully realised;
 - (ii) pay an additional sum of equivalent to 10% of the Disposal Consideration IV or the amount of the deposit paid, whichever is the lesser, as agreed liquidated damages to LMTSB; and
 - (iii) upon receipt of such refund and damages, LMTSB shall:
 - (a) withdraw the private caveat lodged by LMTSB against Hinterland in a manner as provided in the SPA IV;
 - (b) redeliver vacant possession of Hinterland to Perak Corp (if vacant possession has been delivered earlier to LMTSB); and
 - (c) return Perak Corp's documents to Perak Corp with Perak Corp's interest remain intact (if the same or any have been delivered to LMTSB's solicitors or LMTSB's financier's solicitors, as the case may be),

and thereafter the SPA IV shall be null and void and be of no further force or effect and neither party hereto shall have any claim against the other save and except for antecedent breach and Perak Corp shall be entitled at Perak Corp's absolute discretion to resell Hinterland without the necessity of previously tendering or offering to make any sale to LMTSB.

1. Collaboration and Joint Development

The parties desirous to develop Zone 1 Bandar Meru Raya into a gated and guarded housing scheme comprising double storey bungalow, double storey semi-detached houses and double storey terrace houses (none of which shall be low cost houses or houses with restricted selling price unless otherwise imposed by the relevant authorities and accepted by Unipoh under the JVA III) complete with roads, drains, electrical, water supply and other necessary infrastructures and amenities in accordance with the layout plans and building plans as may be approved by the relevant authority.

2. Share of Revenue

PKNP is agreeable not to receive any share of revenue in relation to the sales proceeds other than the reimbursement of costs and expenses incurred by PKNP for the development of Zone 1 Bandar Meru Raya and sale of the completed end products of the development ("**Project**").

Perak Corp undertakes to PKNP that it will pay to PKNP all costs, expenses, liability, loss or claims arising directly or indirectly from or in connection with the non-completion of the Project, all taxes (including any penalties etc.) imposed on PKNP in relation to the Project or any inaccuracy or breach of any of the obligations, representations, warranties undertakings, covenants, etc. of Perak Corp under JDA I and indemnifies and holds PKNP harmless from and against all such costs, expenses, liability, loss or claims. PKNP must at all times indemnify and hold Perak Corp harmless for and against all costs, expenses, liability, loss or claims arising from or in connection with any inaccuracy or breach of any of the obligations, representations, warranties, undertakings, covenants, etc. of PKNP under the JDA I.

3. Roles of PKNP

(A) PKNP must –

- (i) make Zone 1 Bandar Meru Raya available, on an as is where is basis, for the purposes of the development under the JDA I and the JVA III following the date when the JVA III becomes unconditional with the satisfaction or waiver of those conditions precedent set out in the JVA III in the manner set out in the JVA III;
- (ii) grant a non-exclusive licence to Perak Corp and Unipoh to allow Perak Corp entry to and use of Zone 1 Bandar Meru Raya for the purposes of the Project; and
- (iii) the licence granted above extends to any contractor, its subcontractors and their respective agents and employees, the professional team and any other consultants whose services are engaged in connection with the Project, prospective purchasers and any such other persons as Perak Corp and Unipoh may invite to Zone 1 Bandar Meru Raya for the purposes of the Project.

(B) Following the issue of the original issue document of titles of Zone 1 Bandar Meru Raya to PKNP, to facilitate the submission on applications for the layout plan of Zone 1 Bandar Meru Raya, change in land category, condition or restriction, PKNP must, at the written request of Perak Corp or Unipoh, release the original issue document of title to Zone 1 Bandar Meru Raya to Unipoh for such purposes, if so required by the relevant authorities.

(C) PKNP must, as owner of Zone 1 Bandar Meru Raya, and as may be required for the purposes of the Project, promptly and diligently -

- (i) at the request and recommendation of Unipoh, as approved by the joint management committee established under the JVA III, sign such plans, drawings, forms and applications properly drawn up by the consultants for submission to the relevant authorities, including but not limited to the local planning authority or other authority regulating the development for their approval;

- (ii) sign the agreements of sale as registered owner of Zone 1 Bandar Meru Raya with Unipoh as vendor to effect the sales to the end purchasers; and
- (iii) sign the instrument of transfer in statutory Form 14A to effect transfer of the completed end products of the development to the end purchasers concerned,

the expenses of so doing is subject to reimbursement by Perak Corp of costs and expenses incurred by PKNP.

4. Roles of Perak Corp

- (A) Perak Corp will be solely responsible at its sole costs and expenses (such expenditure are not deductible as part of the development project expenditure under the JVA III and may be deducted from Perak Corp's entitlement under the JVA III) –

- (i) to make available and complete Zone 1 Bandar Meru Raya with the existing completed main access road, water supply mains, electricity supply mains, telephone main supply lines, and main sewer lines outside or up to the boundaries of the development which have been completed as at the date of JDA I for connection and tapping to the housing accommodation building of the development and basic infrastructures within the boundaries of the development comprising earthworks, internal roads and drains, internal sewers and ancillary works, street lighting, TNB substation, telephone ducting and junction chambers, water pipe reticulation, landscaping and installations of playground equipment in accordance with plans as may be approved by the relevant authorities together with security fencing running through the boundaries of the development completed with arch entrance gates and guard houses, CCTV surveillance system, auto barrier gates system and ancillary earthworks (which have been completed as at the date of JDA I);
- (ii) to construct and undertake the completion of the additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya to better support the development consisting of construction of a new external main drains to provide drainage outlets for internal drains within the development, upgrading, repairs and resurfacing of existing external 66' road reserve, construction of a new 66' new external road with road kerbs and pedestrian walks, street lighting, landscaping works, external telephone infrastructure, external water supply infrastructure and external sewerage works as more particularly referred to and specified and/or agreed in the JVA III by awarding the construction contract to Unipoh; and
- (iii) to construct and undertake the completion and commissioning of the proposed centralised sewerage treatment plants, Module 3 and 4 on PT 176807, Zone 7, Bandar Meru Raya to provide additional capacity of 42,500 PE for the township of Bandar Meru Raya ("**STP Module 3 & 4**") by awarding the contract of design construction and commissioning of STP Module 3 & 4 to Unipoh at agreed lump sum contract sum of RM17,500,000,

in such manner agreed under JVA III.

- (B) Perak Corp must -

- (i) oversee the progress of the development and report to the joint management committee established under the JDA I, comprising 4 members, 2 representatives each nominated by PKNP and Perak Corp, in respect thereof;

APPENDIX XIV – SALIENT TERMS OF THE JDA I (Cont'd)

- (ii) co-ordinate, superintend and supervise the carrying out of the development in accordance with the JDA I and decisions of the joint management committee established under the JDA I and the committee formed under the JVA III;
 - (iii) cause to be signed by PKNP all plans, drawings, forms and applications drawn up by the consultants which need to be submitted to the relevant authorities, including but not limited to the local planning authority or other authority regulating the development for their approval;
 - (iv) pay the submission fees for submission of all plans pertaining to the housing accommodation building in the development;
 - (v) caused to be signed by PKNP all agreements of sale as registered owner of Zone 1 Bandar Meru Raya with Unipoh as vendor to effect sales of all the completed end products of the development to the end purchasers;
 - (vi) pay all charges and outgoings in respect of contribution to the local authority and other utilities boards or corporations for the provision of all services to the development;
 - (vii) pay the cost of soil investigation, development charges, and contribution charges in respect of earthworks and drainage and such other contribution charges as may be levied by Majlis Bandaraya Ipoh;
 - (viii) pay the premium, survey fees and all other outgoings for issuance of block titles and individual titles to all approved subdivided lots of Zone 1 Bandar Meru Raya;
 - (ix) use its reasonable endeavours to procure that so far as may be practicable –
 - (a) the development is begun and completed in accordance with the projected timetable for development and is implemented in good order;
 - (b) the sale is effected in a timely manner and on favourable terms;
 - (x) assume payment of all quit rents, assessment, rates and other outgoings in respect of Zone 1 Bandar Meru Raya until the transfer of the completed end products of the development to end purchasers; and
 - (xi) do such other acts, matters and things as may be consistent with, necessary for or incidental to the attainment of any of the foregoing.
- (C) Perak Corp must bear and pay for the premium survey fees and all other outgoings for the issuance of block titles and individual titles for all approved subdivided lots of Zone 1 Bandar Meru Raya. all quit rents, assessment, rates and other outgoings in relation to Zone 1 Bandar Meru Raya up to the transfer of the completed end products of the development to end purchasers are to be borne by Perak Corp.

The collaboration in relation to the development commences following the execution of JDA I and will continue thereafter until the completion of the Project or if earlier, the date of termination of JDA I.

5. Termination

- (A) In the event that the JDA I is terminated due to Perak Corp's insolvency or default, PKNP is entitled to the following:
- (i) retake the possession of Zone 1 Bandar Meru Raya;
 - (ii) retain all monies received by PKNP and to claim for damages from Perak Corp for losses incurred by PKNP by reason of or caused by the default of Perak Corp;
 - (iii) institute proceedings for the remedy of specific performance with full reimbursement of all costs and expenses including all legal fees incurred in the enforcement of this remedy on a solicitor and client basis; and
 - (iv) either –
 - (a) opt to take over the development and appoint a contractor to continue the development and all additional costs and expenses reasonably incurred thereby for the appointment of such new contractor and to complete the development will be paid by Perak Corp and Perak Corp will be liable to pay PKNP all costs to complete the development and all claims made by Unipoh against PKNP; or
 - (b) continue with the JVA III assuming also the roles of Perak Corp under JVA III and be entitled to all of Perak Corp's entitlement under JVA II other than any entitlement relating to completed product offerings the costs of which have been borne by Perak Corp, which Perak Corp will remain entitled to receive.

In no event shall PKNP, when electing to take over the development, be deemed to assume Perak Corp's or Unipoh's liabilities or obligations to any lenders, financiers, creditors or any other interested parties in respect of the development.

- (B) In the event that the JDA I is terminated either because of PKNP's insolvency or default, then Perak Corp is entitled to the following:
- (i) claim for damages from PKNP for losses incurred by reason of or caused by the default of PKNP and for the refund of any premium, survey fees, quit rent, assessment, rates and other outgoings in relation to Zone 1 Bandar Meru Raya paid by Perak Corp and any money paid by Perak Corp to PKNP pursuant to JDA I, free of interest; and
 - (ii) opt to purchase Zone 1 Bandar Meru Raya from PKNP at the prevailing market rate, and PKNP must sell Zone 1 Bandar Meru Raya to Perak Corp at not less than the prevailing market rate if Perak Corp exercises its option to purchase.
- (C) If Perak Corp does not exercise its right to purchase above, subject to the provisions of the JVA III and compliance with the Housing Development Act (Control and Licensing) 1966 and its regulations, PKNP is entitled to -
- (i) retake the possession of Zone 1 Bandar Meru Raya; and

APPENDIX XIV – SALIENT TERMS OF THE JDA I (Cont'd)

- (ii) either –
 - (a) take over the development and appoint a contractor to continue the development; or
 - (b) continue with the JVA III assuming also the roles of Perak Corp under the JVA III, in which case PKNP is also entitled to all of Perak Corp's entitlement under the JVA III other than any entitlement relating to completed product offerings the costs of which have been borne by Perak Corp, which Perak Corp will remain entitled to receive.

The termination of JDA I will not affect those parcels of project land that have been completed (completed units) regardless whether the completed units have been sold or unsold, and PKNP and Perak Corp must continue to perform their obligations in respect of the completed units in accordance with the terms of the JDA I.

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1. The Joint Venture

Perak Corp and Unipoh agreed to enter into the JVA III for the objective of obtaining requisite approvals for the development Zone 1 Bandar Meru Raya, carrying out the execution and completion of the development, selling the units to end purchasers and do such other acts, matters and things as may be consistent with or incidental to the attainment of any of the foregoing objects.

The development will be developed into 4 main phases comprising the following:

Phase 1	:	Double storey Terrace House –	106 units	Plot 1 – 106
		Double storey Semi-detached House –	6 units	Plot 354 – 359
		Double storey Bungalows –	5 units	Plot 227 – 231
		together with additional external infrastructure outside the boundaries of Zone 1 Bandar Meru Raya		
Phase 2	:	Double storey Terrace House –	73 units	Plot 107 – 179
		Double storey Semi-detached House –	32 units	Plot 254 – 269
		Double storey Bungalows –	2 units	& Plot 270 - 285 Plot 252 – 253
Phase 3	:	Double storey Terrace House –	47 units	Plot 180 – 226
		Double storey Semi-detached House –	32 units	Plot 286 – 317
		Double storey Bungalows –	2 units	Plot 250 – 251
Phase 4	:	Double storey Semi-detached House –	36 units	Plot 318 – 353
		Double storey Bungalows –	18 units	Plot 232 – 249

2. Perak Corp's Entitlement

- (A) Perak Corp shall be entitled to a share of the sale proceeds from the disposal of all the units comprised in the development under the JVA III made up of 2 components as follows
- (i) 20.90% of the proceeds of the minimum prices of all the units comprised in the development to be sold; and
 - (ii) 20.90% of the excess portion of the proceeds of units sold in excess of the minimum prices as additional profit to Perak Corp after first deducting the enhancement and upgrading cost and additional construction costs which shall first be paid to Unipoh.
- (B) Unipoh shall by way of first priority, be satisfied and discharged by way of set-off or contra against Perak Corp's entitlement from all progress payments which may from time to time be due and payable to Perak Corp until the whole of STP contract sum shall have been fully paid or discharged. Thereafter, Perak Corp shall be paid the balance of Perak Corp's entitlement progressively during each and every withdrawal made by Unipoh from the housing development account, on a quarterly basis not later than 7 days from the last day of each quarter.

- (C) PKNP shall not be entitled to any share of the proceeds from the proposed joint development under the JVA III.

3. Termination

- (A) In the event that, upon expiration of 1 year from the date of official launching of the units in phase 1 of the development for sale, the total number of units sold in phase 1 shall fall short of 50% of the total units in phase 1, Unipoh shall have the right to elect, but not obliged to do so, to give notice in writing to PKNP and Perak Corp to prematurely terminate the JVA III with regard to the construction of the remaining phases of the development.
- (B) In the event of termination of the JVA III, PKNP and Perak Corp shall consent to the termination and the following legal consequences shall ensue and shall bind the parties of the JVA III following such termination:
 - (i) Unipoh shall be bound to carry on and complete the construction of every of the units comprised in phase 1 of the development whether the units comprised therein are sold or not;
 - (ii) Unipoh shall be bound to carry on and complete the construction of the STP Module 3 and 4 and the entire additional external main infrastructure in accordance with the terms of the JVA III, unless otherwise varied or instructed by Perak Corp;
 - (iii) Unipoh shall be bound to complete the construction of the basic infrastructures within the boundaries of the development supporting phase 1 of the development in accordance with the terms of the JVA III;
 - (iv) Perak Corp shall be paid their entitlement deriving from all units comprised in phase 1 of the development regardless whether the units are sold or not based on 20.9 % of the minimum prices or of the prevailing market value of all the units, whichever is higher;
 - (v) Unipoh shall be entitled to the following:
 - (a) full payment of the whole of the STP contract sum;
 - (b) the balance of proceeds of sale of all sold units comprised in phase 1 of the development after deducting the payment to Perak Corp; and
 - (c) all right interest and title to the unsold units of phase 1 of the development;
 - (vi) The parties of the JVA III agree that the whole of Perak Corp's entitlement upon termination of the JVA III shall be applied or deemed payment towards settlement of the STP contract sum and as for the settlement of the balance of STP contract sum, Unipoh shall be entitled, at its own cost and expense, to take a transfer from PKNP such number of the undeveloped plots of the land comprised in the remaining phases of the development;
 - (vii) For settlement of the balance of STP contract sum and for determination of the actual number of undeveloped plots of the land of sufficient value to effect such settlement the parties mutually agree that the value of the undeveloped plots of the land as shall be selected by Unipoh shall be determined and computed at the rate of RM40.00 per square foot or the prevailing market value of land area, whichever is higher, which price shall be inclusive of the support of local infrastructure to be constructed to complement the same; and

- (viii) Notwithstanding the termination of JVA III, PKNP and Perak Corp shall continue to observe and fulfil their respective obligations and duties to enable Unipoh to complete the construction of phase 1 of the development and the eventual sale and transfer of the units to end purchasers comprised in phase 1 of the development.

(C) In the event that Unipoh:

- (i) fails, neglects and/or refuse to commence the development within 12 months from the date of the last of the requisite approvals having been obtained for each phase or within the period as stipulated under the applicable laws or fails to commence and complete the development by the completion date;
- (ii) does any act or omission which for all intents and purposes be deemed to have unequivocally abandoned the development; or
- (iii) ceases to carry on its business or goes into voluntary or compulsory liquidation or a receiver or receiver and manager is appointed over the whole of its undertakings or assets;

Perak Corp shall give 60 days' notice to Unipoh requiring Unipoh to make good or remedy the default or the breach complained of. If the breach or default complained of shall remain outstanding after expiration of the said notice, Perak Corp shall be entitled to terminate JVA III by giving notice thereof to Unipoh in which event JVA III shall terminate on the date specified in such termination notice. Upon such termination, Perak Corp shall, in its absolute discretion, subject to prior approval of the Controller of Housing, be at full liberty to assume the responsibility of Unipoh to the exclusion of Unipoh or to appoint a third party in substitution of Unipoh to undertake and carry out the remainder portions of the development.

4. Exit From Joint Venture

- (A) Provided Unipoh shall have duly completed the STP Module 3 and 4 and the additional external main infrastructure as stipulated in the JVA III, Unipoh shall be entitled at its discretion any time thereafter to elect to prematurely terminate the JVA III as to the remaining phases of the development which have yet to be commenced by giving notice of such intended termination in writing to PKNP and Perak Corp to the same effect.
- (B) In the event of such premature termination of the JVA III by Unipoh with regards to the remaining phases of the development, PKNP and Perak Corp shall agree, consent and accept such premature termination subject to the following legal consequences binding upon the parties of the JVA III:
 - (i) Unipoh shall be bound to complete the construction of all buildings stipulated in the JVA III comprised in the on-going phase or phases of development which have been commenced with developer's licence and advertisement and sale permit in relation to such phase or phases having been procured;
 - (ii) The balance of Perak Corp's entitlement which has not been satisfied as at the date of termination ("**Balance of Perak Corp's Entitlement**") shall be paid and satisfied in full by Unipoh;

- (iii) The Balance of Perak Corp's Entitlement shall be determined and calculated based upon Perak Corp's share of the minimum prices of all buildings comprised in the development or the prevailing market value, whichever is higher, less the following deductions:
 - (a) all payments paid to account of Perak Corp's Entitlement in respect of completed phase and on-going phase of the development;
 - (b) STP contract sum subject to due completion of the works in STP contract; and
 - (c) such other stipulated payments, fees, costs and expenses lawfully due and payable by Perak Corp as if there were no such termination of JVA III.
- (iv) The parties of the JVA III agree and shall determine the actual sum payable in respect of the Balance of Perak Corp's Entitlement within 1 month from the date of the notice of termination.
- (v) Unipoh shall within 6 months from the date of determination of the quantum payable in respect of Balance of Perak Corp's Entitlement, make full payment of the Balance of Perak Corp's Entitlement in exchange for the execution and delivery of transfer of all titles of equivalent value from remaining phases of the development for registration in favour of Unipoh or its nominee. The transfer of the titles to Unipoh or its nominee shall be effected in batches, so that against each payment made, the corresponding number of the titles of equivalent value shall be effected in favour of Unipoh or its nominee until full payment of the Balance of Perak Corp's Entitlement and in this regard and against each payment made Perak Corp shall cause PKNP to execute the instrument of transfer pertaining to the relevant titles of equivalent value in favour of Unipoh or its nominee and deposit the same with Unipoh or its solicitors within 7 days of payment of same.
- (vi) Subject to receipt of full payment of the Balance of Perak Corp's Entitlement, PKNP and Perak Corp shall forever release and discharge Unipoh from all obligations duties and covenants binding upon Unipoh to perform or fulfil under the JVA III and they shall have no further claim interest or benefit or right whatsoever in respect of the development or under the JVA III.
- (vii) Notwithstanding the termination of the JVA III, the parties agree that the JVA III shall come to an end and cease to have any further force and effect only upon Unipoh having made full payment of Balance of Perak Corp's Entitlement and PKNP shall have duly transferred all the titles to on-going phase and remaining phases of the development to Unipoh or its nominee.
- (viii) Notwithstanding the termination of the JVA III, PKNP and Perak Corp shall continue to observe and fulfil their respective obligations and duties hereunder to enable Unipoh to complete the construction of the on-going phase of the development and the eventual sale and transfer of the units comprised in such on-going phase of the development.

5. Financing for the Proposed Joint Development

PKNP and Perak Corp shall not be required to pay or provide finance for the development. Unipoh shall ensure and procure that all claims for payments of Perak Corporation's Entitlement and Unipoh's entitlement will be paid for from the proceeds in accordance with the terms of the JVA III. Unipoh shall fully bear and discharge the financing costs. Zone 1 Bandar Meru Raya The land shall not be charged and shall remain unencumbered during the validity of the JVA III. Unipoh shall be responsible to raise its funds by other means to finance the construction of the proposed joint development without the security of Zone 1 Bandar Meru Raya land as collateral security.

1. Perak Corp's Entitlement

- (A) Perak Corp's entitlement shall be pre-determined and pre-agreed at the aggregate liquidated sum of RM40,377,531.00 subject to first deduction therefrom the value of the STP contract sum of RM17,500,000.00 and the portion of the premium to be borne by Perak Corp payable to the State Authority of Perak of RM4,856,503.20 (land premium) and the balance thereof amounting to RM18,021,027.80 shall be paid and satisfied in the following manner:
- (i) for the first twenty-four (24) calendar months from the date of the SA JVA III, by 24 equal monthly instalments of RM500,000.00 each the first of such instalments to commence on 23 January 2025 and thereafter the subsequent instalments on the 23rd day of each and every succeeding calendar month; and
 - (ii) thereafter for the next 24 calendar months by 23 equal monthly instalments of RM250,876.00 each and the last 24th instalment of RM250,879.80 the first of such instalments under this paragraph to commence on 23 January 2027 and thereafter the subsequent instalments on the 23rd day of each and every succeeding calendar month until full settlement.

For avoidance of doubt, the payments of the above-mentioned instalments shall not be subject to or conditional upon the state of construction of the development nor the receipts of proceeds of sales from end purchasers. Perak Corp shall cease to have any further or other claim or interest in the development or any share therein.

- (B) Unipoh shall have an automatic extension thereof of up to 30 days without requiring any application or notification on condition that the unpaid instalment is paid with interest for the additional number of days taken to complete the purchase calculated at the rate of 8% per annum thereon.

2. Land Premium

Unipoh undertake to pay the land premium in 3 phases for the years 2024 to 2026 as determined by the state authority of Perak as follows:

- (a) RM1,797,240.00 for the year 2024; and
- (b) RM3,059,263.20 due and payable in the years 2025 and 2026.

3. STP Contract Sum

- (A) Each and every progressive claims of the STP contract sum certified as due and payable to Unipoh based on the progressive completion of construction of the STP Module 3 and 4 shall be set off as payments to account of Perak Corp's entitlement until the whole of the STP contract sum shall have been fully discharged and satisfied.
- (B) In the event that Unipoh shall fail to complete the STP contract for reason attributable to the breach or default of Unipoh resulting in the STP contract being lawfully terminated in accordance to the terms thereof, Unipoh shall be liable to pay the balance of the unclaimed STP contract sum to Perak Corp within 30 days from the date of termination of the STP contract and Perak Corp shall have the right to appoint a new contractor to complete the STP contract whereby Unipoh shall be liable for any price increase to complete the STP contract which shall be payable within 30 days upon demand by Perak Corp.

4. Transfer of titles in tranches

- (A) Perak Corp and Unipoh agreed that the value of Perak Corp's entitlement shall be apportioned among the individual titles to all the approved housing lots from subdivision of the land to be issued to the development in accordance to the respective land area of the approved housing lots in relation to the total area of all the approved housing lots and the apportioned sum assigned to each of the housing lots are as set out in the SA JVA III to the intent that the apportioned sums attributable to each of the titles in the amounts as specified in the SA JVA III shall make up the sum total of Perak Corp's entitlement and the apportioned sum in relation to each titles shall constitute definite consideration for the completion of transfer of each of the titles.
- (B) Notwithstanding any provisions in the JVA III to the contrary, the applicable titles shall be transferred (in statutory Form 14A) from PKNP to Unipoh based on the payments made by Unipoh to account of Perak Corp's entitlement from time to time. In this connection, all payments from time to time made by Unipoh to account of Perak Corp's entitlement whether by way of contra payments against the STP contract sum under the STP contract or the payments made on behalf of Perak Corp for payment of land premium or the instalments paid to Perak Corp to account of Perak Corp's entitlement shall be treated as payments of the apportioned sums apportionable to the relevant titles in the order and sequence as stipulated in the SA JVA III.
- (C) The transfer of the titles shall be completed in stages as divisible transactions or contracts under the JVA III and for each of such transactions or contracts the consideration of relevant titles shall be the apportioned sums apportioned to each of the approved housing lots or the titles as stipulated in the SA JVA III.
- (D) The timing for determination of the amount of payments made or deemed made for the purpose and for determination of the entitlement of Unipoh for transfer of the relevant titles shall be done at every interval of 3 months during the validity of JVA III the first such interval shall be 3 months from the date of SA JVA III and thereafter at each and every succeeding interval of 3 months thereafter. The determination of the applicable titles for transfer shall be based on the order and sequence stipulated in the SA JVA III.

5. Validity of JVA III

- (A) Perak Corp and Unipoh agreed and declared that the conditions precedent as stipulated in the JVA III have been and shall be deemed substantively fulfilled, performed or waived and as such the JVA III has ceased to be unconditional.
- (B) The parties acknowledged and agreed that the SA JVA III is subject to Perak Corp's shareholders' approval being first obtained in the event the same is so required.
- (C) Except as were expressly modified, amended or varied in the SA JVA III, all other terms and conditions of the JVA III shall remain in full force and effect and enforceable against the parties thereto.

1. BACKGROUND INFORMATION

Perak Corp was incorporated in Malaysia under the Companies Act 1965 on 11 January 1991 as a public limited company under the name Anakku Corporation Berhad. Perak Corp is a subsidiary of PKNP. Then, our Company subsequently changed our name to Perak Corporation Berhad on 20 May 1997 and was listed on the Second Board of Bursa Securities on 3 December 1991, and then transferred to the Main Market of Bursa Securities on 5 December 2003.

Perak Corp's principal activities are that of property and investment holding, real property development and provision of management services, whilst the Group is principally involved in the provision of ports and logistics, property development, hospitality and tourism and management services.

Since the incorporation of our Company, we have been involved in the property development segment and is active in the development of new townships covering industrial estate, residential, commercial, and institutions which hold positive opportunities for the economic development of the Perak state.

We then expanded our service offerings to the port and logistic segment in 1991 when PKNP entered into a Memorandum of Understanding with Halim Rasip Holdings Sdn Bhd. LMT was established as a state port and a catalyst for economic growth, development, and industrialisation of the Perak state and the nation in general. A shareholder's agreement was executed in 1992 between Perak State Development Corporation (via PCB Taipan (previously Taipan Merit Sdn Bhd), a wholly owned subsidiary of our Company) and Halim Rasip Holdings Sdn Bhd, which provided the terms and conditions of financing, building, operating and managing. As part of the agreement, PKNP and Halim Rasip Holdings Sdn Bhd incorporated LTMSB, a company where PKNP holds 50.0% plus 1 share of the company, thus gaining controlling stake in LMTSB. LMT was officiated on 24 July 1995 and has been in operation for more than 25 years. In 2016, to support Perak state's goals in the tourism industry, Perak Corp played a key role in developing hotels and resorts and rebranding rest houses in the state under its home-grown hotel brand name, Casuarina.

On 26 November 2010, our Company acquired 6.65% equity interest in Integrax Berhad to expand our total integrated port services and facilities, as well as to leverage on the readily available facilities to increase capacity and operational efficiency. On 27 February 2013, our Company acquired 8.41% equity interest in Integrax Berhad. In 2015, subsequent to obtaining approval from its shareholders, our Company disposed its entire equity interest in Integrax Berhad of approximately 15.74% equity interest, following the mandatory take-over offer by Tenaga Nasional Berhad to acquire all the remaining shares of Integrax Berhad.

As part of our plan to expand the property development segment, we acquired 3 lots of industrial land and 1 lot of commercial land, all located in Mukim Lumut, Manjung, Perak, for RM57.00 million from PKNP. The acquisitions were completed on 31 May 2017.

2. PARTICULARS OF OUR BOARD OF DIRECTORS

As at the LPD, the directors of Perak Corp and their shareholdings in our Company are as follows:

Name	Designation	(i)Date of appointment	As at LPD			
			Direct		Indirect	
			No. of shares	%	No. of shares	%
Datuk Redza Rafiq bin Abdul Razak	Non-Independent Non-Executive Chairman	25 February 2021	-	-	-	-

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Name	Designation	(i)Date of appointment	As at LPD			
			Direct		Indirect	
			No. of shares	%	No. of shares	%
Dato' Seri Ir Mohamad Othman bin Zainal Azim	Independent Non-Executive Director	30 September 2022	-	-	-	-
Datuk Seri Dr Hj Hasim bin Hasan	Independent Non-Executive Director	30 September 2022	-	-	-	-
Andy Liew Hock Sim	Independent Non-Executive Director	6 August 2020	-	-	-	-
Tan Chee Hau	Independent Non-Executive Director	20 October 2020	-	-	-	-
Ahmad Yani bin Aminuddin	Independent Non-Executive Director	1 July 2021	-	-	-	-
Faizul Hilmy bin Ahmad Zamri	Independent Non-Executive Director	1 July 2021	-	-	-	-
Noor Azlin binti Zainal Abidin	Independent Non-Executive Director	30 August 2023	-	-	-	-

Note:

- (i) The appointment dates of these Directors to the Board of Perak Corp are subsequent to Perak Corp triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of Listing Requirements.

3. PARTICULARS OF THE SUBSTANTIAL SHAREHOLDERS

The particulars of the substantial shareholders of our Company are as follows:

Name	As at LPD			
	Direct		Indirect	
	No. of shares	(i)%	No. of shares	%
Perbadanan Kemajuan Negeri Perak	52,271,253 ⁽ⁱⁱ⁾	52.27	627,150 ⁽ⁱⁱⁱ⁾	0.63
Sime Darby Property Berhad	6,125,000	6.13	-	-

Notes:

- (i) Based on the issued share capital of 100,000,000 Shares.
- (ii) Including 51,506,250 shares held under CIMB Group Nominees (Tempatan) Sdn Bhd.
- (iii) Deemed interested through its direct and indirect wholly owned subsidiaries, namely Fast Continent Sdn Bhd, Cherry Blossom Sdn Bhd and Perak Equity Sdn Bhd.

4. PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS

Perak Corp Group is principally involved in 3 core businesses, namely ports and logistics, property development and hospitality and tourism.

4.1 Ports and logistics

Our Group is involved in the ports and logistics business whereby it, via LMTSB, owns and operates the LMT in Perak, since its completion in 1995. LMT is a river port terminal located in Lumut's Dinding River capable of handling Handymax vessels up to 40,000 deadweight tons ("DWT").

Our Group operate the LMT which was developed to increase the operations and capacity of the port in the area. It provides total integrated port services and facilities and is capable of handling a wide range of cargo from dry bulk, liquid build, break bulk and project cargoes. In addition, our Group provide operation and maintenance services for the Lekir Bulk Terminal in Perak, which is owned by Tenaga Nasional Berhad. The terminal is able to handle dry bulk cargoes in Handymax, Panamax and Capemax ships of up to 200,000 DWT, and is a dedicated terminal to handle coal for the Janakuasa Sultan Azlan Shah in Sri Manjung.

Lumut Maritime Terminal



Lekir Bulk Terminal



Our Group developed the Lumut Port Industrial Park since 1995, whereby we developed and sell plots of land in the area. The Lumut Port Industrial Park has an area of 1,000 acres. As at the LPD, our Group has developed and sold over 900 acres.

In 2017, our Group acquired 3 lots of industrial land and 1 lot of commercial land in Mukim Lumut, District of Manjung, Perak, which is intended to be developed into a port, namely LMT2. As at the LPD, the completion rate of the LMT2 development is approximately 91.00% completed and is expected to be fully operational by mid of 2026.

As at the LPD, the LMT has 2 dry wharf and a liquid wharf with a total built-up of 510 m, 2 barge wharf and navigation channels of up to a depth of up to 12 meters. Some of the major throughput of the LMT for the FYE 2025 is as follows:

Type of cargo	Activity	Metric ton ('000)
Limestone	Export	1,219
Coal	Import	841
Petroleum	Import	502
Clay	Export	591
Petcoke	Transshipment	515
Copper slag	Import	319
Clinker	Export	108
Palm oil	Export	356
Palm kernel	Export	261
Quicklime	Export	53
Acid products	Import	75

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Our Group provide handling services, operations and maintenance services and marine services to our customers. The facility of LMT is as depicted below:



4.2 Property development

Our Group is involved in the property development business whereby it develops and sell residential, as well as commercial and industrial properties. For certain property development projects which are larger in size, we may appoint other property development companies to assist by leveraging on to the resources and expertise of the appointed property development company. Majority of our Group's property development projects are located in Ipoh, Perak. During FYE 2020 to FYE 2024, we have completed 2 property development project, namely the Taman Meru Tropika project, which began in 2020 and completed in 2024, and Phase 4 of 1Meru project, which began in 2018 and completed in 2021.

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APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

The diagram below depicts the approximate locations of the Group's property development projects in Perak.



Some of our property development projects are as depicted below:

Halaman Meru Impian



1 Meru



Halaman Meru Damai



Casa Kayangan



Bulatan Sultan Azlan Shah



Apartment D'Aman Residensi



Kompleks KDN



D'Aman Residensi



Meru Tropika



APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

(i) Completed projects

The table below represents properties of which the construction of all the constituents of the buildings has been completed and CCC has been obtained. During FYE 2020 to FYE 2024, our Group has completed two (2) property development projects, details of which are as follows:

Project name/ Location	Type of development	Commencement period ^(a)	Completion period ^(b)	Description	Total units launched	% units sold as at the LPD	Selling price range per unit at the point of launched (RM)	Built-up area per unit (sq ft)	Land area size (acres)	GDV (RM million)
Taman Meru Tropika, Perak^(c)										
• Phase 1	Residential	December 2020	July 2023	Single Storey Terrace	86	100.00	274,550 - 499,000	1,000	2.76	24.50
• Phase 2	Residential	December 2020	July 2023	Single Storey Terrace	83	100.00	282,150 - 486,000	1,000	2.66	23.20
• Phase 3	Residential	January 2022	September 2024	Single Storey Terrace	80	100.00	322,050 - 558,000	1,100	3.57	25.70
• Phase 4	Residential	January 2022	September 2024	Double Storey Terrace	74	100.00	401,760 - 576,000	1,760	2.55	28.80
1Meru, Perak										
Phase 4	Residential	Jan 2018	May 2021	Double Storey Semi-Detached Double storey Bungalow	35	100.00	1,080,808 – 1,365,000	3,600 5,000	7.48	36.89

Notes:

(a) Commencement period is based on the commencement of construction on site of the development.

(b) Completion period is based on the issuance date of CCC of the development phases.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

- (c) Taman Meru Tropika project was a property development project undertaken by PCB Development, a former subsidiary of the Group. Although the project commenced in 2020 and was completed in 2024, PCB Development was derecognised from the Group in December 2021. As such, no property development revenue or cost relating to this project was recognised in the Group's financial statements for FYE 2022 to FYE 2024.

(ii) Ongoing projects

As at the LPD, we have one (1) ongoing property development project, as follows:

Name and location of future project	Type of development	Total land area (acres)	Description	Commencement period ^(a) / Expected completion period ^(b)	Estimated GDV (RM million)
SVTP Industrial Hub	Industrial park development	816.08	37 plots of industrial plots and 2 plots of commercial land	May 2025 / May 2030	924.70

Further details of SVTP Industrial Hub Project are disclosed in Section 2.2.2 of the draft Circular.

(iii) Future projects

The table below represents projects where the planning permission have been obtained but construction works has not commenced. As at the LPD, we have one (1) future property development project, as follows:

Name and location of future project	Type of development	Total land area (acres)	Description	Expected commencement period ^(a) / Expected completion period ^(b)	Estimated GDV (RM million)
Zone 9 Bandar Meru Raya	Residential	24.81	Phase 1 - 183 units of double storey terrace houses, 60 units of double storey semi-detached houses and high-rise development	January 2026 / December 2029	240.00
			Phase 2 – business plan has yet to be finalised as at the LPD and will only commence upon completion of Phase 1 of Zone 9 Bandar Meru Raya project.	-	

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (a) Commencement period is based on the commencement of construction on site of the development.
- (b) Completion period is based on the issuance date of CCC of the development phases.

(iv) Landbanks

The table below represents landbanks which are owned by the Group but have yet to apply for approvals and permits to develop as at the LPD. As at the LPD, our Group has five (5) pieces of lands, as follows:

Location of land	Ownership	Land zoning	Total land area (acres)
Plot 2, Zone 4, Geran 154028, Lot 517373, Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Perak ⁽¹⁾	⁽²⁾ Beneficial	Commercial	50.01
Plot 5 Zone 5 PN1068933, Lot 559634, Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Perak	Registered	Commercial	4.57
Plot 15 & 16 Zone 9 GRN 151069, Lot 516689 and GRN 151070, Lot 516690, Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Perak	Registered	Commercial	5.72
Teluk Dalam Lots 10993, 11000, 11002, 11005, 11008, 11012, 11013, and 11015, all located at Teluk Dalam, Mukim Lumut, Daerah Manjung, Perak	Registered	Residential	0.97
H.S. (D) 13618, PT 32665, Mukim Kampar, Daerah Kampar, Negeri Perak ⁽³⁾	⁽²⁾ Beneficial	Agricultural	110.01

Notes:

- (1) The Group had entered into a Collaboration Agreement with SASB to collaborate and combine resources and expertise to implement and execute the proposed joint development of the said land, with commercial, residential and healthcare components as the intended elements of the development project. Further information is set out in Section 5.6 of this Circular.
- (2) PKNP is the registered owner of these landbanks.
- (3) As at the LPD, the Proposed Disposal of Tualang Sekah Land has yet to be completed mainly due to the Estate Land Board's rejection of the transfer of Tualang Sekah Land to Kim Poh Sitt Tat Feedmill Sdn Bhd. Accordingly, the Company is currently in discussion with Kim Poh Sitt Tat Feedmill Sdn Bhd and other potential investors to pursue a joint development of Tualang Sekah Land.

4.3 Hospitality and tourism

We are involved in hospitality and tourism whereby we own and operate hotels, as well as a houseboat. Our Group's hotels and houseboat are as follows:

Location

Description

- (i) Hotel Casuarina @ Meru, Ipoh, Perak



Address: Casuarina Meru Sdn Bhd., No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak.

Title details: H.S.(D): 204383 / PT 245010

Title tenure: Freehold

Registered owner: CMSB

Description: Commercial Building – Hotel

Land area: 7.34 acre / 29,706.3 sqm

Built surface area: 22,371.98 sqm (approximately)

Age of building: 9 years

- (ii) Hotel Casuarina @ Kuala Kangsar, Kuala Kangsar, Perak⁽³⁾



Business Address: Jalan Bukit Kerajaan, 33000, Kuala Kangsar, Perak

Title details: HS (D) 16819 / PT 7550

Title tenure: 99 Years

Registered owner: PKNP⁽¹⁾

Description: Building – Rumah Rehat

Land area: 2.00 acre / 8,095 sqm

Built surface area: 6,260.35 sqm (approximately)

Age of building: 3 years and 6 months

- (iii) Hotel Casuarina @ Pangkor, Pulau Pangkor, Perak⁽⁴⁾



Business Address: Teluk Dalam, 32300 Pulau Pangkor, Perak

Beneficial owner: PKNP⁽⁶⁾

Description: Building – Rumah Rehat

Land area: 0.67 acre / 2,711.4 sqm

Built surface area: 7,596 sq ft (approximately)

Age of building: 6 years

- (iv) Casuarina Houseboat @ Temenggor 1, Tasik Temenggor, Gerik, Perak⁽⁵⁾



Business Address: Temenggor Lake, Hulu Perak District, Perak

Registered owner: Casuarina Boathouse Sdn Bhd

Principal Dimension (approximately):

Length (mtr) – 21.3

Beam (mtr) – 9.14

Depth (mtr) – 1.83

Age of Asset: 9 Years

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, we are constructing a hotel in Teluk Intan, Perak which is expected to be completed by the third quarter of 2026, with targeted opening in first quarter of 2027. The construction is funded via bank borrowings and internally generated funds. The details of the hotel is as follows:

Location

Hotel Casuarina @ Teluk Intan, Teluk Intan, Perak

**Description**

Address: Jalan Denai Intan, Bandar Baru Teluk Intan, Perak.

Title details: H.S.(D): 23387 / PT 6100

Title tenure: 99 Years

Registered owner: PKNP⁽²⁾

Description: Commercial Building – Hotel

Land area: 3.448 acre / 13,955 sqm

Notes:

- (1) Lanai Casuarina Sdn Bhd, a wholly-owned subsidiary of our Group, had on 10 November 2015 entered into an agreement to lease with PKNP to develop and operate the hotel for a lease tenure of 99 years, from 2015 to 2114.
- (2) Casuarina Teluk Intan Sdn Bhd, a wholly-owned subsidiary of our Group, had on 22 February 2016 entered into an agreement to lease with PKNP to develop and operate the hotel for a lease tenure of 99 years, from 2016 to 2115.
- (3) The Hotel Casuarina @ Kuala Kangsar has been operating without license for trade, business and industry since its commencement of operation on 1 July 2020. On 19 June 2025, Lanai Casuarina Sdn Bhd has obtained the said license for trade, business and industry for a period commencing from 16 June 2025 until 15 June 2026.
- (4) Hotel Casuarina @ Pangkor has been temporarily closed since February 2025 for major refurbishment (which includes upgrading works as well as additions of overwater accommodation units) and targets to reopen for operation by early 2030. As at the LPD, the total estimated refurbishment costs have not been finalised pending completion on the evaluation of the required refurbishment works. Notwithstanding, the said major refurbishment costs will be funded through a combination of external bank borrowings and internally generated funds, the breakdown of which has not been determined at this juncture.
- (5) Since June 2024, the boat house has been non-operational due to failure in its main engine. Nevertheless, the Company expects to resume operations of its boat house by first quarter of 2026, after necessary repairs and maintenance (amounting to RM0.09 million) are completed. On 1 July 2025, the Company has obtained the houseboat licence for a period commencing from 1 July 2025 until 31 December 2025. On 13 October 2025, the Company has submitted the application for the renewal of the houseboat licence to the relevant authorities, and targets to obtain the renewed houseboat licence in the first quarter of 2026.
- (6) Pursuant to a letter dated 7 March 2017 issued by PKNP to the Manjung Municipal Council, the management of Hotel Casuarina @ Pangkor was placed under Lanai Casuarine Sdn Bhd. As at the LPD, PKNP has not imposed any lease arrangement or rental charges in respect of the said hotel.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

5. PROPERTY AND PLANT

5.1 Properties owned by our Group

A summary of the material properties owned by our Group as at the LPD are set out below:

No.	Name of registered owner/ beneficial owner	Approximate age of building/ tenure/ date of expiry of leasehold interest	Address	Description and existing use	Land area/ built up area	Date of Issuance of Certificate of Fitness for Occupation / CCC	Restriction in interest/ encumbrances	Unaudited net book value as at 30 September 2025
1.	LMTSB	N/A / Leasehold 99 years, expiring in 2105	PT 16661, 16662, 16838 and 16839, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan	Port land / port operation	125.88	15 April 2021	Charged to CIMB Islamic Bank Berhad State leasehold land which requires state approval before any transfer	109,170,030
2.	LMTSB	26 years / Leasehold 99 years, expiring in 2094	Lot PT 6973, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan	Warehouse and office complex building / port operation	72.54	30 December 1995	State leasehold land which requires state approval before any transfer	76,633,970
3.	CMSB	9 Years / Freehold	GRN 404949, Lot 403194, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan ⁽¹⁾	Hotel, convention center and 2-office towers / hotel and office operation	7.34	23 October 2013	Third party first fixed legal charge for Tawarruq Revolving Credit-i and Musharakah Mutanaqisah Term Financing-i granted by Affin Islamic to Perak Corp Third party second fixed legal charge for Redeemable Preference Shares issued by Perak Corp to Affin Islamic	42,527,998

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Name of registered owner/ beneficial owner	Approximate age of building/ tenure/ date of expiry of leasehold interest	Address	Description and existing use	Land area/ built up area	Date of Issuance of Certificate of Fitness for Occupation / CCC	Restriction in interest/ encumbrances	Unaudited net book value as at 30 September 2025
4.	Perak Corp	N/A / Leasehold 99 years, expiring in 2108	Lot 20402, PN 394961 Negeri Perak, Mukim Hulu Bernam Timor, District of Mualim, Perak Darul Ridzuan ⁽²⁾	Residential land / vacant	247.85	N/A	Third party first fixed legal charge for Revolving Credit granted by CIMB to PCB Taipan Caveat	25,813,235
5.	PKNP / Perak Corp	Freehold	Lot 517373, GRN 154028 Negeri Perak, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Commercial land / vacant	50.00	N/A	Caveat	14,430,032
6.	LMTSB	N/A / Leasehold 99 years, expiring in 2105	PT 10445 and PT 10447, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan	Open stockyard / port operation	13.30	N/A	Nil	11,405,320
7.	Perak Corp	N/A / Leasehold 99 years, expiring in 2108	Lot 20403, PN 394962 Negeri Perak, Mukim Hulu Bernam Timor, District of Mualim, Perak Darul Ridzuan ⁽²⁾	Residential land / vacant	103.71	N/A	Caveat	11,137,779

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Name of registered owner/ beneficial owner	Approximate age of building/ tenure/ date of expiry of leasehold interest	Address	Description and existing use	Land area/ built up area	Date of Issuance of Certificate of Fitness for Occupation / CCC	Restriction in interest/ encumbrances	Unaudited net book value as at 30 September 2025
8.	Perak Corp	N/A / Leasehold 99 years, expiring in 2108	Lot 20571, PN 394965 Negeri Perak, Mukim Hulu Bernam Timor, District of Muallim, Perak Darul Ridzuan ⁽²⁾	Commercial land / vacant	45.94	N/A	Caveat	6,410,711
9.	Perak Corp	N/A / Leasehold 99 years, expiring in 2108	Lot 20570, PN 394964 Negeri Perak, Mukim Hulu Bernam Timor, District of Muallim, Perak Darul Ridzuan ⁽²⁾	Commercial land / vacant	27.21	N/A	Caveat	3,825,764
10.	Perak Corp	Freehold	Lot 516687, GRN 151067 Negeri Perak, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Mixed development / vacant	11.38	N/A	First fixed legal charge for Redeemable Preference Shares issued by Perak Corp to CIMB	3,671,583

Notes:

- (1) Perak Corp has been operating at No. 1-A, Block B, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak without a licence for trade, business and industry since November 2018. On 15 July 2025, Perak Corp has obtained the said licence for trade, business, and industry for a period commencing from 26 May 2025 to 25 May 2026.
- (2) These parcels of lands, namely Parcel 1 Lands, Parcel 2 Land and Parcel 3 Land will be disposed upon completion of Proposed Disposals of Hulu Bernam Lands.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

5.2 Properties rented by our Group

A summary of the properties rented by our Group as at the LPD are set out below:

No.	Address	Landlord/ Tenant	Description / Existing use	Land area / Built-up area	Period of tenancy / Rental per annum
				sq ft	RM
1.	Jalan Bukit Kerajaan, 33000, Kuala Kangsar, Perak ⁽¹⁾ .	PKNP / Lanai Casuarina Sdn Bhd	Commercial building / Rest house	2.0 acres / 6,260.35 sqm	99 years (year 2015 to year 2114)/ RM250,000 per annum
2.	Jalan Denai Intan, Bandar Baru Teluk Intan, Perak.	PKNP / Casuarina Teluk Intan Sdn Bhd	Commercial building / Hotel	3.4 acres / 13,955 sqm	99 years (year 2016 to year 2115)/ RM550,000 per annum

Note:

- (1) The Hotel Casuarina @ Kuala Kangsar has been operating without license for trade, business and industry since its commencement of operation on 1 July 2020. On 19 June 2025, Lanai Casuarina Sdn Bhd has obtained the said license for trade, business and industry for a period commencing from 16 June 2025 until 15 June 2026.

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6. INTERRUPTIONS TO BUSINESS

The Group has not experienced any interruption that has a significant effect on its business and operations during the past 12 months preceding the LPD.

6.1 Impact of COVID-19 on our business and operations

In March 2020, the World Health Organisation declared the COVID-19 viral disease a global pandemic, raising the health emergency to its highest level. The Government had since then introduced various versions of the MCO to limit the spread of COVID-19. It has also issued various fiscal stimulus packages to combat the economic impact of the COVID-19 pandemic. Our Group's operations were impacted by the pandemic and the various versions of MCOs, in particular the initial MCOs. Our Group was impacted due to the restrictions and guidelines imposed by the Government, such as, amongst others:

- (i) Reduced workforce during different stages of the MCO;
- (ii) Travelling restrictions within Malaysia;
- (iii) Suspension of foreign worker applications;
- (iv) Entry restrictions of foreign vessels entering Malaysia;
- (v) Travelling restrictions for tourist entering Malaysia;
- (vi) Termination of contract staffs; and
- (vii) Booking cancellation and refund for its hospitality and tourism segment.

As a result of the COVID-19 outbreak, our Group's operations were adversely impacted by the various restrictions imposed by the government. While the ports and logistics segment were not materially affected where the throughput at the LMT remained stable except in April 2020, where companies using LMT suspended export activities. The property development segment on the other hand, saw lower revenue contribution, i.e., 2% of our Group's revenue in 2020 due to lower land sale and ongoing joint operation projects. The hospitality and tourism segment were materially affected during the COVID-19 period, with its revenue recording 63% decrease compared to the previous year due to the Movement Control Order and reduced domestic tourists. Overall, our Group's revenue declined by approximately 20% in 2020, to RM131.6 million from RM163.7 million in 2019.

To reduce and mitigate potential disruptions in our Group's operations, we issued and implemented a COVID Plan which included measures such as but not limited to, standard operating procedures, implementing better health and safety protocol, flexible booking policies for the online travel agent and direct booking for its hospitality and tourism segment. The standard operating procedures were implemented to facilitate the optimisation of operational efficiencies and enhance productivity, whilst minimising workplace infection risks. Malaysia officially entered into the endemic phase of COVID-19 effective 1 April 2022, allowing all industries and businesses to operate with relaxed standard operating procedures. The Group has accordingly resumed its business operations to full force and hence, the Group does not envisage any further unforeseen material adverse effects on its budget and financial projections in the long term.

7. COMPETITIVE STRENGTHS

7.1 Experienced key management

We have an experienced management team with vast knowledge and experience in their respective fields. Our Group's business direction and operations are spearheaded by Rosmin bin Mohamed, the Group Chief Executive Officer, who has been actively involved in the daily operations of our Group since 2023. He is supported by our key senior management, who each has extensive knowledge and experience in their respective fields which comprises of as following:

- (i) Dato Hj Mubarak Ali bin Gulam Rasul, Chief Executive Officer of LMTSB;
- (ii) Mukhriz bin Che Murad, Chief Corporate Officer;
- (iii) Annas Asqalanee bin Ab Ghafar, Head of Internal Audit & Risk Management;
- (iv) Azizul Mahbob Ahmed @ Salleh, Head of Business Development and Commercial;
- (v) Mohamed Effendi bin Mohamed Amir, Head of Construction Management;
- (vi) Erriz Diyana binti Herman, Head of Business Performance Management;
- (vii) Salmah binti Mohamed Isimail, Head of Human Capital Development;
- (viii) Wan Mahathir Mohamad Esa, Head, Hospitality and Tourism;
- (ix) Sabrina binti Ahmad Tah, General Manager, CMSB; and
- (x) Chew Jia Yieng, Financial Controller.

Kindly refer to Section 8 of Appendix XVII for further information on the profiles of the Group's key senior management.

7.2 Established reputation and track record

Our Group has an established reputation and track record of over 32 years since our Group is active in the development of townships, commercial areas and communities in Perak. Since then, our Group has continuously improved and expanded our service offering by venturing into the port and logistic, hospitality and tourism and industrial park industry. Our Group's established reputation and long track record has enabled us to garner market awareness in our operating industries, as well as strategically position ourselves to support our future expansion and growth plans.

7.3 Main operator of the Lumut Port

Currently, our Group owns and operates the LMT and Lekir Bulk Terminal. As our Group is the operator of both terminals, we are able to garner higher profit margins, as well as control the size and contracts awarded to other port operators, such as subcontractors and/or service providers that are appointed to carry out port related activities such as cargo handling.

LMTSB is the only operator that operates terminals in Perak that has a Legal Landing Place (LLP) that legally and operationally is able to handle all type of cargoes from various customers. Other private jetties are only able to handle their own cargo and/or specific type of cargo.

LMT is strategically located and serves as a gateway for minerals products in Perak. This has significantly increased minerals based economic activities in Perak, such as, amongst others, limestone and cement production, as it enables industry players to reduce their logistics cost. In addition, LMT is located in close proximity to the straits of Malacca which garners a large amount of ship traffic. This provides LMT with an opportunity to expand its customer base to provide its services to new customers.

This had been evident by the distribution of LMT's customers whereby, most of the customers are long-term customers which has a working relationship with the Group for more than 5 years as the customers have their own establishment and long-term investment in Perak which is in close proximity to LMT.

Further, our Group charter-hires 2 tugboats to assist in the berthing and un-berthing of vessels to the terminals. This enables our Group to manage our operating cost and ensure that the utilisation of the tugboats charter-hired are fully maximised. In the event that our Group requires additional tugboats for our operations, we are able to charter-hire additional tugboats on a short-term lease.

7.4 Sizable landbanks for future development

The future growth of our Group's property development segment depends on our ability to acquire lands and develop them into property development projects. As at the LPD, our Group has approximately 171.28 acres of landbanks in Perak. The landbanks are located in close proximity to existing townships and industrial areas, as well as well-developed infrastructures and amenities, such as public transportation systems, educational institutions, healthcare facilities and shopping malls.

As our Group's landbanks are located at strategic locations, our Group is of the opinion that the future development projects on our landbanks will garner positive market acceptance and demand from buyers.

Kindly refer to Section 4.2(iv) of Appendix XVII for further information on the details of the Group's landbanks.

8. PROFILES OF KEY SENIOR MANAGEMENT

8.1 Rosmin bin Mohamed

Rosmin bin Mohamed, a Malaysian, aged 56, is our Group Chief Executive Officer. He completed the Executive Development Programme with Renong Training School and the SCQuARE Public Programme with SCQuARE International, United Kingdom. He subsequently obtained his Executive Management Degree from the Hull University Business School.

He has spent over 30 years working in organisations specialising in project development and management, regional development, marketing and sales, operations optimisation and customer satisfaction improvement. He joined Sime Darby Property Malaysia Berhad in June 2018 as the Senior Vice President for Malaysia Vision Valley ("**MVV**") project. MVV is a new economic growth area that has been identified as one of the nation's 17 Promoted Development Zones. It has been earmarked as the extension to the Greater Kuala Lumpur conurbation. In November 2020, he was given a new role and responsibility to lead the Special Economic Zone Division in Sime Darby Property Berhad, with projects in Johor, Negeri Sembilan, Selangor and Kuala Lumpur.

Prior to that, he was the Senior Director of Development Division at Northern Corridor Implementation Authority ("**NCIA**") responsible for the positioning, strategic planning and delivery of NCIA's Physical and Economic Development, together with its Marketing and Investor Relations initiatives, delivering thought leadership and providing investor support

services as part of NCIA's mandate to spearhead the socio-economic development of the Northern Corridor Economic Region; a government initiative to accelerate economic growth and elevate income levels of Peninsular Malaysia's northern population encompassing the states of Perlis, Kedah, Penang and Perak.

He joined our Group on 9 January 2023 and is currently responsible for directing and executing long-term strategies and initiatives for the development of our Group.

8.2 Dato Hj Mubarak Ali bin Gulam Rasul

Dato Hj Mubarak Ali Bin Gulam Rasul, a Malaysian, aged 59, is Chief Executive Officer of LMTSB. He graduated from Cyma School of Commerce for LCCI Inter and Higher in Accounting in 1990 and subsequently obtained his Masters of Business Administration in General Management from the University of Greenwich in 2004.

He began his career in 1988 as an Operations Manager with United Parcel Service. And in 2000, he joined Malaysia Airlines as a Resources Management Manager where he was responsible for overseeing the resources aspect for the company. He left Malaysia Airlines in 2001 and joined Alam Flora Sdn Bhd as a Senior Manager where he was responsible for the operations of Alam Flora waste management.

In 2007, he joined Spanco Sdn Bhd as the General Manager for Commercial. And later in 2011, he joined Konsortium Logistic Berhad as a Senior Vice President and he was responsible for the Business Development section. He became Director Abel (M) Sdn Bhd in 2012 for 2 years and in 2014, he joined National Air Cargo for Middle East as Director in Special Projects.

He joined the LMTSB on 1 March 2015 as Chief Executive Officer. With his excellent hands-on experience in international logistics and knowledge in the air, sea and land logistics, he is effectively leading the operations, business development and marketing strategies for the expansion of business for LMTSB.

8.3 Mukhriz bin Che Murad

Mukhriz bin Che Murad, a Malaysian, aged 51, is the Chief Corporate Officer of Perak Corp. He graduated in 1999 from University Teknologi Mara (UiTM) Shah Alam with a Bachelor in Law (LL.B Hons) and is a qualified Advocates & Solicitor of the High Court of Malaya.

He began his career with chambering and serving as a Legal Assistant at Messrs. Nordin Hamid, followed by a tenure at Messrs. Hisham Sobri Kadir, where he gained valuable experience in various legal matters. He then progressed to become the Manager of the Advisory Unit within the Legal Services Department at the Companies Commission of Malaysia, demonstrating his leadership skills and ability to provide legal insights at a regulatory level.

He continued to rise in the corporate ladder, serving as the Vice President of the Legal & Secretarial Department at Themed Attractions Resorts & Hotels Sdn Bhd, where he assisted the Senior Vice President to manage the legal and secretarial affairs of the company.

Further enhancing his professional journey, he took on the role of Director of Legal & Commercial at Animation Theme Park Sdn Bhd, where he was entrusted with the formulation of legal and commercial strategies. Subsequently, he held the position of Legal Advisor & Corporate Secretary at Perak Corp from 2019 to 2020, a role that demanded the provision of legal counsel and expertise in corporate secretarial matters. In 2020, he left the workforce to pursue personal interests.

In 2023, he rejoined Perak Corp, in the capacity of Corporate Advisor, reaffirming his commitment to contributing his wealth of experience and knowledge to the company. His role was subsequently expanded and he assumed the position of Chief Corporate Officer in April 2025.

8.4 Annas Asqalanee bin Ab Ghafar

Annas Asqalanee bin Ab Ghafar, a Malaysian aged 42, is the Head of Internal Audit and Risk Management. He graduated with a Bachelor of Accounting (Honours) from International Islamic University Malaysia. He is a Certified Integrity Officer accredited by the Malaysian Anti-Corruption Academy.

His professional journey began as an Audit Associate at Deloitte, providing him with a solid foundation in the field of auditing. Subsequently, he joined Boustead Holdings Berhad, where he advanced to the position of Assistant Manager of Internal Audit before venturing into the role of Manager of Internal Audit at Pusat Pemeriksaan Kenderaan Berkomputer (PUSPAKOM).

Following this, he joined Animation Theme Park Sdn Bhd as the Manager of Internal Audit. His journey then led him to Perak Corp, where he joined as the Head of Internal Audit. Over time, he took on various roles within the company, including leading the Integrity and Governance Unit and the Risk Management Department. Presently, he holds the position of Head of Internal Audit and Risk Management at Perak Corp.

8.5 Azizul Mahbob Ahmed @ Salleh

Azizul Mahbob Ahmed @ Salleh, a Malaysian, aged 47, was appointed to the key senior management of Perak Corp on 25 September 2024 as the Head of Business Development and Commercial to lead the Group's business expansion and commercial activities.

He graduated from Universiti Tenaga Nasional with a Bachelor of Business Commerce (Degree in Accounting) in 2000. He also holds a Master of Business Administration from Universiti Teknologi MARA, which he obtained in 2015.

In the early stages of his career, he focused primarily on providing audit and advisory services to his clients. He began his career at Azman, Wong & Salleh, where he worked from 2001 to 2004. He then joined Ernst & Young from 2005 to 2007. During this period, he played a significant role in adding value to several publicly listed companies across various industries by using his expertise to address complex business and operational issues.

He then pursued his career in the Group Corporate Assurance Department at Sime Darby Berhad. He played a crucial role in improving the group's operational processes, which led to substantial cost savings for the organisation. His contributions were recognised, and he was subsequently assigned to Sime Darby Property Berhad.

During his 14 years at Sime Darby Property Berhad, he held various positions, including planning, business and project evaluation, and project monitoring. His last assignment was in the Malaysian Vision Valley, Negeri Sembilan, where he was instrumental in ensuring the activation of Phase 1 of the Malaysian Vision Valley project, which encompasses 867 acres of the Hamilton Estate land with a gross development value of nearly RM1 billion, completed in 2020.

He has 24 years of experience, including over 5 years in senior management roles. He possesses a diverse range of expertise in business development, planning, project execution, project monitoring, and procurement, which he brings to his current position.

8.6 Mohamed Effendi bin Mohamed Amir

Mohamed Effendi bin Mohamed Amir, a Malaysian, aged 53, graduated with a Bachelor of Civil Engineering (Honours) from Universiti Teknologi Malaysia (UTM). He began his career in 1996 as a Project Engineer at Astinapura Geotechnic Sdn Bhd, where he successfully completed various projects. In 2000, he gained further experience by working on the Kuantan-Kerteh Railway Project.

With strong leadership skills and expertise in project engineering, he advanced his professional career in August 2003 by becoming the Resident Engineer at PCB Development Sdn Bhd. He successfully oversaw the Projek Kompleks Mini KDN in Bandar Meru Raya, Jelapang, Ipoh, Perak Darul Ridzuan, and completed the project, handing it over to Kementerian Dalam Negeri Malaysia (KDN) in May 2005.

In 2014, he joined PKNP as a Project Manager. His career then progressed to Perak Corp, where he took on the role of Head of Construction Management, overseeing and managing project activities within the company.

With 30 years of experience as a Project Engineer, he stepped in to support and assist with the Strategic Planning and Implementation functions of Perak Corp in the absence of the Head of Strategic Planning and Implementation.

8.7 Erriz Diyana binti Herman

Erriz Diyana binti Herman, a Malaysian, aged 38, is the Head of Business Performance Management. She graduated from Universiti Teknologi Malaysia (UTM) with a Diploma in Technology Management (in Accounting). She continued her studies to obtain her a Bachelor of Science (with Honours) in Human Resource Development from the same university.

She began her career in the hospitality industry and was attached to Hyatt Kuala Lumpur. In 2014, she joined Sime Darby Property Berhad under the Sales & Marketing Department, overseeing the Company's Sales and Marketing activities. In 2018, she was responsible for providing her expertise in relation to the Government and Stakeholder Liaison of the Special Economic Zone's Department. She left Sime Darby Property in 2023 and joined Perak Corp as a Head of Business Performance Management.

She joined Perak Corp in February 2023 and has been given the tasks to serve in various roles and responsibilities in the Company. She is currently responsible for overseeing the business performance and business sustainability of Perak Corp Group.

8.8 Salmah binti Mohamed Ismail

Salmah binti Mohamed Ismail, a Malaysian, aged 58, is the Head of Human Capital Development. She graduated with a Diploma in Secretarial Science from Universiti Teknologi MARA (UiTM) Shah Alam.

She began her career in Human Resources Management as Human Resources & Administration, Manager at MajuPerak Holdings Berhad to oversee the function at MajuPerak Holdings Group.

In 2014, she continued her service as Human Resources Manager in PKNP, and for her career growth, she was appointed as Entrepreneur Development & Socio Economy, Manager at PKNP.

In 2018, she joined Perak Corp as the Head of Human Resources & Administration. Her dedication and contributions led her to her current role as the Head of Human Capital Development, where she focuses on fostering talent and enhancing the skills and capabilities of the workforce, an essential aspect of our Company's success.

8.9 Wan Mahathir Mohamad Esa

Wan Mahathir Mohamad Esa, a Malaysian, aged 48 is currently the Head of Hospitality and Tourism. He obtained his Diploma in Banking from Universiti Teknologi MARA (UiTM) subsequently obtained his Bachelor of Computing (Internet Technology) degree from Staffordshire University.

He joined the Group in 2015 as Manager, Hospitality and Tourism taking the role in project planning and development for the Group's Casuarina hotels expansion plan. In 2020, he was appointed as Director for PCB Leisure Sdn Bhd and several other subsidiaries of the Group that operate in the hospitality and tourism sector, to monitor and oversee the business performance. He then was selected to be in the Group's Special Project Unit reporting directly to the Chief Executive Officer to handle strategic investment portfolios.

Along the way he gained experience in planning and implementing development strategies for our Group's hospitality and tourism segment.

8.10 Sabrina binti Ahmad Tah

Sabrina binti Ahmad Tah, a Malaysian, aged 48 is the General Manager of CMSB. She is a seasoned hospitality professional with over 22 years of experience in the hospitality industry. She has a proven track record of success as a turnaround expert and possesses a Certified Hotel Administrator (CHA) certification. In September 2016, she joined Hotel Casuarina@Meru as the Director of Sales, where her analytical and strategic thinking skills enabled her to secure a project through the Public-Private Partnership Covid-19 Industry Immunisation Programme (PIKAS). This initiative played a crucial role in helping Hotel Casuarina@Meru to sustain itself during the challenging pandemic waves that significantly impacted the hotel and tourism industry in 2021.

Due to her exceptional leadership and extensive industry experience, Sabrina was entrusted with the role of General Manager in November 2023. In this capacity, she is responsible for overseeing the day-to-day operations of all four properties under the Casuarina brands, as well as managing the hotel's executive team and more than 150 employees.

Her career in the hospitality industry has included positions with internationally recognised hotel brands such as Concorde, Holiday Villa, and Dorsett. She is actively involved with the Malaysia Association of Hotels (MAH) and is also registered as a panel member under the Ministry of Tourism, Arts, and Culture (MOTAC) for hotel and tourism premises inspection within the City Resort and Hotel category.

8.11 Chew Jia Yieng

Chew Jia Yieng, a Malaysian, aged 49 is currently the Financial Controller of Perak Corp. She holds a Bachelor of Accounting (Honours) Degree from Universiti Tenaga Nasional (UNITEN) and has been a member of the Malaysian Institute of Certified Public Accountants (MICPA).

She began her career at PricewaterhouseCoopers PLT in 2001, where she last held the position of Manager, gaining extensive experience in audit and business advisory services. She then transitioned to the corporate sector as Finance Manager at Bausch & Lomb (M) Sdn Bhd, overseeing financial planning and management for multiple regional markets.

In 2009, she joined Technolas Singapore Pte Ltd as the Regional Controller for Asia Pacific, reporting to the Global VP of Financial Planning & Analysis based in Munich, Germany. She was responsible for implementing financial reporting processes and internal controls for the newly incorporated company. She also played a key role in the carve-out of the refractive business from Bausch & Lomb and developed distributor business models for 14 Asia Pacific markets.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Following the acquisition of Technolas Perfect Vision by Bausch & Lomb in 2013, she was appointed Financial Controller, ASEAN at Bausch & Lomb (Singapore) Pte Ltd, where she continued to oversee financial operations and business integration across multiple markets.

In 2015, she joined Animation Theme Park Sdn Bhd as Finance Manager and later assumed the role of Financial Controller, where she played a key role in financial planning and the establishment of financial systems to support the successful opening of the theme park.

Leveraging her financial expertise, she took on the role of Financial Controller at Perak Corp in 2019, where she oversees the financial management of PCB Leisure Sdn Bhd's and its subsidiaries' hospitality and tourism assets. Her responsibilities include financial reporting, internal controls, taxation, treasury management, and compliance with regulatory requirements. In addition, she plays a pivotal role in group financial reporting, ensuring accurate and timely consolidation of financial statements for Perak Corp Group. In the absence of a Group Chief Financial Officer, she also assists in overseeing Perak Corp's overall financial matters.

With over 20 years of experience in financial planning, analysis, forecasting, business partnering, consulting, and risk and compliance, she continues to contribute to the financial sustainability and restructuring efforts of Perak Corp.

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APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

9. CUSTOMERS AND SUPPLIERS OF OUR GROUP

9.1 Major customers

The top 5 customers of our Group for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2020

No.	Customers	Scope of works	(1)Approximate length of relationship	FYE 2020	
			Years	RM'000	(2)%
1.	Lekir Bulk Terminal Sdn Bhd	Port operator	20	44,473	33.89
2.	LBH Shipping Services (M) Sdn Bhd	Marine charges	20	17,809	13.57
3.	Imerys Minerals Malaysia Sdn Bhd	Port and cargo charges	18	5,999	4.57
4.	Hume Cement Sdn Bhd	Port and cargo charges	8	3,690	2.82
5.	Cemerlang Coke Industrial Sdn Bhd	Port and cargo charges	13	2,232	1.70
Sub-total				74,203	56.55
Total revenue				131,220	

FYE 2021

No.	Customers	Scope of works	(1)Approximate length of relationship	FYE 2021	
			Years	RM'000	(2)%
1.	Pertubuhan Keselamatan Sosial	Disposal of land	1	78,680	32.08
2.	Lekir Bulk Terminal Sdn Bhd	Port operator	21	46,272	18.87
3.	Rapat Setia Sdn Bhd	Marine charges	21	18,652	7.61

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Customers	Scope of works	⁽¹⁾ Approximate length of relationship	FYE 2021	
			Years	RM'000	⁽²⁾ %
4.	LBH Shipping Services (M) Sdn Bhd	Marine charges	1	18,473	7.53
5.	Naluri Juara Sdn Bhd	Disposal of land	1	11,000	4.48
Sub-total				173,077	70.57
Total revenue				245,244	

FYE 2022

No.	Customers	Scope of works	⁽¹⁾ Approximate length of relationship	FYE 2022	
			Years	RM'000	⁽²⁾ %
1.	Lekir Bulk Terminal Sdn Bhd	Port operator	22	47,395	31.81
2.	LBH Shipping Services (M) Sdn Bhd	Marine charges	22	18,425	12.36
3.	Imerys Minerals Malaysia Sdn Bhd	Port and cargo charges	20	6,839	4.59
4.	Hume Cement Sdn Bhd	Port and cargo charges	10	4,109	2.76
5.	Manjung Maritim Sdn Bhd	Port and cargo charges	24	2,960	1.99
Sub-total				79,728	53.51
Total revenue				149,001	

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)
FYE 2023

No.	Customers	Scope of works	(1)Approximate length of relationship	FYE 2023	
			Years	RM'000	(2)%
1.	Lekir Bulk Terminal Sdn Bhd	Port operator	23	48,195	30.00
2.	LBH Shipping Services (M) Sdn Bhd	Marine charges	23	18,596	11.57
3.	Imerys Minerals Malaysia Sdn Bhd	Port and cargo charges	21	7,192	4.48
4.	Manjung Maritim Sdn Bhd	Port and cargo charges	24	3,180	1.98
5.	Hume Cement Sdn Bhd	Port and cargo charges	11	3,018	1.88
Sub-total				80,181	49.91
Total revenue				160,651	

FYE 2024

No.	Customers	Scope of works	(1)Approximate length of relationship	FYE 2024	
			Years	RM'000	(2)%
1.	Lekir Bulk Terminal Sdn Bhd	Port operator	24	44,665	29.03
2.	LBH Shipping Services (M) Sdn Bhd	Marine charges	24	16,262	10.57
3.	Imerys Minerals Malaysia Sdn Bhd	Port and cargo charges	22	7,421	4.82
4.	Cemerlang Coke Industrial Sdn Bhd	Port and cargo charges	17	2,775	1.80
5.	Hume Cement Sdn Bhd	Port and cargo charges	12	2,120	1.38
Sub-total				73,243	47.60
Total revenue				153,884	

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Length of relationship as at each financial year.
- (2) Divided by the Group's total revenue for each respective financial year.

All our customers are based in Malaysia. The Group's top 5 customers contributed to 56.55%, 70.57%, 53.51%, 49.91% and 47.60% of the Group's total revenue for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. Lekir Bulk Terminal Sdn Bhd has contributed 33.89%, 18.87%, 31.81%, 30.00% and 29.03% of our total Group's revenue for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. The Group, via LMTSB, had entered into three long-term Operation and Maintenance Agreement with Lekir Bulk Terminal Sdn Bhd on 30 June 2000 ("**OMA 1**"), 5 April 2018 ("**OMA 2**") and 5 April 2018 ("**OMA 3**"). The salient terms of the Operations and Maintenance Agreements are as follows:

OMA 1

Terms	Details
Recitals	: (i) On 19 August 1999, Lekir Bulk Terminal Sdn Bhd has entered into a Jetty Terminal Usage Agreement and on 12 April 2000 a supplemental Jetty Terminal Usage Agreement with TNB Janamanjung Sdn Bhd to construct, own and operate the facility as well as provide import, handling and delivery services of coal from the jetty for the consumption of M1, M2 and M3 power plants located at LMT. (ii) On 9 February 1993, a Concession Agreement was entered into between the State Government of Perak and LMTSB for an irrevocable sole and exclusive concessionary rights in relation to 30 kilometre radius of LMT. (iii) Lekir Bulk Terminal Sdn Bhd is engaging LMTSB to operate and maintain the facility.
Facility	: Facility means the overall plant, being the subject of an EPC Contract entered into between Lekir Bulk Terminal Sdn Bhd and Leighton Contractors (Malaysia) Sdn Bhd dated 7 April 2000, including inter-alia the following: (i) the jetty structure comprising trestle and import berths; (ii) the one unit of grab ship unloader, one berth conveyor and one trestle conveyor being in operational condition to unload coal from a coal vessel and convey the coal to the delivery point, and one unit of grab ship unloader (first line), one berth conveyor and on trestle conveyor and the remainder of the jetty after construction of the first line all in operational condition and which is required together with the first line to achieve the performance undertaking and the statement of needs in accordance to the Jetty Terminal Usage Agreement;

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(iii) all land areas comprising the jetty lands; (iv) the administrative office and facilities; (v) the maintenance facilities; (vi) the security gate complex; (vii) the weighbridge facility; (viii) the mobile equipment; (ix) the internal roads, drains, fencing and landscaped areas; (x) all systems related to supervisory control and data acquisition, supply of electrical power, supply of water, water treatment and fire-fighting; (xi) all other facilities, structures, fixtures, fittings and equipment on the jetty structure and within the jetty lands; and (xii) all alteration or addition undertaken pursuant to the OMA 1.
Term	: Subject to the conditions precedent, the OMA 1 shall become effect as of the notice of commencement issued by Lekir Bulk Terminal Sdn Bhd to LMTSB and shall continue in effect for a period ending on the date that is 180 months from the date of commencement of the service by LMTSB unless otherwise terminated in accordance with the provision of the OMA 1.
Extension of Term	: Upon expiry of the term, the OMA 1 shall continue to be effective and subsist on the same terms and conditions as are herein contained except that the tariff provided in the OMA 1 shall be re-negotiated and agreed by the parties at the expiry of the term and every 5 years period thereafter having regard and with reference to the prospects and condition of the facility and the then prevailing tariffs and costs of providing the services.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
Conditions Precedent	: Notwithstanding any provision in the OMA 1 expressed or implied to the contrary, the OMA 1 shall be subjected to and conditional upon Lekir Bulk Terminal Sdn Bhd (i) obtaining financing from person who provides funds for the purposes of construction and operation of the facility and (ii) providing notice to commence to Leighton Contractors (Malaysia) Sdn Bhd pursuant to a contract entered with Lekir Bulk Terminal Sdn Bhd in connection with turnkey design, engineering, procurement, construction, installation, testing and commissioning of the facility dated 7 April 2000.
LMTSB's Rights to Undertake Terminal Services	: (i) For further consideration for the mobilisation services, operations services and other obligations of LMTSB under the OMA 1, Lekir Bulk Terminal Sdn Bhd has granted for the duration of the term to LMTSB, the sole exclusive right to utilise the facility to provide the terminal services to any person, subject to LMTSB, obtaining, solely in respect of cargo, the requisite approvals and consents of the relevant government entities to handle/or store the cargo at the facility and paying Lekir Bulk Terminal Sdn Bhd the facility charge. (ii) LMTSB shall ensure that the provision of the terminal services by LMTSB shall not jeopardise or adversely affect the facility, availability, priority of TNB Janamanjung Sdn Bhd and the operation services. LMTSB shall be responsible for and pay for all costs and expenses incurred in providing terminal services and indemnify Lekir Bulk Terminal Sdn Bhd against all claims, loss or damage arising from the provision of the terminal services. (iii) LMTSB shall have the sole right to determine the prices and terms under which the terminal services are provided. (iv) The utilisation of the whole or part of the facility shall include: (a) all open areas within the facility; (b) the use of temporary structures erected within the facility by and to the cost of LMTSB; (c) the construction and use of temporary berthing/marine structures within the jetty lands and the facility subject to consent conditions; (d) the use of weighbridge, workshops and mobile equipment forming part of the facility; and (e) the utilisation of additional plant, equipment and structures and facilities constructed, installed and commissioned pursuant to the provisions of the OMA 1. (v) LMTSB may request, and Lekir Bulk Terminal Sdn Bhd shall promptly comply with such request, a confirmation in writing from Lekir Bulk Terminal Sdn Bhd of the exclusive right granted to LMTSB, to any governmental entity or person at any time and for as many times as may be required by LMTSB during the term of the OMA 1.
Default by LMTSB	: Each of the following events shall constitute an event of default under the OMA 1 on the part of LMTSB: (i) If LMTSB:

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation; (b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take over or to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (e) take any action for the purpose of effecting any of the events described above; or
	(ii) LMTSB abandons the provision of the operation services and fails to resume activities within a period of time agreed to by Lekir Bulk Terminal Sdn Bhd, for the purpose hereof, LMTSB shall be treated as having abandoned the operation services if it fails to perform the operation services for a continuous period of more than 3 months;
	(iii) The consent conditions or any license, approval or permit of any government entity necessary for LMTSB to perform its obligations in the agreement shall not be given, or if given, shall not be renewed or is otherwise terminated, revoked or withdrawn due to LMTSB's acts or omissions and LMTSB have exhausted all available administrative or legal appeals for the issue or the reissue/reinstatement of such necessary consent, license, approval or permit as the case may be;
	(iv) If LMTSB through its fault, fails to deliver (by whatsoever means as it shall elect at its sole and absolute discretion) coal for a consecutive period of 45 days in such quantity so as to meet with TNB Janamanjung Sdn Bhd power plant's despatch requirement under a Power Purchase Agreement taking into consideration the coal stockpile of the TNB Janamanjung Sdn Bhd power plant; and
	(v) Except as other excused under the OMA 1, or as may be otherwise be agreed between the parties, LMTSB fails to comply with or operate in conformity with any material obligation under the OMA 1 and such failure is not cured for a period of 180 business days after the receipt by LMTSB of written notice of such failure from Lekir Bulk Terminal Sdn Bhd.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
Default by Lekir Bulk Terminal Sdn Bhd	: Each of the following events shall constitute an event of default under the agreement on the part of Lekir Bulk Terminal Sdn Bhd: (i) If Lekir Bulk Terminal Sdn Bhd:- (a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation; (b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) makes a general assignment or an arrangement or composition with or for the benefit of its creditors; (e) commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, reorganisation of its debts, winding-up or composition or re-adjustment of its debts; (f) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (g) take any action for the purpose of effecting any of the events described above; (ii) except as otherwise excused under the OMA 1 or as may otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to make payment of the mobilisation invoice, base operating invoice and/or tonnage invoice due and payable under the OMA 1 for an amount exceeding RM5,000,000.00 within 60 business days of notice of non-payment from LMTSB. (iii) If the taking over certificate of first line and/or second line or the performance certificate is not issued by Lekir Bulk Terminal Sdn Bhd for a consecutive period of 180 days; and (iv) Except as otherwise excused under the OMA 1, or as may be otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to comply with or operate in conformity with any material obligation under the OMA 1 and such failure is not cured for a period of 180 business days after the receipt by Lekir Bulk Terminal Sdn Bhd of written notice of such failure from LMTSB.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
Termination	: (i) If an event of default cannot be cured within the 180 business days, then the period shall be extended by a further period of 180 days. If the event of default remains uncured at the end of such further period, then the non-defaulting party may forthwith terminate the OMA 1 by written notice to the other party. (ii) The right of termination shall be in addition to all other rights and remedies available to the non-defaulting party, at law or in equity for breach of the agreement by the other party. Such rights and remedies may include compensation in the form of monetary, damages, injunctive relief and specific performance. (iii) LMTSB acknowledges that any person who provides funds to Lekir Bulk Terminal Sdn Bhd for the purpose of construction and operation of the facility, shall have the right to step into the shoes of Lekir Bulk Terminal Sdn Bhd to acquire the benefits of M1, M2 and M3 power plant and to continue dealing with LMTSB under the OMA 1 in the event of default or breach of any terms of Lekir Bulk Terminal Sdn Bhd financing documents. LMTSB also acknowledge that TNB Janamanjung Sdn Bhd have an option to acquire the facility under the terms of M1, M2 and M3 power plant in event of default by either TNB Janamanjung Sdn Bhd or Lekir Bulk Terminal Sdn Bhd under M1, M2 and M3 power plant and if so TNB Janamanjung Sdn Bhd shall be obliged under the consent condition to deal with LMTSB under the OMA 1. In such event, LMTSB shall be required to continue to perform its obligations under the OMA 1.

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APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

OMA 2

Terms	Details
Recitals	: (i) On 27 July 2012, Lekir Bulk Terminal Sdn Bhd entered into a Jetty Terminal Usage Agreement with TNB Janamanjung Sdn Bhd to construct, finance, own and operate a new additional grab ship unloader as well as provide import, handling and delivery services of coal from the jetty for the consumption of the M4 power plant. (ii) Lekir Bulk Terminal Sdn Bhd is the legal and equitable owner of the new additional grab ship unloader. (iii) Lekir Bulk Terminal Sdn Bhd is engaging LMTSB to operate and maintain the new additional grab ship unloader.
Term	: (i) The agreement starts on 1 October 2014 and remains in force and shall continue to be effective and subsist so long as the M4 power plant subsist in accordance with the terms and conditions stipulated in the Jetty Terminal Usage Agreement dated 27 July 2012. (ii) It is the intention of the parties that the agreement shall be renegotiated and agreed upon by the parties prior to the expiry of the 180 months from the commencement date and every 5 years period thereafter having regard and with reference to the prospects and condition of the facility in conjunction with which the new additional grab ship unloader is being operated as well as the then prevailing tariffs and costs of providing the operation services. Should the parties fail to reach a consensus at any time during the renegotiation of the tariff provided in the OMA 2, the parties agree that the then prevailing incremental tariff rate shall prevail for the next 5 years period or for the remainder period of the OMA 2 so long as the M4 power plant subsist in accordance with the terms, whichever comes first.
Operator appointment	: Lekir Bulk Terminal Sdn Bhd appoints LMTSB to provide operation services and to manage, operate and maintain a new additional grab ship unloader in accordance with the provision of the OMA 2 efficiently, safely, economically and reliably to maximize the long term profits of Lekir Bulk Terminal Sdn Bhd and in such manner as is consistent with Bulk Terminal Sdn Bhd overall best interests, and LMTSB accepts such appointment in consideration of the payments in accordance to the OMA 2.
Default by LMTSB	: Each of the following events shall constitute an event of default under the OMA 2 on the part of LMTSB: (i) If LMTSB: (a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation;

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take over or to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (e) take any action for the purpose of effecting any of the events described above; or
	(ii) LMTSB abandons the provision of the operation services and fails to resume activities within a period of time agreed to by Lekir Bulk Terminal Sdn Bhd, for the purpose thereof, LMTSB shall be treated as having abandoned the operation services if it fails to perform the operation services for a continuous period of more than 30 days;
	(iii) The consent conditions or any license, approval or permit of any government entity necessary for LMTSB to perform its obligations in the agreement shall not be given, or if given, shall not be renewed or is otherwise terminated, revoked or withdrawn due to LMTSB's acts or omissions and LMTSB have exhausted all available administrative or legal appeals for the issue or the reissue/reinstatement of such necessary consent, license, approval or permit as the case may be;
	(iv) If LMTSB through its fault, fails to deliver (by whatsoever means as it shall elect at its sole and absolute discretion) coal for a consecutive period of 30 days in such quantity so as to meet with M4 power plant's despatch requirements under the Power Purchase Agreement taking into consideration the coal stockpile of the M4 power plant; and
	(v) Except as other excused under the OMA 2, or as may be otherwise be agreed between the parties, LMTSB fails to comply with or operate in conformity with any material obligation under the OMA 2 and such failure is not cured for a period of 120 business days after the receipt by LMTSB of written notice of such failure from Lekir Bulk Terminal Sdn Bhd.
Default by Lekir Bulk Terminal Sdn Bhd	: Each of the following events shall constitute an event of default under the agreement on the part of Lekir Bulk Terminal Sdn Bhd: (i) If Lekir Bulk Terminal Sdn Bhd:

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation; (b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take over or to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) makes a general assignment or an arrangement or composition with or for the benefit of its creditors; (e) commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, reorganisation of its debts, winding-up or composition or re-adjustment of its debts; (f) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (g) take any action for the purpose of effecting any of the events described above; (ii) except as otherwise excused under the OMA 2 or as may otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to make payment of the mobilisation invoice, base operating invoice and/or tonnage invoice due and payable under the OMA 2 for an amount exceeding RM5,000,000.00 within 60 business days of notice of non-payment from LMTSB. (iii) If the taking over certificate of the new additional grab ship unloader or the performance certificate is not issued by Lekir Bulk Terminal Sdn Bhd for a consecutive period of 180 days; and (iv) Except as otherwise excused under the OMA 2, or as may be otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to comply with or operate in conformity with any material obligation under the OMA 2 and such failure is not cured for a period of 180 business days after the receipt by Lekir Bulk Terminal Sdn Bhd of written notice of such failure from LMTSB.
Termination	: (i) If an event of default cannot be cured within the 180 business days, then the period shall be extended by a further period of 180 days. If the event of default remains uncured at the end of such further period, then the non-defaulting party may forthwith terminate the OMA 2 by written notice to the other party.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(ii) The right of termination shall be in addition to all other rights and remedies available to the non-defaulting party, at law or in equity for breach of the agreement by the other party. Such rights and remedies may include compensation in the form of monetary, damages, injunctive relief and specific performance. (iii) LMTSB acknowledges that any person who provides funds to Lekir Bulk Terminal Sdn Bhd for the purpose of construction and operation of the facility, shall have the right to step into the shoes of Lekir Bulk Terminal Sdn Bhd to acquire the benefits of M4 power plant and to continue dealing with LMTSB under the OMA 2 in the event of default or breach of any terms of Lekir Bulk Terminal Sdn Bhd financing documents. LMTSB also acknowledge that TNB Janamanjung Sdn Bhd have an option to acquire the facility under the terms of M4 power plant in event of default by either TNB Janamanjung Sdn Bhd or Lekir Bulk Terminal Sdn Bhd under M4 Power Plant and if so TNB Janamanjung Sdn Bhd shall be obliged under the consent condition to deal with LMTSB under the OMA 2. In such event, LMTSB shall be required to continue to perform its obligations under the OMA 2.

OMA 3

Terms	Details
Recitals	: (i) On 16 August 2013, TNB Manjung Five Sdn Bhd entered into a Power Purchase Agreement with Tenaga Nasional Berhad to develop M5 power plant and for the sale and purchase of electricity to be generated from the M5 power plant to Tenaga Nasional Berhad. (ii) On 25 February 2015, TNB Manjung Five Sdn Bhd and the Lekir Bulk Terminal Sdn Bhd entered into a Jetty Terminal Usage Agreement pursuant to which Lekir Bulk Terminal shall undertake the construction, financing and operation of the new additional conveyor line, including the modification of the jetty if necessary, and to provide import, handling and delivery services of the coal for the M5 power plant. (iii) Lekir Bulk Terminal Sdn Bhd has constructed the new additional conveyor line pursuant to the jetty terminal usage agreement and is the legal, beneficial and equitable owner of the new additional conveyor line. (iv) Lekir Bulk Terminal Sdn Bhd is engaging LMTSB to operate and maintain the new additional conveyor line.
Term	: (i) The agreement starts on 1 July 2017 and remains in force and shall continue to be effective and subsist so long as the M5 power plant subsist in accordance with the terms and conditions stipulated in the Jetty Terminal Usage Agreement dated 25 February 2015.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(ii) It is the intention of the parties that the OMA 3 shall be renegotiated and agreed upon by the parties prior to the expiry of the 180 months from the commencement date and every 5 years period thereafter having regard and with reference to the prospects and condition of the facility in conjunction with which the new additional conveyor line is being operated as well as the then prevailing tariffs and costs of providing the operation services. Should the parties fail to reach a consensus at any time during the renegotiation of the tariff provided in the agreement, the parties agree that the then prevailing incremental tariff rate shall prevail for the next 5 years period or for the remainder period of the agreement so long as the M5 power plant subsist in accordance with the terms, whichever comes first. (iii) The parties further agree that in the event OMA 1 is terminated or expired during the term of OMA 3, the rates under OMA 3 shall be revised to include tariffs and costs for maintaining the facility in which event all references to new additional conveyor line shall be read as 'new additional conveyor line in conjunction with the facility'.
Operator appointment	: Lekir Bulk Terminal Sdn Bhd appoints LMTSB to provide operation services and to manage, operate and maintain a new additional conveyor line in accordance with the provision of the OMA 3 efficiently, safely, economically and reliably to maximize the long term profits of Lekir Bulk Terminal Sdn Bhd and in such manner as is consistent with Bulk Terminal Sdn Bhd overall best interests, and LMTSB accepts such appointment in consideration of the payments in accordance to the OMA 3.
Default by LMTSB	: Each of the following events shall constitute an event of default under the agreement on the part of LMTSB: (i) If LMTSB: (a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation; (b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take over or to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (e) take any action for the purpose of effecting any of the events described above; or

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
	(ii) LMTSB abandons the provision of the operation services and fails to resume activities within a period of time agreed to by Lekir Bulk Terminal Sdn Bhd, for the purpose thereof, LMTSB shall be treated as having abandoned the operation services if it fails to perform the operation services for a continuous period of more than 30 days; (iii) The consent conditions or any license, approval or permit of any government entity necessary for LMTSB to perform its obligations in the OMA 3 shall not be given, or if given, shall not be renewed or is otherwise terminated, revoked or withdrawn due to LMTSB's acts or omissions and LMTSB have exhausted all available administrative or legal appeals for the issue or the reissue/reinstatement of such necessary consent, license, approval or permit as the case may be; (iv) If LMTSB through its fault, fails to deliver (by whatsoever means as it shall elect at its sole and absolute discretion) coal for a consecutive period of 30 days in such quantity so as to meet with M5 power plan's despatch requirements under the Power Purchase Agreement taking into consideration the coal stockpile of the M5 power plant; and (v) Except as other excused under the OMA 3, or as may be otherwise be agreed between the parties, LMTSB fails to comply with or operate in conformity with any material obligation under the OMA 3 and such failure is not cured for a period of 120 business days after the receipt by LMTSB of written notice of such failure from Lekir Bulk Terminal Sdn Bhd.
Default by Lekir Bulk Terminal Sdn Bhd	: Each of the following events shall constitute an event of default under the agreement on the part of Lekir Bulk Terminal Sdn Bhd: (i) If Lekir Bulk Terminal Sdn Bhd: (a) shall be dissolved or liquidated, other than by way of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation; (b) applies for or consents to a receiver, custodian trustee or liquidator being appointed to take over or to take possession of all or substantial part of its assets; (c) admits in writing its inability to pay its debts as they fall due; (d) makes a general assignment or an arrangement or composition with or for the benefit of its creditors;

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms	Details
Termination	(e) commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, reorganisation of its debts, winding-up or composition or re-adjustment of its debts; (f) fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; (g) take any action for the purpose of effecting any of the events described above; (ii) except as otherwise excused under the OMA 3 or as may otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to make payment of the mobilisation invoice, base operating invoice and/or tonnage invoice due and payable under the OMA 3 for an amount exceeding RM5,000,000.00 within 60 business days of notice of non-payment from LMTSB. (iii) If the taking over certificate of new additional conveyor line or the performance certificate is not issued by Lekir Bulk Terminal Sdn Bhd for a consecutive period of 180 days; and (iv) Except as otherwise excused under the OMA 3, or as may be otherwise be agreed between the parties, Lekir Bulk Terminal Sdn Bhd fails to comply with or operate in conformity with any material obligation under the OMA 3 and such failure is not cured for a period of 180 business days after the receipt by Lekir Bulk Terminal Sdn Bhd of written notice of such failure from LMTSB. : (i) If an event of default cannot be cured within the 180 business days, then the period shall be extended by a further period of 180 days. If the event of default remains uncured at the end of such further period, then the non-defaulting party may forthwith terminate the agreement by written notice to the other party. (ii) The right of termination shall be in addition to all other rights and remedies available to the non-defaulting party, at law or in equity for breach of the agreement by the other party. Such rights and remedies may include compensation in the form of monetary, damages, injunctive relief and specific performance.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Terms**Details**

- (iii) LMTSB acknowledges that any person who provides funds to Lekir Bulk Terminal Sdn Bhd for the purpose of construction and operation of the facility, shall have the right to step into the shoes of Lekir Bulk Terminal Sdn Bhd to acquire the benefits of M5 power plant and to continue dealing with LMTSB under the OMA 3 in the event of default or breach of any terms of Lekir Bulk Terminal Sdn Bhd financing documents. LMTSB also acknowledge that TNB Manjung Five Sdn Bhd have an option to acquire the facility under the terms of M5 power plant in event of default by either TNB Manjung Five Sdn Bhd or Lekir Bulk Terminal Sdn Bhd under M5 Power Plant and if so TTNB Manjung Five Sdn Bhd shall be obliged under the consent condition to deal with LMTSB under the OMA 3. In such event, LMTSB shall be required to continue to perform its obligations under the OMA 3.

The Group is dependent on Lekir Bulk Terminal Sdn Bhd and the loss of business from Lekir Bulk Terminal Sdn Bhd may adversely impact the Group's business, operations and financial performance. Nevertheless, the Group expects Lekir Bulk Terminal Sdn Bhd to continue contributing significantly to the Group's revenue through the three long-term Operation and Maintenance Agreements as well as the long and mutual beneficial relationship between the Group and Lekir Bulk Terminal Sdn Bhd. As at the LPD, the Group has not encountered any incidents of default by LMTSB and/or Lekir Bulk Terminal Sdn Bhd.

On the other hand, LBH Shipping Services (M) Sdn Bhd had contributed 13.57%, 7.53%, 12.36%, 11.57% and 10.57% of our total Group's sales for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. Notwithstanding that it has contributed substantially to our revenue during FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, we are not dependent on LBH Shipping Services (M) Sdn Bhd as there are other marine services customers in the local market who demands similar service offerings that the Group offers. In addition, the Group's overall revenue is derived from a diversified customer base across different business segments and the Group, via LMTSB, is taking active steps to broaden its customer base by diversifying cargo types, expand its port capabilities and enhancing service offerings to attract more marine services customers over time.

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APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

9.2 Top 5 suppliers of our Group

The top 5 suppliers of our Group for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2020

No.	Suppliers	Products / services supplied	(1)Approximate length of relationship	FYE 2020	
			Years	RM'000	(2)%
1.	Malaysia Towage and Transport Sdn Bhd	Tugboat services	4	5,801	10.41
2.	PISB Heavy Equipment Sdn Bhd	Truck and machinery	27	4,824	8.66
3.	Asas Bina Enterprise Sdn Bhd	Machinery	2	3,638	6.53
4.	Lekir Bulk Terminal Sdn Bhd	Electricity	20	2,229	4.00
5.	Lautan Seniman Sdn Bhd	Stevedore	27	1,875	3.36
Sub-total				18,367	32.96
Total cost of sales				55,720	

FYE 2021

No.	Suppliers	Products / services supplied	(1)Approximate length of relationship	FYE 2021	
			Years	RM'000	(2)%
1.	Ficantech Sdn Bhd	Sewerage treatment plant	2	11,858	11.93
2.	I & P Seriemas Sdn Bhd	Land cost	10	11,406	11.47
3.	Perbadanan Kemajuan Negeri Perak	Land cost	11	11,000	11.07
4.	Unipoh Construction Works Sdn Bhd	Infrastructure works	11	6,109	6.14

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Suppliers	Products / services supplied	⁽¹⁾Approximate length of relationship	FYE 2021	
			Years	RM'000	⁽²⁾%
5.	Malaysia Towage and Transport Sdn Bhd	Tugboat Services	3	5,801	5.84
Sub-total				46,174	46.45
Total cost of sales				99,412	

FYE 2022

No.	Suppliers	Products / services supplied	⁽¹⁾Approximate length of relationship	FYE 2022	
			Years	RM'000	⁽²⁾%
1.	Malaysia Towage and Transport Sdn Bhd	Tugboat Services	4	5,840	8.94
2.	PISB Heavy Equipment Sdn Bhd	Truck and machinery	29	3,752	5.74
3.	Lautan Seniman Sdn Bhd	Stevedore	29	2,343	3.59
4.	Lekir Bulk Terminal Sdn Bhd	Electricity	22	2,313	3.54
5.	Barisan Dahlia Sdn Bhd	Truck and machinery	29	1,648	2.52
Sub-total				15,896	24.33
Total cost of sales				65,332	

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)
FYE 2023

No.	Suppliers	Products / services supplied	(1)Approximate length of relationship	FYE 2023	
			Years	RM'000	(2)%
1.	Malaysia Towage and Transport Sdn Bhd	Tugboat Services	5	5,872	7.88
2.	Assufi Sh Enterprise	Truck and machinery	2	4,782	6.42
3.	PISH Heavy Equipment Sdn Bhd	Truck and machinery	30	3,946	5.29
4.	Lekir Bulk Terminal Sdn Bhd	Electricity	23	2,331	3.13
5.	Selat Warisan Marine Services Sdn Bhd	Marine service	30	1,209	1.62
Sub-total				18,140	24.34
Total cost of sales				74,527	

FYE 2024

No.	Suppliers	Products / services supplied	(1)Approximate length of relationship	FYE 2024	
			Years	RM'000	(2)%
1.	Malaysia Towage and Transport Sdn Bhd	Tugboat Services	6	11,312	16.21
2.	Assufi SH Enterprise	Truck and machinery	3	8,397	12.03
3.	PISB Heavy Equipment Sdn Bhd	Truck and machinery	31	3,375	4.83
4.	Lekir Bulk Terminal Sdn Bhd	Electricity	24	1,901	2.72
5.	Selat Warisan Marine Services Sdn Bhd	Marine service	31	1,226	1.76
Sub-total				26,211	37.55
Total purchases				69,798	

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Length of relationship as at each financial year.
- (2) Divided by the Group's total purchases for each respective financial year.

All our suppliers are based in Malaysia. The Group's top 5 suppliers contributed to 32.96%, 46.45%, 24.33%, 24.34% and 37.55% of the Group's total purchases for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. Notwithstanding that certain major suppliers of our Group, i.e. Malaysia Towage and Transport Sdn Bhd and Assufi SH Enterprise, had contributed more than 10.00% of our Group's total purchases during FYE 2024, we are not dependent on any of our major suppliers. Malaysia Towage and Transport Sdn Bhd provides tugboats services and Assufi SH Enterprise supplies tipper trucks for internal cargo transits, along with machineries and stevedore manpower. There are other suppliers in the local market who have the expertise and compliance requirements, and who are able to provide the types of products and/or services with similar quality that we require. As such, the Group is of the view that it is not dependent on any of its major suppliers.

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10 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM REVIEW RESULTS

As part of the Proposed Regularisation Plan, Perak Corp had appointed Vaersa Advisory Sdn Bhd on 11 September 2023 to conduct review on its internal control and risk management system. Please refer to Appendix XXIII for the said report.

Based on the review work performed, Vaersa Advisory Sdn Bhd is of the opinion that the Group:

- (i) Has taken steps to address the highlighted control weaknesses and has implemented most of the necessary improvements based on Vaersa Advisory Sdn Bhd's recommendations; and
- (ii) While several internal control enhancements are still being finalised in accordance with management's implementation timelines, current practices provide reasonable assurance that shareholders' investments are safeguarded, the Group's assets are protected and the interests of stakeholders remain well upheld.

Based on the above opinion, the Group has adequate internal controls and risk management systems to comply with the Listing Requirements. Nevertheless, the key senior management of the Group will continue to review and monitor the Group's internal control systems and risk management framework on an ongoing basis.

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APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

11 INTELLECTUAL PROPERTY RIGHTS

Save as disclosed below, our Group does not have any other intellectual property rights:

Trademark	Application No.	Class/Description	Status/Expiry date
	2010012481	Class 43 Providing food, beverages and drinks; cafeterias and restaurants; accommodation, accommodation reservations; snack-bars; all included in class 43.	9 July 2010 until 9 July 2030
	TM2019039685	Class 39 Ship bunkering services storage; port services docking services; all included in class 39.	19 August 2020 until 30 October 2029
	2015056441	Class 39 Port and shipping services included in class 39.	27 April 2015 until 27 April 2035
	2016060494	Class 16 Printed materials, advertisement printed matter; stationery; books; periodicals and magazines; letterhead paper; business cards; flyers; advertising publications; advertising posters; photographs and signboard of paper or cardboard; all included in class 16.	8 June 2016 until 8 June 2026
	2016060495	Class 25 Articles of clothing, especially uniforms, shirts, t-shirts, polo-shirts, jackets; trousers, pants, slacks; footwear, shoes, boots and gloves; all included in class 25.	7 June 2016 until 8 June 2026

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

12 LICENSES AND PERMITS

Save as disclosed below, there are no other major approvals, licenses and permits issued to our Group in order to carry out our operations:

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
1.	Lumut Maritime Terminal Sdn Bhd	Federal Government Gazette	1 January 2020	Rule 6(1) of the Customs Regulations 2019	The dock and jetty managed by Lumut Maritime Terminal Sdn Bhd at the east side of Sungai Dinding and Batu Undan area at Sungai Manjung is the legal landing place to handle all type of cargoes.	Not applicable
2.	Lumut Maritime Terminal Sdn Bhd Address: PT 16661, PT 16662, PT 16838 & PT 16839, Wilayah Batu Undan Mukim Lumut	Government of Perak	1 January 2025 until 31 December 2025 ⁽¹⁾	License No.: 00467 Nature of Approvals: License under Section 5 of the Waters Enactment	1. To pay RM1,500.	In the process of renewal
3.	Lumut Maritime Terminal Sdn Bhd Address: Lot 1 Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, 32000 Sitiawan, Perak	Manjung Municipal Council	1 January 2025 until 31 December 2025 ⁽²⁾	License No.: L-0008986-01 Nature of Approvals: Business License for warehouses, unloading bay, office, shipyard, billboard, advertisement, storage of diesel/mineral oil/skid tank, vending machine, storage of petroleum.	1. To display the license at the premise with ease of inspect. 2. The license cannot transfer unless with authority consent.	In the process of renewal

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
4.	Lumut Maritime Terminal Sdn Bhd	Manjung Municipal Council	15 March 2025 until 14 March 2026	License No.: BIL.(29)DLM.MPM JPB-KM/118/18 Nature of Approval: Development Order for the expansion of Lumut Maritime Terminal at Lot PT 16661, PT 16662, PT 16838, PT 16839 in Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan	1. Renewal of the development order must be submitted within 1 to 3 months before expiry, if the development of the project has not started. 2. Construction of the building shall comply with Uniform Building by-Laws 1984, and survey work must be completed before the construction begin.	Complied
5.	Lumut Maritime Terminal Sdn Bhd	Royal Malaysian Customs Department Address: Stesen Sri Manjung, Jabatan Kastam Diraja Malaysia, Cawangan SST, Kompleks Kastam Lumut Jalan Haji Mohd Ali, 32000 Sitiawan.	1 March 2024	Registration No.: A24-2402-32000001 Nature of Approval: SST	1. All register person shall charge service tax to all services under the Sales and Services Tax Act 2018. 2. Invoices issued shall be in the language of Malay or English with the requisite information. 3. To keep record of at least 7 years.	Complied
6.	Casuarina Meru Sdn Bhd	Ministry of Domestic Trade and Consumer Affairs (Perak branch)	26 August 2025 until 25 August 2028	License No.: KPDNHEP.PK.007/15/UKB/093/2022(LPG)	1. To store at the permitted address only. 2. Shall not store more than the permitted quantity. 3. The controlled items shall for own use and not for sale.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
	Address: PT 245010, Bulatan Meru Raya, Medan Meru Bestari, 30020 Ipoh, Perak			Nature of Approval: Permission for purchase and storage of controlled items as follows: i. Liquid Petroleum Gas (Cylinder C200 – Quantity of 800KG) ii. Liquid Petroleum Gas (Cylinder 50KG and C14KG – Quantity of 1,420KG)	4. To keep record of purchasing including the name, address of supplier, date of purchase, quantity and price with invoice, receipt and others supporting documents. 5. To label skid tank used for storage of diesel and petrol with permit reference, type of item, name and address of permit holder and phone number for the officer in charge. 6. The permit is not transferrable. 7. Application for renewal of permit shall be submitted at least 30 days before the expiry, any delay shall be treated as new application.	
7.	Casuarina Meru Sdn Bhd Address: PT 245010, Bulatan Meru Raya, Medan Meru Bestari, 30020 Ipoh, Perak	Ipoh City Council	25 November 2025 until 24 November 2026	License No.: L0095873-01 Nature of Approval: Business license for restaurant, coffee house, night club with disco and karaoke, hotel, cake and bread factory and advertisement.	1. License must be renewed within 30 days before the expiry date.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
8.	Casuarina Meru Sdn Bhd Address: 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak	Ministry of Health Malaysia	22 April 2025 until 22 April 2028	License No.: FSSM042202283-0 Nature of Approval: Food hygiene for food premises where food is prepared, processed, stored or served for sale	1. The renewal of certificate of registration for food premises shall be made at least 30 days before its expiry date. 2. to conspicuously display the certificate of registration of food premises in the food premises, and display in each toilet, changing room, other changing facility or at wash-basins of the food premises reminding food handler to wash their hands thoroughly before commencing work, immediately after using the toilet and after handling raw food or any contaminated material. And at the entrance of food premises, that disallows any person from bringing any animal into the food premises.	Complied
9.	Casuarina Meru Sdn Bhd	Royal Malaysian Customs Department Address: Stesen Ipoh, Jabatan Kastam Diraja Malaysia, Wisma Kastam No. 1, Jalan tun Abdul Razak, 30100 Ipoh, Perak	1 September 2018	Registration No.: A10-1808-31021210 Nature of Approval: SST	1. All register person shall charge service tax to all services under the Sales and Services Tax Act 2018. 2. Invoices issued shall be in the language of Malay or English with the requisite information. 3. To keep record of at least 7 years.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
10.	Casuarina Meru Sdn Bhd Address: No. 1-C, Jalan Meru Casuarina Bandar Meru Raya, Ipoh 30020, Perak	Royal Malaysian Customs Department	1 August 2017	Registration No.: 082-2017-10000008 Nature of Approval: Tourism Tax	-	-
11.	Casuarina Meru Sdn Bhd Address: No. 1-C, Jalan Meru Casuarina Bandar Meru Raya, Ipoh 30020, Perak	Perak Department of Islamic Development Malaysia	1 June 2025 until 31 May 2027	License No.: JAKIM.700-2/3/1 049-01/2014 Nature of Approval: Halal certification for 3 in 1 white coffee	1. The certification and Malaysia Halal logo shall not be traded, transferred nor shall its content be altered. 2. Any subsequent changes to the particulars of the certification shall notify to the authority in writing. 3. The certification holder shall exhibit the logo on the product/premise/services as stated in the certificate accompanied with reference number and standard number. 4. The certificate shall be exhibited only at the address as stated. 5. A renewal applications shall be submitted at the earliest 6 months or not later than 3 months before the expiry.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
12.	Casuarina Meru Sdn Bhd Address: No. 1-A, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak	Perak Department of Islamic Development Malaysia	1 September 2024 until 31 August 2026	License No.: JAKIM.700-2/3/2 049-01/2014 Nature of Approval: Halal certification for food and beverage	1. The certification and Malaysia Halal logo shall not be traded, transferred nor shall its content be altered. 2. Any subsequent changes to the particulars of the certification shall notify to the authority in writing. 3. The certification holder shall exhibit the logo on the product/premise/services as stated in the certificate accompanied with reference number and standard number. 4. The certificate shall be exhibited only at the address as stated. 5. A renewal applications shall be submitted at the earliest 6 months or not later than 3 months before the expiry.	Complied
13.	Casuarina Meru Sdn Bhd Address: Hotel Casuarina Meru, 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak	Department of Occupational Safety and Health of Perak	7 January 2025 until 1 April 2026	License No.: i. PK-PMA-4495 ii. PK-PMA-4608 iii. PK-PMA-4609 iv. PK-PMA-4610 v. PK-PMA-4613 Nature of approval: Certificate of fitness for passenger lift	-	-

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
14.	Casuarina Meru Sdn Bhd Address: Hotel Casuarina Meru, 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak	Department of Occupational Safety and Health	7 January 2025 until 1 April 2026	License No.: SL-PMA-A32568 Nature of Approval: Certificate of fitness for electric self propelled scissor lift	-	-
15.	Lanai Casuarina Sdn Bhd Address: Hotel Casuarina @ Pangkor (Formerly known as Rumah Rehat Kerajaan Negeri), Teluk Dalam, Pulau Pangkor, 32300 Pangkor, Perak	Manjung Municipal Council	11 April 2025 until 10 April 2026	License No.: L-0026024-09 Nature of Approval: Business license for boarding house less than 20, eating hall, light up sign board	-	-
16.	Lanai Casuarina Sdn Bhd Address: Jalan Bukit Kerajaan, 33000 Kuala Kangsar, Perak	City Council of Kuala Kangsar	16 June 2025 until 15 June 2026	License No.: L-0022-21-01 Nature of Approval: Enactment of hotel, coffee house, seminar hall, management office, light up sign board	-	-

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
17.	Lanai Casuarina Sdn Bhd Address: Hotel Casuarina @ Pangkor Kampung Teluk Dalam, 32300 Pulau Pangkor, Perak	Ministry of Health Malaysia	22 April 2025 until 22 April 2028	License No.: FSSM042502286-0 Nature of Approval: Food hygiene for food premises where food is prepared, processed, stored or served for sale	1. The renewal of certificate of registration for food premises shall be made at least 30 days before its expiry date. 2. to conspicuously display the certificate of registration of food premises in the food premises, a display in each toilet, changing room, other changing facility or at wash-basins of the food premises reminding food handler to wash their hands thoroughly before commencing work, immediately after using the toilet and after handling raw food or any contaminated material. And at the entrance of food premises, that disallows any person from bringing any animal into the food premises.	Complied
18.	Lanai Casuarina Sdn Bhd	Royal Malaysian Customs Department Address: Stesen Taiping, Jabatan Kastam Diraja Malaysia, JKR 2113 Jalan Assam Kumbang, 34000 Taiping.	1 September 2018	Registration No.: A11-1808-31012102 Nature of Approval: SST	1. All register person shall charge service tax to all services under the Sales and Services Tax Act 2018. 2. Invoices issued shall be in the language of Malay or English with the requisite information. 3. To keep record of at least 7 years.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
19.	Lanai Casuarina Sdn Bhd Address: (Lanai Casuarina @ Kuala Kangsar) Jalan Bukit Kerajaan, Kuala Kangsar, 33000 Kuala Kangsar, Perak	Royal Malaysian Customs Department	1 December 2019	Registration No.: 081-2019-10000007 Nature of Approval: Tourism Tax	-	-
20.	Lanai Casuarina Sdn Bhd Address: Hotel Casuarina @ Kuala Kangsar Jalan Bukit Kerajaan, Kuala Kangsar, 33000 Kuala Kangsar, Perak	Ministry of Health Malaysia	22 April 2025 until 22 April 2028	License No.: FSSM042502286-0 Nature of Approval: Food hygiene for food premises where food is prepared, processed, stored or served for sale	1. The renewal of certificate of registration for food premises shall be made at least 30 days before its expiry date. 2. to conspicuously display the certificate of registration of food premises in the food premises, a display in each toilet, changing room, other changing facility or at wash-basins of the food premises reminding food handler to wash their hands thoroughly before commencing work, immediately after using the toilet and after handling raw food or any contaminated material. And at the entrance of food premises, that disallows any person from bringing any animal into the food premises.	Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
21.	Lanai Casuarina Sdn Bhd Address: (Casuarina @ Kuala Kangsar) Jalan Bukit Kerajaan, 33000 Kuala Kangsar, Perak	Perak Department of Islamic Development Malaysia	Expires on 15 October 2026	License No.: JAKIM.700-2/3/2 081-10/2020 Nature of Approval: Halal certification for food and beverage	1. The certification and Malaysia Halal logo shall not be traded, transferred nor shall its content be altered. 2. Any subsequent changes to the particulars of the certification shall notify to the authority in writing. 3. The certification holder shall exhibit the logo on the product/premise/services as stated in the certificate accompanied with reference number and standard number. 4. The certificate shall be exhibited only at the address as stated. 5. A renewal application shall be submitted at the earliest 6 months or not later than 3 months before the expiry.	Complied
22.	Lanai Casuarina Sdn Bhd Address: Jalan Bukit Kerajaan, 33000 Kuala Kangsar, Perak	Energy Commission	29 November 2024 until 28 November 2025	License No.: ST(IP/JG)/1P/916.19(ATO/LPG) Nature of Approval: To supply and handle liquid petroleum gas of 12 x 50KG	1. To renew the license two months before the expiry date.	⁽³⁾ Not Complied

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
23.	Lanai Casuarina Sdn Bhd Address: Lanai Casuarina @ Kuala Kangsar, Jalan Bukit Kerajaan, Kuala Kangsar, 33000 Perak	Department of Occupational Safety and Health of Perak	6 January 2026 until 22 March 2027	License No.: PK PMA 4135 Nature of Approval: Certificate fitness for passenger lift	-	-
24.	Lanai Casuarina Sdn Bhd Address: Lanai Casuarina @ Kuala Kangsar, Jalan Bukit Kerajaan, Kuala Kangsar, 33000 Perak	Department of Occupational Safety and Health of Perak	2 May 2025 until 29 July 2026	License No.: i. PK PMA 81291 ii. PK PMA 81292 Nature of Approval: Certificate fitness for passenger lift	-	-
25.	Lanai Casuarina Sdn Bhd Address: Lanai Casuarina @ Kuala Kangsar, Jalan Bukit Kerajaan, Kuala Kangsar, 33000 Perak	Department of Occupational Safety and Health of Perak	22 May 2025 until 20 August 2026	License No.: PK PMA 81293 Nature of Approval: Certificate fitness for passenger lift	-	-

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
26.	Casuarina Boathouse Sdn Bhd Address: Tasik Temengor, Pulau Banding	Government of Perak	1 July 2025 until 31 December 2025 ⁽⁴⁾	CIP No.: 0342 Nature of Approval: Ferry Boat License	1. 30 pax of passengers / tourists.	In the process of renewal
27.	Perak Corporation Berhad Address: 1A Block B, Menara PKNP, Jalan Meru Casuarina, Medan Meru Bestari, 30020 Ipoh, Perak	City Council of Ipoh	26 May 2025 until 25 May 2026	License No.: L0146508-01 Nature of Approval: Business premise license / Advertisement board	1. License to be displayed. 2. License shall be renewed and paid 30 days before the expiry date.	Complied
28.	Lanai Casuarina Sdn Bhd Address: Hotel Casuarina @ Pangkor (formerly known as Rumah Rehat Kerajaan Negeri), Teluk Dalam, Pulau Pangkor, 32300 Pangkor, Perak	Royal Malaysian Customs Department	1 September 2017	Registration No.: 083-2017-10000048 Nature of Approval: Tourism Tax	-	-

Notes:

(1) The renewal application for the licence was submitted on 3 September 2025 and is expected to be obtained by the first quarter of 2026.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

- (2) The renewal application for the business licence was submitted on 29 December 2025 and is expected to be obtained by the first quarter of 2026.
- (3) As part of the renewal process, the Energy Commission requires the liquefied petroleum gas system of Lanai Casuarina Sdn Bhd to be inspected and maintained immediately prior to the submission of the renewal application. Due to scheduling constraints of the contractor responsible for the inspection and maintenance, the inspection was completed on 10 January 2026 while the maintenance was only conducted on 29 January 2026. Upon completion of the said inspection and maintenance, the renewed licence is expected to be obtained within the first quarter of 2026.
- (4) Since June 2024, the boat house has been non-operational due to failure in its main engine. Nevertheless, the Company expects to resume operations of its boat house by first quarter of 2026, after necessary repairs and maintenance (amounting to RM0.09 million) are completed. On 13 October 2025, the Company has submitted the application for the renewal of the houseboat licence to the relevant authorities, and targets to obtain the renewed houseboat licence in the first quarter of 2026. For information, Casuarina Boathouse Sdn Bhd had contributed revenues of RM0.12 million, RM0.08 million, RM0.20 million, RM0.20 million and RM0.11 million during FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively.

12.1 Non-compliances with major approvals, licenses and permits**(a) Operations without license for trade, business and industry**

Perak Corp has been operating at No. 1-A, Block B, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak without a license for trade, business and industry since November 2018. On 15 July 2025, Perak Corp has obtained the said license for trade, business, and industry for a period commencing from 26 May 2025 to 25 May 2026.

The Hotel Casuarina at Kuala Kangsar has been operating without license for trade, business and industry since its commencement of operation on 1 July 2020. On 19 June 2025, Lanai Casuarina Sdn Bhd has obtained the said license for trade, business and industry for a period commencing from 16 June 2025 until 15 June 2026.

(b) Operations without CCC

The Hotel Casuarina @ Kuala Kangsar has been operating without a CCC since its commencement of operation on 1 July 2020. However, the Hotel Casuarina @ Kuala Kangsar had obtained the certificate of practical completion (on 31 January 2020), secured the requisite insurance coverage for the building, and has been operating with a valid business licence (since 16 June 2025). The Group may be liable, on conviction, to a maximum potential fine of RM250,000 for operating Hotel Casuarina @ Kuala Kangsar without a CCC or to imprisonment for a term not exceeding ten years or both. However, as at the LPD, the Group has not received any enforcement notice or penalty from the relevant local authorities in connection with the said absence of CCC.

Presently, the application for the CCC is still in the process of consultation with the appointed consultant and relevant authorities, and the necessary supporting documents are being finalised. The Company expects to obtain the aforementioned CCC by the second quarter of 2026.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Our Group's abovementioned past non-compliances were due to an internal oversight. The potential maximum penalty based on the respective laws, regulations, rules and requirement are as follows:

- (a) According to the Licensing, Trade, Business and Industry By-law (Ipoh City Council) 2017, the maximum penalty for such non-compliance is a fine not exceeding RM2,000.00 or imprisonment for up to 1 year or both.
- (b) Pursuant to Section 70(27) of the Street, Drainage and Building Act 1974, the maximum penalty for occupying a building without a CCC is a fine not exceeding RM250,000 or imprisonment for a term not exceeding ten years, or both.

As at the LPD, the Group has not been compounded and/or subjected to any enforcement actions, fines or penalties by the relevant authorities for such non-compliances. Nevertheless, the Board is of the view that there is no material adverse impact of these non-compliances to the Group's business operations and financial performance as the maximum penalty of RM254,000.00 (i.e. maximum penalty of RM2,000.00 for each absence of valid business licence and RM250,000 for each absence of CCC) that could be imposed by the authority is approximately 8.96% of the Group's PBT of approximately RM2.79 million based on the audited financial statements of the Group for FYE 2024.

In order to ensure that these non-compliances do not re-occur in the future, the Company has designated responsible personnel to routinely ensure that all licenses and approvals are obtained, clearly displayed and readily accessible during inspections. A master list has also been implemented to monitor the status of licences and approvals as well as upcoming renewal dates, helping to prevent any lapses in license validity. In addition, periodic audits and reviews will be carried out to confirm that all required licenses and permits remain current. These measures aim to strengthen compliance and uphold operational integrity.

13 RELATED PARTY TRANSACTION

Save as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interest, direct or indirect, our Directors, substantial shareholders and/or persons connected with them which are material to our Group during FYE 2020 to FYE 2024:

Related party	Nature of transaction	Transaction value									
		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PKNP ⁽⁹⁾	Advances provided to PKNP for working capital purposes	-	-	-	-	(136)	⁽¹⁾ N/A	-	-	-	-
	Advances received from PKNP for working capital purposes	7,946	⁽¹⁾ N/A	5,918	⁽¹⁾ N/A	489	⁽¹⁾ N/A	-	-	-	-
	Recharge of staff costs to PKNP	-	-	55	⁽²⁾ 0.03	-	-	-	-	-	-

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Related party	Nature of transaction	Transaction value									
		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	Management fees charged by PKNP	-	-	-	-	-	-	(81)	⁽³⁾ 0.15	-	-
	Recharge of administrative expenses to PKNP	-	-	-	-	-	-	6	⁽²⁾ 0.06	-	-
	Recharge of admin expenses from PKNP	-	-	-	-	-	-	(25)	⁽³⁾ 0.05	(184)	⁽³⁾ 0.30
	Rental income from PKNP	1,435	⁽⁴⁾ 1.09	1,605	⁽⁴⁾ 0.65	1,844	⁽⁴⁾ 1.24	1,844	⁽⁴⁾ 1.15	1,844	⁽⁴⁾ 1.20
	Waiver of interest expenses from PKNP	-	-	-	-	-	-	1,183	⁽²⁾ 11.55	-	-
	Interest expenses charged by PKNP for advances received from PKNP	(463)	⁽⁵⁾ 2.73	(360)	⁽⁵⁾ 2.32	(360)	⁽⁵⁾ 2.94	-	-	(238)	⁽⁵⁾ 4.11
	Set off of debts with PKNP	(387)	⁽⁶⁾ N/A	-	-	-	-	-	-	582	⁽⁶⁾ N/A
	Sales to PKNP	114	⁽⁴⁾ 0.09	141	⁽⁴⁾ 0.06	88	⁽⁴⁾ 0.06	138	⁽⁴⁾ 0.09	161	⁽⁴⁾ 0.10
	Interest income from PKNP	400	⁽²⁾ 10.32	522	⁽²⁾ 0.27	-	-	-	-	-	-
	Lease rental charged by PKNP	(872)	⁽³⁾ 1.56	(872)	⁽³⁾ 1.63	(872)	⁽³⁾ 1.53	(872)	⁽³⁾ 1.57	(872)	⁽³⁾ 1.43
PCB Development ⁽¹⁰⁾	Advances provided to PCB Development for working capital purposes	-	-	(4,316)	⁽¹⁾ N/A	(420)	⁽¹⁾ N/A	-	-	-	-
	Advances received from PCB Development for working capital purposes	-	-	77,310	⁽¹⁾ N/A	-	-	-	-	-	-
	Sales to PCB Development	-	-	-	-	8	⁽⁴⁾ 0.01	-	-	-	-
	Set off of debts with PCB Development	-	-	480	⁽⁶⁾ N/A	-	-	(155)	⁽⁶⁾ N/A	(198)	⁽⁶⁾ N/A
	Interest income from PCB Development	-	-	7,064	⁽²⁾ 3.69	-	-	-	-	-	-
Suaconcept ⁽¹¹⁾	Advances provided to Suaconcept for working capital purposes	(1,171)	⁽¹⁾ N/A	-	-	-	-	-	-	-	-
	Discount given to Suaconcept	-	-	-	-	(73)	⁽³⁾ 0.13	-	-	-	-
	Rendering of internet services charged by Suaconcept	(483)	⁽³⁾ 0.86	(324)	⁽³⁾ 0.60	-	-	(106)	⁽³⁾ 0.19	(81)	⁽³⁾ 0.13
	Interest income from Suaconcept	226	⁽²⁾ 5.83	837	⁽²⁾ 0.44	-	-	-	-	-	-

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Related party	Nature of transaction	Transaction value									
		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	Sales and rental income from Suaconcept	-	-	32	⁽⁴⁾ 0.01	11	⁽⁴⁾ 0.01	-	-	-	-
Lekir Bulk Terminal Sdn Bhd ⁽¹²⁾	Revenue from operation and maintenance contract provided by LMTSB	44,473	⁽⁴⁾ 33.89	46,272	⁽⁴⁾ 18.87	47,395	⁽⁴⁾ 31.81	48,195	⁽⁴⁾ 30.00	44,665	⁽⁴⁾ 29.03
	Purchase of goods from Lekir Bulk Terminal Sdn Bhd	(2,229)	⁽⁷⁾ 4.00	(2,319)	⁽⁷⁾ 2.33	(2,313)	⁽⁷⁾ 3.54	(2,331)	⁽⁷⁾ 3.13	(1,901)	⁽⁷⁾ 2.72
Ramelle Ashram bin Tan Sri Ramili ⁽¹³⁾	Accrued preferential dividend on RCPS	(1,936)	⁽⁵⁾ 11.43	(1,936)	⁽⁵⁾ 12.47	-	-	-	-	-	-
	Revenue sharing from revenue generated from Animation Theme Park Sdn Bhd	(279)	⁽⁸⁾ 0.71	-	-	-	-	-	-	-	-
Perak Industrial Resources Sdn Bhd ⁽¹⁴⁾	Set off of debts with Perak Industrial Resources Sdn Bhd	-	-	-	-	-	-	-	-	(77)	⁽⁶⁾ N/A
	Sales to Perak Industrial Resources Sdn Bhd	-	-	3	⁽⁴⁾ ~	73	⁽⁴⁾ 0.05	10	⁽⁴⁾ 0.01	-	-
Majuperak Holdings Berhad ⁽¹⁴⁾	Set off debts with Majuperak Holdings Berhad	13	⁽⁶⁾ N/A	-	-	-	-	-	-	-	-
	Rental income from Majuperak Holdings Berhad	240	⁽⁴⁾ 0.18	233	⁽⁴⁾ 0.10	-	-	-	-	-	-
	Advances provided by Majuperak Holdings Berhad for working capital purposes	(43)	⁽¹⁾ N/A	-	-	-	-	-	-	-	-
	Sales to Majuperak Holdings Berhad	-	-	48	⁽⁴⁾ 0.02	60	⁽⁴⁾ 0.04	33	⁽⁴⁾ 0.02	19	⁽⁴⁾ 0.01
Microlab Technology Sdn Bhd ⁽¹⁴⁾	Sales to Microlab Technology Sdn Bhd	-	-	-	-	1	⁽⁴⁾ ~	-	-	-	-
	Rendering of services charged by Microlab Technology Sdn Bhd	-	-	-	-	-	-	(147)	⁽³⁾ 0.26	(82)	⁽³⁾ 0.13

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Related party	Nature of transaction	Transaction value									
		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pengurusan Murni Sdn Bhd ⁽¹⁴⁾	Set off of debt with Pengurusan Murni Sdn bhd	-	-	-	-	-	-	-	-	(11)	⁽⁶⁾ N/A
Perak ITC Sdn Bhd ⁽¹⁴⁾	Set off of debt with Perak ITC Sdn Bhd	-	-	-	-	-	-	-	-	(2)	⁽⁶⁾ N/A
Perak Hi-Tech Park Sdn Bhd ⁽¹⁴⁾	Set off of debt with Perak Hi-Tech Park Sdn Bhd	-	-	-	-	-	-	-	-	(2)	⁽⁶⁾ N/A
Star Career Sdn Bhd ⁽¹⁴⁾	Set off of debt with Star Career Sdn Bhd	-	-	-	-	-	-	-	-	(9)	⁽⁶⁾ N/A
Cherry Blossom Sdn Bhd ⁽¹⁴⁾	Set off of debt with Cherry Blossom Sdn Bhd	-	-	-	-	-	-	-	-	(93)	⁽⁶⁾ N/A
Abid Samudra Sdn Bhd ⁽¹⁴⁾	Set off of debt with Abid Samudra Sdn Bhd	-	-	-	-	-	-	-	-	(12)	⁽⁶⁾ N/A
Destination Perak Sdn Bhd ⁽¹⁴⁾	Set off of debt with Destination Perak Sdn Bhd	-	-	-	-	-	-	-	-	(17)	⁽⁶⁾ N/A
Perak Halal Corporation Sdn Bhd ⁽¹⁴⁾	Set off of debt with Perak Halal Corporation Sdn Bhd	-	-	-	-	-	-	-	-	(6)	⁽⁶⁾ N/A
Perak Teamwork Sdn Bhd ⁽¹⁴⁾	Set off of debt with Perak Teamwork Sdn Bhd	-	-	-	-	-	-	-	-	(1)	⁽⁶⁾ N/A

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

Related party	Nature of transaction	Transaction value									
		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Perak E-Organization Sdn Bhd ⁽¹⁴⁾	Set off of debt with Perak E-Organization Sdn Bhd	-	-	-	-	-	-	-	-	40	⁽⁶⁾ N/A
Terra Project Partner Sdn Bhd ⁽¹⁴⁾	Set off of debt with Terra Project Partner Sdn Bhd	-	-	-	-	-	-	-	-	(182)	⁽⁶⁾ N/A
Syarikat Majuperak Berhad ⁽¹⁴⁾	Advances received from Syarikat Majuperak Berhad for working capital purposes	47	⁽¹⁾ N/A	-	-	-	-	-	-	-	-
Nexus Jade Sdn Bhd ⁽¹⁴⁾	Purchase of goods from Nexus Jade Sdn Bhd	-	-	-	-	-	-	(4)	⁽⁷⁾ 0.01	(11)	⁽⁷⁾ 0.02

Notes:

N/A Not applicable

~ Less than 0.01%

- (1) Not applicable as advances received from related parties are regarded as liabilities to the Group while advance provided to related parties are regarded as assets to the Group.
- (2) Calculated based on our Group's total other income for each of the respective FYEs.
- (3) Calculated based on our Group's total administrative expenses for each of the respective FYEs.
- (4) Calculated based on our Group's total revenue for each of the respective FYEs.
- (5) Calculated based on our Group's total finance costs for each of the respective FYEs.
- (6) Not applicable as it will not have impact on PAT.

APPENDIX XVII – INFORMATION ON OUR GROUP (Cont'd)

- (7) Calculated based on our Group's total cost of sales for each of the respective FYEs.
- (8) Calculated based on our Group's total loss from discontinued operations for each of the respective FYEs.
- (9) PKNP is the major shareholder of Perak Corp and Datuk Redza Rafiq Bin Abdul Razak is the non-independent non-executive chairman of Perak Corp as well as the Chief Executive of PKNP.
- (10) PCB Development is a former wholly-owned subsidiary of Perak Corp. On 29 March 2024, the Company has fully disposed its entire equity interest in PCB Development to Rescene Sdn Bhd. As such, PCB Development is no longer a subsidiary of the Group.
- (11) Suaconcept is an associate company of Perak Corp.
- (12) Pelabuhan Lumut Sdn Bhd holds 100% equity interest in Lekir Bulk Terminal Sdn Bhd and holds 50% minus 1 share equity interest in LMTSB.
- (13) Ramelle Ashram bin Tan Sri Ramili was a director and shareholder of Animation Theme Park Sdn Bhd.
- (14) Perak Industrial Resources Sdn Bhd, Pengurusan Murni Sdn Bhd, Perak ITC Sdn Bhd, Perak Hi-Tech Park Sdn Bhd, Star Career Sdn Bhd, Cherry Blossom Sdn Bhd, Abid Samudra Sdn Bhd, Destination Perak Sdn Bhd, Perak Halal Corporation Sdn Bhd, Perak Teamwork Sdn Bhd, Perak E-Organization Sdn Bhd, Terra Project Partner Sdn Bhd, Majuperak Holdings Berhad, Syarikat Majuperak Berhad, Microlab Technology Sdn Bhd and Nexus Jade Sdn Bhd are subsidiaries of PKNP.

14 INTERESTS IN SIMILAR BUSINESS/ CONFLICT OF INTEREST

None of our Directors, major shareholders has any interest, direct or indirect, in other businesses and corporations carrying on similar trade as our Group which would potentially give rise to conflict of interest situation.

None of our Directors or major shareholders has any interest, direct or indirect, in any other business and corporations which are the customers or suppliers of our Group.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS

1. HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout FYE 2020 to FYE 2024 as well as 9-month FPE 2024 and 9-month FPE 2025 has been prepared in accordance with MFRS and International Financial Reporting Standards. In the audited financial statements for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, the auditors have highlighted that the financial statements of the Group are prepared on a non-going concern basis and under the historical cost convention. For clarity, the auditors have conducted a limited review on the financial statements for the 9-month FPE 2024 and have highlighted that the financial statements of the Group for the 9-month FPE 2024 are prepared on a non-going concern basis, while the financial statements for the 9-month FPE 2025 have not been audited or reviewed by the auditors, but have been prepared on a non-going concern basis as well.

The selected financial information and financial analysis included in this Circular are not intended to predict our Group's financial position, performance and cash flows.

1.1.1 Consolidated statements of profit or loss and other comprehensive income

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, which have been extracted from our annual reports, as well as the 9-month FPE 2024 and 9-month FPE 2025, extracted from our published quarterly financial statements:

	Audited					Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	131,220	245,244	149,001	160,651	153,884	114,014	124,527
Cost of sales	(55,720)	(99,412)	(65,332)	(74,527)	(69,798)	(51,357)	(54,583)
GP	75,500	145,832	83,669	86,124	84,086	62,657	69,944
Administrative expenses	(55,925)	(53,591)	(56,869)	(55,549)	(60,784)	(46,822)	(50,527)
Other income	3,877	191,311	68,846	10,238	4,702	615	3,529
Other expenses	(14,714)	(15,478)	(31,995)	(79)	(9)	(156)	(5)
Net gain on disposal of a deemed acquired of a subsidiary ⁽¹⁾	-	-	-	-	1,793	1,793	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	Audited					Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(Net impairment losses)/reversal of impairment losses on:							
- Receivables	(31,020)	(197,323)	(10,850)	(789)	1,767	3,000	1,078
- Financial guarantee contracts	(13,340)	(6,189)	1,271	247	1,891	339	1,456
Operating profit/(losses)	(35,622)	64,562	54,072	40,192	33,446	21,426	25,475
Finance costs	(16,934)	(15,522)	(12,245)	(8,139)	(5,786)	(4,491)	(4,211)
(LBT)/PBT	(52,556)	49,040	41,827	32,053	27,660	16,935	21,264
Tax expenses	(10,865)	(30,082)	(12,167)	(12,664)	(10,868)	(7,596)	(8,483)
(Loss)/Profit from continuing operations	(63,421)	18,958	29,660	19,389	16,792	9,339	12,781
Loss from discontinued operations ⁽¹⁾	(39,226)	(34,930)	-	-	-	-	-
(LAT)/PAT	(102,647)	(15,972)	29,660	19,389	16,792	9,339	12,781
(LAT)/PAT attributable to:							
Owners of the Company ⁽²⁾	(95,214)	(12,626)	13,359	2,859	2,786	354	811
Non-controlling interests	(7,433)	(3,346)	16,301	16,530	14,006	8,985	11,970
	(102,647)	(15,972)	29,660	19,389	16,792	9,339	12,781
(LBIT)/EBIT ⁽³⁾	(76,071)	26,813	53,395	39,247	32,984	21,030	25,325
(LBITDA)/EBITDA ⁽³⁾	(62,114)	41,079	67,594	52,150	45,575	30,550	34,917
GP margin (%) ⁽⁴⁾	57.54	59.46	56.15	53.61	54.64	54.96	56.17
(LBT)/PBT margin (%) ⁽⁵⁾	(40.05)	20.00	28.07	19.95	17.97	14.85	17.08
(LAT)/PAT margin (%) ⁽²⁾⁽⁵⁾	(78.23)	(6.51)	19.91	12.07	10.91	8.19	10.26
Effective tax rate (%) ⁽⁶⁾	20.67	61.34	29.09	39.51	39.29	44.85	39.89
Basic/Diluted (LPS)/EPS (sen) ⁽⁷⁾	(95.21)	(12.63)	13.36	2.86	2.79	0.35	0.81

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Notes:

- (1) Following a former subsidiary's, i.e. Animation Theme Park Sdn Bhd's, a subsidiary of PCB Development, failure to meet the demand for the principal repayment of its syndicated term loans, a receiver and manager was appointed over the property of the former subsidiary. As part of the receivership strategy, the receiver and manager ceased the operations of the former subsidiary on 28 January 2020 and proceeded to conduct an offer for sale exercise to identify strategic investors for the sale of the charged assets of the former subsidiary. The financial results of the former subsidiary are presented separately in the statements of profit or loss and other comprehensive income.

On 29 March 2024, the Company entered into a share sale and purchase agreement in relation to the 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 even date. Further details are disclosed in Section 5.6 of this Circular.

- (2) The Group's PAT attributable to owners of the Company and PAT margin has been on a downward trend from FYE 2022 to FYE 2024 mainly due to fluctuations in one-off other income and other expenses recorded in the respective financial years. During FYE 2022, the Company has recorded one-off compensation received from the Government Acquisition amounting to RM59.69 million as well as the recognition of the land cost in relation to the Government Acquisition amounting to RM10.24 million. During FYE 2023, the Company has recorded one-off waiver of interest expense and penalty amounting to RM5.66 million. During FYE 2024, the Company has recorded reversal of inventories previously written down of RM1.19 million and miscellaneous income of ports and logistics of RM1.08 million. Save for the fluctuations in one-off other income and other expenses, revenue ranges between RM149.00 million to RM160.65 million while gross profits ranges between RM83.67 million to RM86.12 million during FYE 2022 to FYE 2024. In addition, gross profit margins range between 53.61% to 56.15% during FYE 2022 to FYE 2024.
- (3) EBIT/(LBIT) and EBITDA/(LBITDA) are calculated as follows:

	Audited					Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(LAT)/PAT	(102,647)	(15,972)	29,660	19,389	16,792	9,339	12,781
Less:							
Finance income	(1,223)	(2,819)	(677)	(945)	(462)	(396)	(150)
Add:							
Finance cost	16,934	15,522	12,245	8,139	5,786	4,491	4,211

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	Audited					Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2024	2025
						RM'000	RM'000
Income tax expense	10,865	30,082	12,167	12,664	10,868	7,596	8,483
EBIT/(LBIT)	(76,071)	26,813	53,395	39,247	32,984	21,030	25,325
Add:							
Depreciation							
- Property, plant and equipment	6,051	6,009	5,707	4,706	3,799	3,397	3,139
- Port facilities	5,380	5,590	5,890	5,848	7,049	4,762	5,372
- Investment properties	222	413	283	283	282	212	212
- Right-of-use assets	1,191	1,176	1,198	1,155	1,105	763	763
Amortisation of intangible assets	1,113	1,078	1,121	911	356	386	106
EBITDA/(LBITDA)	(62,114)	41,079	67,594	52,150	45,575	30,550	34,917

- (4) Calculated based on GP/(GL) divided by revenue.
- (5) PBT/(LBT) margin or PAT/(LAT) margin is calculated based on the PBT/(LBT) or PAT/(LAT) divided by revenue.
- (6) Calculated based on tax expenses divided by PBT/(LBT).
- (7) Calculated based on PAT/(LAT) attributable to owners of the Company divided by the weighted average number of Shares for the respective financial year ended or period ended.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.1.2 Consolidated statements of financial position

The following table sets out the consolidated statements of financial position of our Group as at 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, which have been extracted from our annual reports, as well as the consolidated statements of financial position of our Group as at 30 September 2025, which have been extracted from our published quarterly financial statements:

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	186,131	92,845	75,151	72,957	73,549	73,293
Right-of-use assets	96,702	93,030	89,994	88,771	87,826	86,997
Port facilities	139,680	140,584	144,154	151,567	213,151	293,594
Investment properties	19,285	7,588	7,305	7,022	6,740	6,528
Other investments	25	25	25	25	25	25
Intangible assets	26,973	26,058	25,107	24,433	24,212	24,107
Finance lease receivables	57	-	-	-	-	-
Inventories	24,311	1,330	10,428	10,428	10,428	10,428
Total non-current assets	493,164	361,460	352,164	355,203	415,931	494,972
Current assets						
Inventories	161,757	105,595	97,009	95,813	105,977	105,487
Receivables, deposits and prepayments	25,728	31,445	25,906	47,651	33,525	44,959
Finance lease receivables	131	57	-	-	-	-
Current tax assets	759	461	78	131	2,073	3,323
Other investments	4,247	4,293	121	126	129	134
Deposits, cash and bank balances	41,734	45,897	51,381	41,260	33,224	25,595
Total current assets	234,356	187,748	174,495	184,981	174,928	179,498
TOTAL ASSETS	727,520	549,208	526,659	540,184	590,859	674,470

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY						
Share capital	272,770	272,770	272,770	272,770	272,770	272,770
Accumulated losses	(181,295)	(193,921)	(180,562)	(177,703)	(174,917)	(174,106)
Equity attributable to owners of the Company	91,475	78,849	92,208	95,067	97,853	98,664
Non-controlling interests	(208,210)	139,281	150,582	162,112	171,118	183,088
Total equity/Net assets	(116,735)	218,130	242,790	257,179	268,971	281,752
Non-current liabilities						
Loans and borrowings	67,765	24,593	33,769	54,119	91,997	145,949
Deferred tax liabilities	14,964	12,573	13,263	13,211	14,760	15,910
Total non-current liabilities	82,729	37,166	47,032	67,330	106,757	161,859
Current liabilities						
Loans and borrowings	480,560	158,619	94,186	65,834	52,030	54,865
Payables and accrued liabilities	263,653	132,715	139,626	146,872	161,204	174,362
Current tax liabilities	17,313	2,578	3,025	2,969	1,897	1,632
Total current liabilities	761,526	293,912	236,837	215,675	215,131	230,859
TOTAL LIABILITIES	844,255	331,078	283,869	283,005	321,888	392,718
TOTAL EQUITY AND LIABILITIES	727,520	549,208	526,659	540,184	590,859	674,470

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.1.3 Consolidated statements of cash flows

The following table sets out the consolidated statements of cash flows of our Group for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024, which have been extracted from our annual reports, as well as for the 9-month FPE 2025:

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
Cash flows from operating activities						
(LBT)/PBT	(52,556)	49,040	41,827	32,053	27,660	21,264
Adjustments for:						
Allowance for write down of inventories to net realisable value	445	1,669	-	-	-	-
Amortisation of intangible assets	1,113	1,078	1,121	911	356	106
Depreciation						
- Property, plant and equipment	6,051	6,009	5,707	4,706	3,799	3,139
- Right-of-use assets	1,191	1,176	1,198	1,155	1,105	763
- Port facilities	5,380	5,590	5,890	5,848	7,049	5,372
- Investment properties	222	413	283	283	282	212
Bad debt written off	-	-	27	-	-	-
Deposit written off	-	1	-	-	-	-
Inventories written off	7	-	-	-	-	-
Net gain on disposals						
- Property, plant and equipment	(148)	-	-	(72)	-	(172)
Property, plant and equipment written off	992	14	2	325	-	5
Port facilities written off	-	-	202	-	-	-
Provision for slow moving inventories	329	177	-	-	-	-
Inventories written down	-	-	747	25	-	-
Impairment losses						
- Property, plant and equipment	8,087	9,748	17,641	24	9	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
- Right-of-use assets	-	2,700	3,147	-	-	-
- Investment properties	-	118	-	-	-	-
- Intangible assets	-	923	-	-	-	-
- Amount due from ultimate holding corporation	13,455	1,515	307	920	1,523	5
- Amount due from former subsidiaries	-	194,363	10,703	-	-	-
- Amount due from fellow subsidiaries	10,151	389	62	22	12	-
- Amount due from associates	1,461	1,791	671	-	-	-
- Amount due from related parties	-	-	-	645	-	-
- Other receivables	157	623	328	278	150	-
- Trade receivables	5,803	812	1,000	314	320	-
- Financial guarantee contracts	13,340	6,189	195	-	-	-
Dividend income	(3)	(4)	(2)	(1)	(1)	-
Fair value gain on financial assets measured at fair value at profit or loss						
- Other investment	28	(46)	(60)	(5)	(3)	-
Gain in derecognition of subsidiaries	-	(183,849)	-	-	-	-
Net gain on disposal of a deemed acquired subsidiary	-	-	-	-	(1,793)	-
Gain on disposal of a leasehold land held for development	-	-	-	(2,244)	-	-
Gain on lease modification	-	-	-	(3)	-	-
Gain on lease termination	-	-	-	-	-	(1,335)
Interest income	(1,223)	(2,819)	(677)	(945)	(462)	(150)
Reversal of allowance for impairment losses						
- Property, plant and equipment	-	-	(4,308)	-	(933)	-
- Right-of-use assets	-	-	-	-	(160)	-
- Amount due from ultimate holding corporation	-	(43)	(1,164)	(42)	(2,811)	(893)

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
- Amount due from a former subsidiary	-	-	-	(156)	(198)	-
- Amount due from fellow subsidiaries	-	-	-	(111)	(415)	-
- Amount due from associates	-	(1,664)	(711)	-	-	-
- Trade receivables	(7)	(372)	(208)	(1,037)	(148)	(190)
- Other receivables	-	-	(138)	(44)	(200)	-
- Financial guarantee contracts	-	-	(1,466)	(247)	(1,891)	(1,456)
Reversal of inventories previously written down	-	-	(270)	-	(1,192)	-
Waiver of interest expense	-	-	-	(1,461)	-	-
Waiver of penalty	-	-	-	(4,199)	-	(190)
Waiver of debt	-	-	-	-	-	(360)
Finance costs	16,934	15,522	12,245	8,139	5,786	4,211
Operating profit before working capital changes	31,209	111,063	94,299	45,081	37,844	30,331
Changes in working capital:						
Inventories	(801)	28,358	(989)	(636)	(8,972)	490
Receivables	644	(1,923)	(3,206)	(10,927)	5,793	(10,356)
Related parties	(17,670)	(9,032)	(708)	906	2,870	(933)
Finance lease receivable	138	131	57	-	-	-
Payables	34,205	(2,910)	4,897	8,898	21,117	21,830
Cash generated from operations	47,725	125,687	94,350	43,322	58,652	41,362
Tax paid	(11,472)	(11,643)	(11,685)	(12,825)	(12,333)	(8,246)
Tax refunded	-	16	1,038	-	-	-
Cash flow for operating activities (discontinued operation)	(3,166)	(2,130)	-	-	-	-
Net cash generated from operating activities	33,087	111,930	83,703	30,497	46,319	33,116

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
Cash flows from investing activities						
Purchase of property, plant and equipment	(1,168)	(1,055)	(1,077)	(2,529)	(2,568)	(845)
Purchase of right-of-use asset	-	-	(1,309)	-	-	-
Purchase of port facilities	(16,148)	(6,317)	(9,662)	(13,261)	(68,880)	(95,039)
Purchase of intangible assets	-	(92)	(122)	(237)	(135)	-
Purchase of other investment	(100)	-	-	-	-	-
Proceeds from disposals						-
- Other investments	-	-	4,232	-	-	-
- Property, plant and equipment	185	-	-	100	-	123
- Leasehold land held for development	-	-	-	4,051	-	-
Derecognition of subsidiaries, net of cash and cash equivalents derecognised	-	(1,580)	-	-	-	-
Repayment from/(advances) to related parties	(619)	(17,423)	(1,210)	(11,180)	6,693	-
Dividend income received	3	4	2	1	1	-
Interest received	505	492	466	795	462	217
Cash flow from investing activities (discontinued operation)	2	7	-	-	-	-
Net cash outflow on disposal of a deemed acquired subsidiary	-	-	-	-	(461)	-
Net cash used in investing activities	(17,340)	(25,964)	(8,680)	(22,260)	(64,888)	(95,544)
Cash flows from financing activities						
Dividends paid to non-controlling interests	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	-
(Placement)/Withdrawal of deposits with licensed banks with maturity of more than 3 months	(7,307)	(271)	(275)	(5,389)	14,035	(2,400)
Withdrawal/(Placement) of pledged deposits with licensed banks	72	704	(5)	(5)	(6)	-
Drawdown of business financing-i and cash line-i	-	-	-	51	-	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
Net drawdown of term financing	-	-	-	-	26,045	55,286
Repayment of hire purchase and finance lease liabilities	-	(16)	(66)	(696)	-	-
Repayment of term financing	(114)	(5,720)	(5,720)	(5,720)	-	-
Repayment of term loans	(5,720)	(25,000)	-	-	-	-
Repayment of revolving credits	-	(48,440)	(39,647)	(91)	(5,000)	-
Interest paid	(2,868)	(3,057)	(19,883)	(6,727)	(2,906)	(478)
Advances from/(Repayment to) related parties	7,016	4,255	773	(171)	(2,542)	-
Cash flow from financing activities (discontinued operation)	4,647	1,252	-	-	-	-
Net cash (used in)/generated from financing activities	(9,274)	(81,293)	(69,823)	(23,748)	24,626	52,408
Net increase/(decrease) in cash and cash equivalents	6,473	4,673	5,200	(15,511)	6,057	(10,020)
Cash and cash equivalents at the beginning of the financial year	13,823	20,296	24,969	30,169	14,658	20,715
Cash and cash equivalents at the end of the financial year	20,296	24,969	30,169	14,658	20,715	10,695

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE
	RM'000	RM'000	RM'000	RM'000	RM'000	2025
						RM'000
Cash and cash equivalents comprise of:						
Deposits with licensed banks	20,876	20,073	20,419	25,913	8,548	11,039
Cash and bank balances	20,858	25,824	30,962	15,347	24,676	14,556
Deposits, cash and bank balances	41,734	45,897	51,381	41,260	33,224	25,595
Less:						
Deposits pledged with banks	(3,029)	(2,325)	(2,330)	(2,335)	(2,341)	(339)
Fixed deposits with maturity of more than 3 months	(13,307)	(13,578)	(13,853)	(19,242)	(5,207)	(9,610)
Bank overdraft	(5,102)	(5,025)	(5,029)	(5,025)	(4,961)	(4,951)
Cash and cash equivalent at the end of the financial year	20,296	24,969	30,169	14,658	20,715	10,695

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1.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our consolidated financial statements for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 as well as the 9-month FPE 2024 and 9-month FPE 2025 should be read in conjunction with our annual reports and quarterly financial statements.

1.2.1 Overview of our operations**(a) Principal activities**

Perak Corp's principal activities are that of property and investment holding, real property development and provision of management services. Through its subsidiaries, the Group is principally involved in the provision of ports and logistics, property development, hospitality and tourism and management services.

Please refer to Appendix XVII of this Circular for information of our Group.

(b) Revenue

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

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

For sale of properties under development, where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method. Where a 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.

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.

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

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.

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

(c) Cost of sales

For the Group's port and logistics segment, the Group's cost of sales mainly comprises hire of machinery, stevedores, hire of tipper truck, diesel consumption, depreciation charges of port facilities and electricity.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

For the Group's property development segment, the Group's cost of sales mainly comprises property development expenditure, mainly includes construction costs undertaken by contractors, authority related fees, land and associated costs, professional fees, utilities and other costs incurred for its property development projects.

For the Group's hospitality and leisure segment, the Group's cost of sales mainly includes direct costs such as payroll expenses for operational staff, utilities (electricity, water, and gas), maintenance costs for the upkeep of facilities, procurement of consumables and supplies for daily operations, depreciation charges of property, plant and equipment as well as costs associated with providing guest services, including housekeeping, laundry, and food and beverage services.

(d) **Other income**

Other income mainly includes interest income, miscellaneous income of hotels as well as ports and logistics, and dividend income.

(e) **Administrative expenses**

Administrative expenses comprise overheads incurred to maintain our operations such as employee benefits expenses, legal and professional fees, maintenance and upkeep expenses, travelling and accommodation expenses, amortisation of intangible assets as well as depreciation.

(f) **Finance cost**

Finance cost comprises mainly interest expenses of financial liabilities that are not fair value through profit or loss and lease liabilities.

(g) **Recent developments**

Save for the Proposed Regularisation Plan, there were no other significant events subsequent to the Group's audited consolidated financial statements for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 as well as for the 9-month FPE 2025.

(h) **Exceptional and extraordinary items and audit qualifications**

Save for those as mentioned at Section 1 of the Circular where Perak Corp has been classified as an affected listed issue under PN17 of the Listing Requirements of Bursa Securities, there were no exceptional or extraordinary items during FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 as well as during the 9-month FPE 2025. In addition, the Company's auditor concurred with the Directors' assessment that the financial statements of the Group and the Company should be prepared on a non-going concern basis. As the basis of preparation of the financial statements of the Group and the Company was appropriately disclosed and applied, the Company's auditor has not issued a qualified opinion or disclaimer in the audited financial statements for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024. For clarity, the auditors have conducted a limited review on the financial statements for the 9-month FPE 2024 and have highlighted that the financial statements of the Group for the 9-month FPE 2024 are prepared on a non-going concern basis, while the financial statements for the 9-month FPE 2025 have not been audited or reviewed by the auditors, but have been prepared on a non-going concern basis as well.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.2.2 Review of our results of operations

(a) Revenue

Revenue by business segment

Business segments	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Port and logistics	115,558	88.06	121,706	49.63	127,777	85.76	136,627	85.05	129,605	84.22
Property development										
- Sales of completed properties	-	-	112,053	45.69	-	-	-	-	-	-
- Sales of properties under development	1,692	1.29	666	0.27	-	-	-	-	-	-
- Sales of lands	1,253	0.96	-	-	-	-	-	-	-	-
Hospitality and leisure	10,517	8.01	8,870	3.62	19,252	12.92	22,073	13.74	22,209	14.43
Management services	2,200	1.68	1,949	0.79	1,972	1.32	1,951	1.21	2,070	1.35
Total	131,220	100.00	245,244	100.00	149,001	100.00	160,651	100.00	153,884	100.00

Business segments	9-month FPE 2024		9-month FPE 2025	
	RM'000	%	RM'000	%
Port and logistics	96,297	84.46	106,826	85.79
Property development				
- Sales of completed properties	-	-	-	-
- Sales of properties under development	-	-	-	-
- Sales of lands	-	-	-	-
Hospitality and leisure	16,263	14.26	16,153	12.97
Management services	1,454	1.28	1,548	1.24
Total	114,014	100.00	124,527	100.00

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Commentary on revenue**Comparison between FYE 2019 and FYE 2020**

The Group’s revenue decreased by RM18.47 million or 12.34% from RM149.69 million in FYE 2019 to RM131.22 million in FYE 2020. The decrease was mainly due to following:

- (a) decrease in revenue generated from the Group’s ports and logistics segment by RM3.85 million or 3.22%, from RM119.41 million in FYE 2019 to RM115.56 million in FYE 2020, due to the halt of operations of various customers of the Group, that were previously utilising LMT for exports and shipments, during the Movement Control Order (“**MCO(s)**”) periods as a result of the COVID-19 pandemic;
- (b) decrease in revenue generated from the Group’s property development segment by RM8.85 million or 75.00%, from RM11.80 million in FYE 2019 to RM2.95 million in FYE 2020, due to reduced revenue recognition from land sales and joint arrangement projects, mainly due to the 1Meru project which was nearing its completion where fewer units are available for sale; and
- (c) decrease in revenue generated from the Group’s hospitality and leisure segment by RM5.69 million or 35.10%, from RM16.21 million in FYE 2019 to RM10.52 million in FYE 2020, mainly due to the COVID-19 pandemic, which had imposed various movement and travel restrictions, thereby reducing occupancy rates of the Group’s hotels.

Comparison between FYE 2020 and FYE 2021

The Group’s revenue significantly increased by RM114.02 million or 86.89% from RM131.22 million in FYE 2020 to RM245.24 million in FYE 2021. The increase was mainly due to following:

- (a) increase in revenue generated from the Group’s ports and logistics segment by RM6.15 million or 5.32%, from RM115.56 million in FYE 2020 to RM121.71 million in FYE 2021, mainly due to the resumption of operations of the Group’s customers as well as import and export activities, following the gradual upliftment of the various forms of MCOs as a result of the COVID-19 pandemic; and
- (b) increase in revenue generated from the Group’s property development segment by RM109.77 million or 3,721.02%, from RM2.95 million in FYE 2020 to RM112.72 million in FYE 2021, mainly due to the recognition of revenue from land sales, particularly the Disposal of PERKESO Properties, disposal of land to Naluri Juara Sdn Bhd for total consideration of RM11.00 million and disposal of land to V-Supplies & Trading Sdn Bhd for total consideration of RM3.70 million. Additionally, the revenue was contributed by the increase in revenue recognised for the Taman Meru Tropika Project, which was jointly developed with Rapat Setia Sdn Bhd, of RM18.70 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between FYE 2021 and FYE 2022

The Group’s revenue significantly decreased by RM96.24 million or 39.24% from RM245.24 million in FYE 2021 to RM149.00 million in FYE 2022. The decrease was mainly due to the decrease in revenue generated from the Group’s property development segment by RM112.72 million or 100.00%, mainly due to the absence of revenue from the Group’s property development segment in FYE 2022 as a result of the derecognition of a former subsidiary, i.e. PCB Development, on 20 December 2021 following its creditors’ voluntary winding up. For avoidance of doubt, there were no other ongoing property development projects or sales of completed properties or lands during the year.

The decrease in the Group’s overall revenue was partially offset by the following:

- (a) increase in revenue generated from the Group’s ports and logistics segment by RM6.07 million or 4.99%, from RM121.71 million in FYE 2021 to RM127.78 million in FYE 2022, mainly due to the increase in cargo throughput as well as import and export activities at LMT, following the gradual upliftment of the various forms of MCOs as a result of the COVID-19 pandemic; and
- (b) increase in revenue generated from the Group’s hospitality and leisure segment by RM10.38 million or 117.02%, from RM8.87 million in FYE 2021 to RM19.25 million in FYE 2022, following the relaxation of the various forms of MCOs which allowed inter-state travels and opening of borders, thereby increasing occupancy rates of the Group’s hotels as well as increasing the revenue generated from the Group’s restaurants.

Comparison between FYE 2022 and FYE 2023

The Group’s revenue increased by RM11.65 million or 7.82% from RM149.00 million in FYE 2022 to RM160.65 million in FYE 2023. The increase was mainly due to following:

- (a) increase in revenue generated from the Group’s ports and logistics segment by RM8.85 million or 6.93%, from RM121.78 million in FYE 2022 to RM136.63 million in FYE 2023, mainly driven by higher cargo throughput and rate adjustments in base operating payments under the operation and maintenance agreement, which led to higher revenue generated; and
- (b) increase in revenue generated from the Group’s hospitality and leisure segment by RM2.82 million or 14.65%, from RM19.25 million in FYE 2022 to RM22.07 million in FYE 2023, mainly due to increasing occupancy rates of the Group’s hotels as well as increasing revenue generated from the Group’s restaurants as COVID-19 enters its endemicity phase.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between FYE 2023 and FYE 2024

The Group’s revenue decreased by RM6.77 million or 4.21% from RM160.65 million in FYE 2023 to RM153.88 million in FYE 2024. The decrease was mainly due to the decrease in revenue generated from the Group’s ports and logistics segment by RM7.02 million or 5.14%, from RM136.63 million in FYE 2023 to RM129.61 million in FYE 2024. In turn, the decrease is mainly due to the temporary disruption in Manjung 4 power plant, operated by LMTSB, which affected throughput volume during the financial year.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group’s revenue increased by RM10.52 million or 9.23% from RM114.01 million in 9-month FPE 2024 to RM124.53 million in 9-month FPE 2025. The increase was mainly due to the increase in revenue generated from the Group’s ports and logistics segment by RM10.53 million or 10.93%, from RM96.30 million in 9-month FPE 2024 to RM106.83 million in 9-month FPE 2025, which was mainly due to higher cargo throughput handled during the period.

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APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

(b) Cost of sales, GP/(GL) and GP/(GL) margin

Analysis of cost of sales by business segments

Business segments	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Port and logistics	42,851	76.90	42,534	42.78	47,399	72.55	54,218	77.11	49,577	71.03
Property development										
- Cost of completed properties sold	-	-	42,567	42.82	-	-	-	-	-	-
- Cost of properties under development	284	0.51	275	0.28	-	-	-	-	-	-
- Cost of lands sold	210	0.38	-	-	-	-	-	-	-	-
Hospitality and leisure	11,924	21.40	10,093	10.15	14,986	22.94	19,726	22.06	19,647	28.15
Management services	451	0.81	3,943	3.97	2,947	4.51	583	0.83	574	0.82
Total	55,720	100.00	99,412	100.00	65,332	100.00	74,527	100.00	69,798	100.00
Business segments	9-month FPE 2024		9-month FPE 2025							
	RM'000	%	RM'000	%						
Port and logistics	37,159	72.36	39,964	73.22						
Property development										
- Cost of completed properties sold	-	-	-	-						
- Cost of properties under development	-	-	-	-						
- Cost of lands sold	-	-	-	-						
Hospitality and leisure	13,909	27.08	14,173	25.96						
Management services	289	0.56	446	0.82						
Total	51,357	100.00	54,583	100.00						

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Analysis of GP/(GL) and GP/(GL) margin by business segments

Business segments	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	GP/(GL)	GP/(GL) margin	GP/(GL)	GP/(GL) margin	GP/(GL)	GP/(GL) margin	GP	GP margin	GP	GP margin
Port and logistics	72,707	62.92	79,172	65.05	80,378	62.90	82,409	60.32	80,028	61.75
Property development	2,451	83.23	69,877	61.99	-	-	-	-	-	-
Hospitality and leisure	(1,407)	(13.38)	(1,223)	(13.79)	4,266	22.16	2,347	10.63	2,562	11.54
Management services	1,749	79.50	(1,994)	(102.31)	(975)	(49.44)	1,368	70.12	1,496	72.27
Total	75,500	57.54	145,832	59.46	83,669	56.15	86,124	53.61	84,086	54.64

Analysis of GP/(GL) and GP/(GL) margin by business segments

Business segments	9-month FPE 2024		9-month FPE 2025	
	GP/(GL)	GP/(GL) margin	GP/(GL)	GP/(GL) margin
Port and logistics	59,138	61.41	66,862	62.59
Property development	-	-	-	-
Hospitality and leisure	2,354	14.47	1,980	12.26
Management services	1,165	80.12	1,102	71.19
Total	62,657	54.96	69,944	56.17

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Commentary on cost of sales, GP/(GL) and GP/(GL) margin**Comparison between FYE 2019 and FYE 2020**

The Group's cost of sales decreased by RM11.18 million or 16.73% from RM66.90 million in FYE 2019 to RM55.72 million in FYE 2020, which was mainly due to the following:

- (a) significant reduction in costs of lands sold by RM5.63 million or 96.54%, from RM5.84 million in FYE 2019 to RM0.21 million in FYE 2020, due to reduction in revenue recognition from land sales and joint arrangement projects, particularly the 1Meru project which was nearing its completion;
- (b) reduction in operational costs for hotel and restaurants by RM2.06 million or 14.74%, due to suppressed occupancy and dining activities during the peak of the COVID-19 pandemic and the implementation of the various forms of MCO; and
- (c) reduction in port services costs by RM2.09 million or 4.65%, due to reduced port activities as various customers of the Group suspended operations during the MCO periods as a result of the COVID-19 pandemic.

The Group's GP decreased by RM7.29 million or 8.81% from RM82.79 million for the FYE 2019 to RM75.50 million for the FYE 2020. The decrease was mainly due to the following:

- (a) The Group's property development segment recorded lower GP of RM2.45 million in FYE 2020 (FYE 2019: RM4.55 million), mainly due to reduced lands sales and joint arrangement projects;
- (b) The Group's port and logistics segment recorded lower GP of RM72.71 million in FYE 2020 (FYE 2019: RM74.47 million), mainly due to reduced exports and imports activities at LMT; and
- (c) The Group's hospitality and leisure segment recorded GL of RM1.41 million in FYE 2020 (FYE 2019: GP of RM2.23 million), mainly due to reduction in occupancy rates and dining activities of the Group's hotels and restaurants respectively.

Although the Group registered lower overall GP, the Group recorded higher overall GP margin, from 55.31% in FYE 2019 to 57.54% in FYE 2020, mainly due to the higher margin contributions from the Group's property development segment of 83.23% (FYE 2019: GP margin of 38.56%), particularly for the high margins of the 1Meru project.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2020 and FYE 2021

The Group's cost of sales of the Group increased by RM43.69 million or 78.41% from RM55.72 million in FYE 2020 to RM99.41 million in FYE 2021, which was mainly due to the significant increase in cost of completed properties sold by 100.00% to RM42.57 million in FYE 2021, mainly due to the Disposal of PERKESO Properties of RM22.84 million, cost of the land sold to Naluri Juara Sdn Bhd of RM11.00 million, cost of land sold to V-Supplies & Trading Sdn Bhd of RM1.53 million as well as the cost recognised for the development of Taman Meru Tropika Project, which was jointly developed with Rapat Setia Sdn Bhd, of RM7.13 million.

The Group's GP increased by RM70.33 million or 93.15% from RM75.50 million for the FYE 2020 to RM145.83 million for the FYE 2021. The significant increase was mainly due to the following:

- (a) The Group's property development segment recorded higher GP of RM69.88 million in FYE 2021 (FYE 2020: RM2.45 million), mainly due to gain from Disposal of PERKESO Properties, amounting to RM55.84 million, gain from sale of other lands amounting to RM2.17 million as well as gross profit generated from the Taman Meru Tropika Project of RM11.57 million.
- (b) The Group's port and logistics segment recorded higher GP of RM79.17 million (FYE 2020: RM72.71 million), mainly due to improved margins following the gradual upliftment of the various forms of MCOs and the resumption of import and export activities at LMT.

Nevertheless, the above increase in GP was partially offset by the GL of RM1.99 million recorded by the Group's management services segment due to the gross loss for provision of management services provided to fellow subsidiaries within the Group.

The Group recorded higher GP margin in FYE 2021, improved from 57.54% in FYE 2020 to 59.46% in FYE 2021. The higher GP margin was mainly contributed by the higher GP margin recorded by the Group's port and logistics segment of 65.05%.

Comparison between FYE 2021 and FYE 2022

The Group's cost of sales decreased by RM34.08 million or 34.28% from RM99.41 million in FYE 2021 to RM65.33 million in FYE 2022, which was mainly due to the absence of recognition of costs of goods sold under the Group's property development segment during the FYE 2022, following the derecognition of PCB Development on 20 December 2021.

The decrease in the Group's overall costs of sales was partially offset by the following:

- (a) increase in operations costs for hotel, reflecting early signs of recovery in the hospitality sector with the re-opening of domestic travel and easing of restrictions resulted from the imposition of MCOs as a result of the COVID-19 pandemic; and
- (b) increase in port services costs by RM4.87 million or 11.45%, which was aligned with higher port activities and throughput volumes.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

The Group’s GP decreased by RM62.16 million or 42.62% from RM145.83 million for the FYE 2021 to RM83.67 million for the FYE 2022. The decrease was mainly due to the absence of contributions from the Group’s property development segment in FYE 2022 (FYE 2021: GP of RM69.88 million), following the derecognition of PCB Development. The decrease in the Group’s overall GP was partially offset by the GP of RM4.27 million recorded by the Group’s hospitality and leisure segment as a result of increased occupancy rates and dining activities, following re-opening of domestic ravel and easing of restrictions.

Correspondingly, the Group’s GP margin declined from 59.46% in FYE 2021 to 56.15% in FYE 2022, mainly due to lower margins under the Group’s ports and logistics segment as a result of higher costs (such as hire of machinery and diesel consumption), despite improvements in the GP margins recorded by the Group’s hospitality and leisure segment of 22.16% in FYE 2022 (FYE 2021: GL margin of 13.79%).

Comparison between FYE 2022 and FYE 2023

The Group’s cost of sales increased by RM9.20 million or 14.08% from RM65.33 million in FYE 2022 to RM74.53 million in FYE 2023, which was mainly due to the following:

- (a) increase in port services costs by RM6.82 million or 14.39%, driven by increased cargo throughput during the year; and
- (b) increase in operational costs for hotel by RM4.74 million or 31.62%, in line with higher occupancy rates and improved tourism activity in Perak. The increase was also due to the reclassification of direct staff costs from administrative expenses to cost of sales during the year. Further details are set out in Section 1.2.2(c) of Appendix XVIII of this Circular.

The Group’s overall increase in cost of sales is partially offset by the decrease in cost of sales of the Group’s management services segment, which decreased by RM2.37 million or 80.34%, due to consolidation and restructuring of such management services within the Group.

The Group’s GP increased by RM2.45 million or 2.93% from RM83.67 million for the FYE 2022 to RM86.12 million for the FYE 2023. The increase was mainly due to higher gross profit contribution from the Group’s ports and logistics segment as a result of higher cargo throughput as well as the continue recovery of the tourism sector in Perak.

Correspondingly, the Group’s GP margin decreased from 56.15% in FYE 2022 to 53.61% in FYE 2023, mainly due to the lower margins in the Group’s hospitality and leisure segment, which reduced from 22.16% to 10.63%, as a result of the reclassification of direct staff costs from administrative expenses to cost of sales during the year.

Comparison between FYE 2023 and FYE 2024

The Group’s cost of sales decreased by RM4.73 million or 6.35% from RM74.53 million in FYE 2023 to RM69.80 million in FYE 2024, which was mainly due to the decrease in port service costs by RM4.64 million or 8.56%, mainly due to decreased cargo throughput as a result of the forced outage at Manjung 4 Power Plant.

The Group’s GP decreased by RM2.03 million or 2.36% from RM86.12 million for the FYE 2023 to RM84.09 million for the FYE 2024. The decrease was mainly due to the decrease in GP from the Group’s port and logistics segment, in line with the segment’s decrease in contributions during the year.

Despite the decrease in GP, the Group’s GP margin increased from 53.61% in FYE 2023 to 54.64% in FYE 2024, mainly due to more favourable revenue mix with higher margin contributions as well as implementation of better cost control initiatives.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group’s cost of sales increased by RM3.22 million or 6.27% from RM51.36 million in 9-month FPE 2024 to RM54.58 million in 9-month FPE 2025, which was mainly due to the following:

- (a) increase in port service costs by RM2.80 million or 7.53%, mainly due to increased cargo throughput as well as higher maintenance cost and depreciation of port facilities during the period; and
- (b) higher operational cost for the hotels operated by the Group by RM0.26 million or 1.87% during the period, mainly due to increased staff costs and other operating expenses such as utilities, maintenance and consumables, in tandem with higher occupancy levels during the period.

The Group’s GP increased by RM7.28 million or 11.62% from RM62.66 million for the 9-month FPE 2024 to RM69.94 million for the 9-month FPE 2025. The increase was mainly due to the increase in GP from the Group’s port and logistics segment, in line with the segment’s increase in contributions during the year.

Resultingly, the Group’s GP margin also increased slightly from 54.96% in the 9-month FPE 2024 to 56.17% in the 9-month FPE 2025, mainly due to improvements in GP margins recorded by the Group’s port and logistics segment, which in turn was due to lower diesel prices in the 9-month FPE 2025 that reduced the operating costs for the Group’s port and logistics segment.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)
(c) Administrative expenses

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Auditors' remuneration	670	1.20	630	1.17	615	1.08	801	1.44	815	1.34
Amortisation and depreciation	6,286	11.24	6,732	12.56	6,187	10.88	5,183	9.33	4,234	6.97
Directors' fee and remuneration	1,710	3.06	1,956	3.65	1,873	3.29	1,170	2.11	1,450	2.39
Donations	1,653	2.96	3,075	5.74	2,092	3.68	2,373	4.27	2,531	4.16
Electricity charges	1,144	2.05	1,031	1.92	1,002	1.76	1,262	2.27	1,357	2.23
Employee benefits expense	33,828	60.49	32,781	61.17	35,309	62.09	34,584	62.26	37,796	62.18
Insurance	593	1.06	615	1.15	666	1.17	861	1.55	865	1.42
Legal and professional fees	1,221	2.18	2,134	3.98	1,444	2.54	1,224	2.20	2,129	3.50
Licence fee	511	0.91	318	0.59	273	0.48	346	0.62	389	0.64
Maintenance and upkeep expenses	1,243	2.22	1,504	2.81	1,980	3.48	2,376	4.28	2,868	4.72
Telephone and fax charges	361	0.64	352	0.66	251	0.44	323	0.58	338	0.56
Quit rent and assessment	414	0.74	502	0.94	633	1.11	881	1.59	1,082	1.78
Travelling expenses	171	0.31	136	0.25	1,158	2.04	1,432	2.58	1,507	2.48
Printing and stationery	262	0.47	229	0.43	275	0.49	242	0.44	143	0.23
Others	5,858	10.47	1,596	2.98	3,111	5.47	2,491	4.48	3,280	5.40
Total	55,925	100.00	53,591	100.00	56,869	100.00	55,549	100.00	60,784	100.00

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	9-month FPE 2024		9-month FPE 2025	
	RM'000	%	RM'000	%
Auditors' remuneration	576	1.23	494	0.98
Amortisation and depreciation	3,601	7.69	3,279	6.49
Directors' fee and remuneration	1,130	2.41	1,384	2.74
Donations	2,382	5.09	1,906	3.77
Electricity charges	1,322	2.82	1,260	2.49
Employee benefits expense	28,128	60.07	31,560	62.46
Insurance	667	1.43	724	1.43
Legal and professional fees	1,848	3.95	2,489	4.93
Licence fee	180	0.38	312	0.62
Maintenance and upkeep expenses	2,466	5.27	2,215	4.38
Telephone and fax charges	255	0.55	232	0.46
Quit rent and assessment	806	1.72	769	1.52
Travelling expenses	1,485	3.17	1,038	2.05
Printing and stationery	158	0.34	68	0.14
Others	1,818	3.88	2,797	5.54
Total	46,822	100.00	50,527	100.00

Commentary on administrative expenses

Comparison between FYE 2019 and FYE 2020

The Group's administrative expenses increased by RM2.65 million or 4.97%, from RM53.28 million in FYE 2019 to RM55.93 million in FYE 2020, mainly due to the increase in staff costs during the year. The increase in overall administrative expenses was offset by the decrease in Directors' fees and remuneration by RM0.66 million and decrease in donations by RM0.55 million, mainly due to the Group's prudent spending approach during COVID-19 pandemic, prioritising operational needs and financial sustainability of the Group.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between FYE 2020 and FYE 2021

The Group’s administrative expenses decreased by RM2.34 million or 4.18%, from RM55.93 million in FYE 2020 to RM53.59 million in FYE 2021, mainly due to the decrease in other administrative expenses in FYE 2021 by RM4.26 million, mainly due to written down of completed properties and development costs and provision for liquidated ascertained damages incurred in FYE 2020, which did not recur in FYE 2021. The decrease in overall administrative expenses was offset by the increase donations by RM1.43 million, mainly due to the increase in contribution towards charitable causes and community support activities during the year.

Comparison between FYE 2021 and FYE 2022

The Group’s administrative expenses increased by RM3.28 million or 6.12%, from RM53.59 million in FYE 2021 to RM56.87 million in FYE 2022, mainly due to the increase in employee benefit expenses by RM2.53 million as well as travelling expenses by RM1.02 million. The increase in employee benefit expenses was mainly due to salary increments for the Group’s staff, particularly for the Group’s hospitality and leisure segment, while the increase in travelling and accommodation expenses was mainly due to increase in oversea trips for business purposes during the year, following the relaxation of travel restrictions during FYE 2022.

Comparison between FYE 2022 and FYE 2023

The Group’s administrative expenses decreased by RM1.32 million or 2.32%, from RM56.87 million in FYE 2022 to RM55.55 million in FYE 2023, mainly due to the decrease in depreciation by RM1.01 million, as a result of certain assets having been fully depreciated during the year. The decrease in administrative expenses was also due to the reclassification of direct staff costs from administrative expenses to cost of sales (under the Group’s hospitality and leisure segment) during the year, as the nature of those staff’s roles were directly contributing to revenue generating activities for the Group’s hotels and restaurants (such as front office as well as food and beverage operations).

Comparison between FYE 2023 and FYE 2024

The Group’s administrative expenses increased by RM5.23 million or 9.41%, from RM55.55 million in FYE 2023 to RM60.78 million in FYE 2024, mainly due to the increase in employee benefit expenses by RM3.22 million as a result of further salary adjustments for staff, particularly for the Group’s hospitality and leisure segment as the segment gradually recovers during the year. Furthermore, the increase in administrative expenses during the year was due to increase in professional fees incurred for the Proposed Regularisation Plan.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group’s administrative expenses increased by RM3.71 million or 7.92%, from RM46.82 million in 9-month FPE 2024 to RM50.53 million in 9-month FPE 2025, mainly due to increase in employee benefits expenses by RM3.43 million arising from annual salary increments and additional staff-related costs as well as increase in professional fees by RM0.64 million arising from advisory and consultancy services for the Proposed Regularisation Plan.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)
(d) Other income

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	1,223	31.54	2,819	1.47	677	0.98	945	9.23	462	9.83
Compensation received from compulsory acquisition of land	-	-	-	-	59,691	86.70	-	-	-	-
Gain on derecognition of subsidiaries	-	-	183,849	96.10	-	-	-	-	-	-
Gain on disposal of a leasehold land held for development	-	-	-	-	-	-	2,244	21.92	-	-
Gain on disposal of property, plant and equipment	148	3.82	-	-	-	-	72	0.70	-	-
Gain on lease modification	-	-	-	-	-	-	3	0.03	-	-
Fair value gain on financial assets measured at fair value through profit or loss	-	-	46	0.03	60	0.09	5	0.05	-	-
Government wages subsidy	984	25.38	677	0.35	428	0.62	-	-	-	-
Reversal of impairment loss on property, plant and equipment	-	-	-	-	4,308	6.26	-	-	933	19.84
Reversal of impairment loss on right-of-use assets	-	-	-	-	-	-	-	-	160	3.40
Reversal of inventories previously written down	-	-	-	-	270	0.39	-	-	1,192	25.35
Waiver of interest expense	-	-	-	-	-	-	1,461	14.27	-	-
Waiver of penalty	-	-	-	-	-	-	4,199	41.02	492	10.46
Income from Vaccination Administration Centre	-	-	1,167	0.61	-	-	-	-	-	-
Miscellaneous income of hotel ⁽¹⁾	-	-	299	0.16	901	1.31	889	8.68	226	4.81
Miscellaneous income of ports and logistics ⁽²⁾	392	10.11	807	0.42	2,451	3.56	391	3.82	1,076	22.89
Others	1,130	29.15	1,647	0.86	60	0.09	29	0.28	161	3.42
Total	3,877	100.00	191,311	100.00	68,846	100.00	10,238	100.00	4,702	100.00

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

	9-month FPE 2024		9-month FPE 2025	
	RM'000	%	RM'000	%
Interest income	396	64.39	150	4.25
Bad debts recovered	-	-	19	0.54
Compensation received from compulsory acquisition of land	-	-	-	-
Gain on derecognition of subsidiaries	-	-	-	-
Gain on disposal of a leasehold land held for development	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	172	4.87
Gain on lease modification	-	-	-	-
Gain on lease termination	-	-	1,335	37.83
Fair value gain on financial assets measured at fair value through profit or loss	-	-	-	-
Government wages subsidy	-	-	-	-
Reversal of impairment loss on property, plant and equipment	-	-	-	-
Reversal of impairment loss on right-of-use assets	-	-	-	-
Reversal of inventories previously written down	-	-	-	-
Waiver of interest expense	-	-	-	-
Waiver of penalty	-	-	190	5.38
Waiver of debt	-	-	360	10.20
Income from Vaccination Administration Centre	-	-	-	-
Miscellaneous income of hotel ⁽¹⁾	-	-	386	10.94
Miscellaneous income of ports and logistics ⁽²⁾	204	33.17	905	25.65
Others	15	2.44	12	0.34
Total	615	100.00	3,529	100.00

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Notes:

- (5) Mainly includes charges for valet parking, extra beds and additional towels, breakage fees for damaged properties as well as charges for special event items (such as hampers, buntings and souvenirs), equipment rental for events (such as rental of LED screens and sound systems) and handling fees for external catering support (such as venue, manpower and logistics).
- (6) Mainly comprise of pipeline rental, proceeds from sale of tender documents and income from the sale of port waste.

Commentary on other income**Comparison between FYE 2019 and FYE 2020**

The Group's other income decreased by RM0.46 million or 10.60%, from RM4.34 million in FYE 2019 to RM3.88 million in FYE 2020, which was mainly due to decrease in interest income by RM1.02 million arising from absence of interest income from unwinding of interest on significant financing component in FYE 2020, offset by increase in government wages subsidy received in FYE 2020 of RM0.98 million, as a result of the COVID-19 pandemic.

Comparison between FYE 2020 and FYE 2021

The Group's other income increased by RM187.43 million or 4,830.67%, from RM3.88 million in FYE 2020 to RM191.31 million in FYE 2021, which was mainly contributed by the gain on derecognition of subsidiaries (i.e. PCB Development) amounting to RM183.85 million and income generated from Vaccination Administration Centre (operated by CMSB) amounting to RM1.17 million.

Comparison between FYE 2021 and FYE 2022

The Group's other income decreased by RM122.46 million or 64.01%, from RM191.31 million in FYE 2021 to RM68.85 million in FYE 2022, which was mainly due to absence of gain on derecognition of subsidiaries and income from Vaccination Administration Centre in FYE 2022. However, the overall decrease in the Group's other income was partially offset by compensation received from the Government Acquisition amounting to RM59.69 million and reversal of impairment losses on property, plant and equipment amounting to RM4.31 million.

Comparison between FYE 2022 and FYE 2023

The Group's other income decreased by RM58.61 million or 85.13%, from RM68.85 million in FYE 2022 to RM10.24 million in FYE 2023, which was mainly due to absence of compensation received from the Government Acquisition and reversal of impairment losses on property, plant and equipment in FYE 2023. However, the overall decrease in the Group's other income was partially offset by the gain on disposal of a leasehold land held for development to Ladang Lekir Sdn Bhd amounting to RM2.24 million as well as waiver of interest expense and penalties amounting to RM5.66 million arising from waiver of interest charges on advances provided by PKNP to the Group as well as waiver of penalties pursuant to the Debt Settlements.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2023 and FYE 2024

The Group's other income decreased by RM5.54 million or 54.10%, from RM10.24 million in FYE 2023 to RM4.70 million in FYE 2024, which was mainly due to the absence of waiver of interest expense and gain on disposal of a leasehold land held for development in FYE 2024, as well as a lower waiver of penalty recorded in FYE 2024, pertaining to waiver of SST penalties upon full settlement of outstanding SST, amounting to RM0.50 million (FYE 2023: waiver of penalty of RM4.20 million).

However, the overall decrease in the Group's other income in FYE 2024 was partially offset by the reversal of inventories previously written down of RM1.19 million, following the recovery in value of certain spare parts and consumables under the Group's port and logistics segment.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group's other income increased by RM2.91 million or 469.35%, from RM0.62 million in 9-months FPE 2024 to RM3.53 million in 9-month FPE 2025, mainly due to gain on lease termination of RM1.34 million, waiver of debt of RM0.36 million arising from the surrender of the vacant possession of the Cempaka Sari Rest House, which was a property leased by PKNP to Lanai Casuarina Sdn Bhd, to PKNP, as well as increase in miscellaneous income of hotel and ports and logistics of RM1.10 million, mainly arising from increase in the Group's hotel's operational activities and increase in pipeline rental and sale of port waste during the 9-month FPE 2025, respectively.

(e) Other expenses

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Allowance for write down inventories to net realisable value	774	5.26	1,846	11.93	747	2.33	25	31.65	-	-
Bad debts written off	1	0.01	-	-	18	0.06	-	-	-	-
Impairment losses:										
- Property, plant and equipment	8,087	54.96	9,748	62.98	17,641	55.14	24	30.38	9	100.00
- Right-of-use assets	-	-	2,700	17.45	3,147	9.83	-	-	-	-
- Investment properties	-	-	118	0.76	-	-	-	-	-	-
- Intangible assets	-	-	923	5.96	-	-	-	-	-	-
Land cost in relation to compulsory acquisition of land	-	-	-	-	10,238	32.00	-	-	-	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Port facilities written off	-	-	-	-	202	0.63	-	-	-	-
Property, plant and equipment written off	992	6.74	14	0.09	2	0.01	-	-	-	-
Tax penalties	3,713	25.23	-	-	-	-	-	-	-	-
Others	1,147	7.80	129	0.83	-	-	30	37.97	-	-
Total	14,714	100.00	15,478	100.00	31,995	100.00	79	100.00	9	100.00
	9-month FPE 2024		9-month FPE 2025							
	RM'000	%	RM'000	%						
Allowance for write down inventories to net realisable value	150	96.15	-	-						
Bad debts written off	-	-	-	-						
Impairment losses:	-	-	-	-						
- Property, plant and equipment	6	3.85	-	-						
- Right-of-use assets	-	-	-	-						
- Investment properties	-	-	-	-						
- Intangible assets	-	-	-	-						
Land cost in relation to compulsory acquisition of land	-	-	-	-						
Port facilities written off	-	-	-	-						
Property, plant and equipment written off	-	-	5	100.00						
Tax penalties	-	-	-	-						
Others	-	-	-	-						
Total	156	100.00	5	100.00						

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Commentary on other expenses**Comparison between FYE 2019 and FYE 2020**

The Group’s other expenses decreased by RM16.09 million or 52.24%, from RM30.80 million in FYE 2019 to RM14.71 million in FYE 2020, which was mainly due to the following:

- (a) absence of development costs written off in FYE 2020 (FYE 2019: RM12.71 million). The development costs written off in FYE 2019 was in relation to a project which was terminated and the capitalised costs could not be recovered through future sales and/or development activities;
- (b) absence of impairment losses on investment properties in FYE 2020 (FYE 2019: RM3.78 million); and
- (c) decrease in property, plant and equipment written off by RM2.59 million.

The Group’s decrease in overall other expenses was partially offset by an increase in tax penalties by RM3.71 million, mainly due to penalties imposed on outstanding tax payables of PCB Development, which were not settled within the stipulated timeline.

Comparison between FYE 2020 and FYE 2021

The Group’s other expenses increased by RM0.77 million or 5.23%, from RM14.71 million in FYE 2020 to RM15.48 million in FYE 2021, which was mainly due to higher impairment losses on property, plant and equipment amounting to RM9.75 million in FYE 2021 (FYE 2020: RM8.09 million) as well as impairment losses on right-of-use assets of RM2.70 million in relation to the leasehold land of which Hotel Casuarina Kuala Kangsar and Hotel Casuarina Teluk Intan are situated at, based on the forced sale value determined through the valuation exercise conducted during the year. Nevertheless, the Group’s increase in overall other expenses was partially offset by the absence of tax penalties in FYE 2021 (FYE 2020: RM3.71 million).

Comparison between FYE 2021 and FYE 2022

The Group’s other expenses increased by RM16.52 million or 106.72%, from RM15.48 million in FYE 2021 to RM32.00 million in FYE 2022, which was mainly due to higher impairment losses on property, plant and equipment by RM7.89 million and one-off land cost related to compulsory acquisition of land amounting to RM10.24 million. The Group’s increase in overall other expenses was partially offset by the decrease in impairment losses on intangible assets by RM0.92 million.

Comparison between FYE 2022 and FYE 2023

The Group’s other expenses decreased substantially by RM31.92 million or 99.75%, from RM32.00 million in FYE 2022 to RM0.08 million in FYE 2023, which was mainly due to no material impairments or write-off of assets, based on favourable results from the valuation exercises conducted.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2023 and FYE 2024

The Group's other expenses decreased by RM0.07 million or 87.50%, from RM0.08 million in FYE 2023 to RM0.01 million in FYE 2024, mainly due to absence of other expenses other than minimal impairment losses on property, plant and equipment.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group's other expenses in 9-months FPE 2024 and 9-month FPE 2025 were minimal.

(f) (Net impairment losses)/reversal of impairment losses on receivables

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses:										
- Trade receivables	(5,803)	18.71	(812)	0.41	(1,000)	9.22	(314)	39.80	(320)	(18.11)
- Other receivables	(157)	0.51	(623)	0.31	(328)	3.02	(278)	35.23	(150)	(8.49)
- Amount due from ultimate holding corporation	(13,455)	43.37	(1,515)	0.77	(307)	2.83	(920)	116.60	(1,523)	(86.19)
- Amount due from former subsidiaries	-	-	(194,363)	98.50	(10,703)	98.65	-	-	⁽ⁱ⁾ (199,116)	(11,268.59)
- Amount due from fellow subsidiaries	(10,151)	32.72	(389)	0.2	(62)	0.57	(22)	2.79	(12)	(0.68)
- Amount due from associates	(1,461)	4.71	(1,791)	0.91	(671)	6.18	-	-	-	-
- Amount due from related parties	-	-	-	-	-	-	(645)	81.75	-	-
Reversal of impairment losses:										
- Trade receivables	7	(0.02)	372	(0.19)	208	(1.92)	1,037	(131.43)	148	8.37
- Other receivables	-	-	-	-	138	(1.27)	44	(5.58)	200	11.32
- Amount due from ultimate holding corporation	-	-	43	(0.02)	1,164	(10.73)	42	(5.32)	2,811	159.08
- Amount due from former subsidiaries	-	-	-	-	-	-	156	(19.77)	⁽ⁱ⁾ 199,314	11,279.80
- Amount due from fellow subsidiaries	-	-	-	-	-	-	111	(14.07)	415	23.49

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
- Amount due from associates	-	-	1,664	(0.84)	711	(6.55)	-	-	-	-
- Others	-	-	91	(0.05)	-	-	-	-	-	-
Total	(31,020)	100.00	(197,323)	100.00	(10,850)	100.00	(789)	100.00	1,767	100.00
	9-month FPE 2024		9-month FPE 2025							
	RM'000	%	RM'000	%						
Impairment losses:										
- Trade receivables	-	-	-	-						
- Other receivables	-	-	-	-						
- Amount due from ultimate holding corporation	(1)	(0.03)	(5)	(0.46)						
- Amount due from former subsidiaries ⁽ⁱ⁾	(199,116)	(6637.20)	-	-						
- Amount due from fellow subsidiaries	(10)	(0.33)	-	-						
- Amount due from associates	-	-	-	-						
- Amount due from related parties	-	-	-	-						
Reversal of impairment losses:										
- Trade receivables	-	-	190	17.62						
- Other receivables	200	6.66	-	-						
- Amount due from ultimate holding corporation	2,811	93.70	893	82.84						
- Amount due from former subsidiaries ⁽ⁱ⁾	199,116	6637.20	-	-						
- Amount due from fellow subsidiaries	-	-	-	-						
- Amount due from associates	-	-	-	-						

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	9-month FPE 2024		9-month FPE 2025	
	RM'000	%	RM'000	%
- Others	-	-	-	-
Total	3,000	100.00	1,078	100.00

Note:

- (i) The reversal of impairment losses on amount due from former subsidiaries of RM199.31 million was recognised as a result of deemed acquisition of PCB Development following the Said Decision, while the impairment losses on amount due from former subsidiaries of RM199.12 million was recognised as a result of the subsequent disposal of PCB Development on 29 March 2024.

Commentary on net impairment losses on receivables**Comparison between FYE 2019 and FYE 2020**

The Group's net impairment losses on receivables increased by RM20.92 million or 207.13%, from RM10.10 million in FYE 2019 to RM31.02 million in FYE 2020, which was mainly due to impairment losses on trade receivables, amount due from ultimate holding corporation and fellow subsidiaries due to the significant increase in credit risk of the said receivables.

Comparison between FYE 2020 and FYE 2021

The Group's net impairment losses on receivables increased by RM166.30 million or 536.11%, from RM31.02 million in FYE 2020 to RM197.32 million in FYE 2021, which was mainly due to impairment losses on amount due from former subsidiaries, i.e. PCB Development and its subsidiaries, which were derecognised from the Group's consolidated financial statements as of 20 December 2021, following the creditors' voluntary winding up of PCB Development, resulting in intercompany balances and related impairments relating to PCB Development and its subsidiaries no longer being eliminated at consolidation.

Comparison between FYE 2021 and FYE 2022

The Group's net impairment losses on receivables decreased by RM186.47 million or 94.50%, from RM197.32 million in FYE 2021 to RM10.85 million in FYE 2022, which was mainly due to lower impairment losses on amounts due from former subsidiaries as well as reversal of impairment losses on amount due from ultimate holding corporation.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2022 and FYE 2023

The Group's net impairment losses on receivables further decreased by RM10.06 million or 92.72%, from RM10.85 million in FYE 2022 to RM0.79 million in FYE 2023, which was mainly due to lower impairments across all categories of receivables, along with reversals of impairment losses, particularly in trade receivables following reduction in credit risk of the said trade receivables.

Comparison between FYE 2023 and FYE 2024

The Group recorded net reversal of impairment losses on receivables of RM1.77 million in FYE 2024 (FYE 2023: net impairment losses on receivables of RM0.79 million). This was mainly due to recovery of outstanding rental income from the Company's ultimate holding corporation, resulting in the reversal of previously impaired receivables.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group recorded net reversal of impairment losses on receivables of RM1.08 million in 9-month FPE 2025 (9-month FPE 2024: reversal of impairment losses on receivables of RM3.00 million). This was mainly due to recovery of outstanding rental income and management income from the Company's ultimate holding corporation, resulting in the reversal of previously impaired receivables.

(g) (Net impairment losses)/reversal of impairment losses on financial guarantee contracts

		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses on financial guarantee contracts		(13,340)	100.00	(6,189)	100.00	(195)	(15.34)	-	-	-	-
Reversal of impairment losses on financial guarantee contracts		-	-	-	-	1,466	115.34	247	100.00	1,891	100.00
Total		(13,340)	100.00	(6,189)	100.00	1,271	100.00	247	100.00	1,891	100.00
		9-month FPE 2024		9-month FPE 2025							
		RM'000	%	RM'000	%						
Impairment losses on financial guarantee contracts		⁽ⁱ⁾ (1,793)	(528.91)	-	-						

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	9-month FPE 2024		9-month FPE 2025	
	RM'000	%	RM'000	%
Reversal of impairment losses on financial guarantee contracts	2,132	628.91	1,456	100.00
Total	339	100.00	1,456	100.00

Note:

- (i) The impairment losses on financial guarantee contracts recorded in the 9-month FPE 2024 was attributable to the provision for a financial guarantee contract in a deemed acquired subsidiary, i.e. Animation Theme Park Sdn Bhd.

Commentary on (net impairment losses)/reversal of impairment losses on financial guarantee contracts
Comparison between FYE 2019 and FYE 2020

The Group's impairment losses on financial guarantee contracts increased by RM10.56 million or 379.86%, from RM2.78 million in FYE 2019 to RM13.34 million in FYE 2020, which was mainly due to higher credit risk associated with the financial guarantee liabilities.

Comparison between FYE 2020 and FYE 2021

The Group's impairment losses on financial guarantee contracts of the Group decreased by RM7.15 million or 53.60%, from RM13.34 million in FYE 2020 to RM6.19 million in FYE 2021, following a reassessment of the expected credit losses and reduced exposure of the financial guarantee contracts.

Comparison between FYE 2021 and FYE 2022

The Group recorded a net reversal of impairment losses on financial guarantee contracts of RM1.27 million in FYE 2022 compared to the impairment loss on financial guarantee contracts of RM6.19 million in FYE 2021. The net reversal was mainly due to the write-back of previously recognised losses on financial guarantee liabilities, reflecting improved credit outlook and settlement of the underlying obligations.

Comparison between FYE 2022 and FYE 2023

The Group recorded a reversal of impairment losses on financial guarantee contracts of RM0.25 million in FYE 2023 compared to reversal of impairment losses on financial guarantee contracts of RM1.27 million in FYE 2022, where there was a further reduction in the Group's exposure to contingent liabilities under financial guarantees contracts.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2023 and FYE 2024

The Group recorded a reversal of impairment losses on financial guarantee contracts of RM1.89 million in FYE 2024 compared to reversal of impairment losses on financial guarantee contracts of RM0.25 million in FYE 2023, due to further reduction of the Group's exposure to contingent liabilities under financial guarantee contracts.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group recorded a reversal of impairment losses on financial guarantee contracts of RM1.46 million in the 9-month FPE 2025 (9-month FPE 2024: net reversal of impairment losses on financial guarantee contracts of RM0.34 million) due to a further reduction in the Group's exposure to contingent liabilities under financial guarantee contracts.

(h) Finance costs

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expenses:										
- Penalty from revolving credit	6,302	37.21	7,156	46.10	5,284	43.15	2,699	33.16	-	-
- Penalty from term loan	-	-	224	1.44	-	-	-	-	-	-
- Advances from ultimate holding corporation	463	2.73	360	2.32	360	2.94	-	-	238	4.11
- Finance lease liabilities	180	1.06	194	1.25	223	1.82	245	3.01	273	4.72
- Revolving credits	6,629	39.15	5,219	33.63	3,193	26.08	2,200	27.03	2,432	42.03
- Term loans	2,879	17.00	2,408	15.51	1,260	10.29	1,079	13.26	979	16.92
- Redeemable cumulative preference shares	-	-	-	-	1,639	13.38	1,873	23.01	1,966	33.98
- Payables	1,297	7.66	303	1.95	-	-	-	-	-	-
- Overdraft and other borrowings	326	1.93	334	2.15	646	5.28	403	4.95	432	7.47
	18,076	106.74	16,198	104.35	12,605	102.94	8,499	104.42	6,320	109.23
Less: interest capitalised in qualifying assets										
- Inventories	-	-	-	-	-	-	-	-	-	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

	FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
- Property, plant and equipment	(53)	(0.31)	(360)	(2.32)	(360)	(2.94)	(360)	(4.42)	(420)	(7.26)
- Port facilities	(1,089)	(6.43)	(316)	(2.03)	-	-	-	-	(114)	(1.97)
Total	16,934	100.00	15,522	100.00	12,245	100.00	8,139	100.00	5,786	100.00
	9-month FPE 2024		9-month FPE 2025							
	RM'000	%	RM'000	%						
Interest expenses:										
- Penalty from revolving credit	-	-	-	-						
- Penalty from term loan	-	-	-	-						
- Advances from ultimate holding corporation	238	5.30	-	-						
- Finance lease liabilities	203	4.52	218	5.18						
- Revolving credits	1,916	42.66	1,333	31.66						
- Term loans	335	7.46	2,314	54.95						
- Redeemable cumulative preference shares	1,470	32.73	1,895	45.00						
- Payables	-	-	-	-						
- Overdraft and other borrowings	329	7.33	315	7.48						
	4,491	100.00	6,075	144.27						
Less: interest capitalised in qualifying assets										
- Inventories	-	-	-	-						
- Property, plant and equipment	-	-	-	-						
- Port facilities	-	-	(1,864)	(44.27)						
Total	4,491	100.00	4,211	100.00						

Commentary on finance costs**Comparison between FYE 2019 and FYE 2020**

The Group's finance costs increased by RM5.87 million or 53.07%, from RM11.06 million in FYE 2019 to RM16.93 million in FYE 2020, which was mainly due to the penalty interest arising from the Group's default on revolving credit facilities amounting to RM6.30 million.

Comparison between FYE 2020 and FYE 2021

The Group's finance costs decreased by RM1.41 million or 8.33%, from RM16.93 million in FYE 2020 to RM15.52 million in FYE 2021, which was mainly due to the decrease in interest expenses for revolving credits by RM1.41 million and decrease in interest expenses for outstanding payables by RM1.00 million, following repayments of the revolving credits and outstanding payables balances. The decrease in the Group's overall finance costs was partially offset by the increase in penalty interest arising from the Group's default on revolving credit facilities by RM0.86 million.

Comparison between FYE 2021 and FYE 2022

The Group's finance costs decreased by RM3.27 million or 21.07%, from RM15.52 million in FYE 2021 to RM12.25 million in FYE 2022, which was mainly due to the following:

- (a) decrease in penalty charges on revolving credit by RM1.88 million and decrease in interest on revolving credit by 2.03 million, resulting from the executions of the CIMB DSA and Affin Islamic DSA to restructure the outstanding defaulted borrowings through cash settlement and the issuance of RPS-A1 and RPS-A2; and
- (b) decrease in interest expenses on term loans by RM1.15 million, mainly due to the repayments of term loans during the year.

The decrease in the Group's overall finance costs was partially offset by the increase in interest expenses on redeemable cumulative preference shares allotted on 31 January 2022.

Comparison between FYE 2022 and FYE 2023

The Group's finance costs decreased by RM4.11 million or 33.55%, from RM12.25 million in FYE 2022 to RM8.14 million in FYE 2023, which was mainly due to the further decrease in penalty charges and interest on revolving credit by RM3.57 million, following the execution of CIMB DSA and Affin Islamic DSA and issuance of RPS-A1 and RPS-A2 respectively.

Comparison between FYE 2023 and FYE 2024

The Group's finance costs decreased by RM2.35 million or 28.87%, from RM8.14 million in FYE 2023 to RM5.79 million in FYE 2024, which was mainly due to the further decrease in penalty charges by RM2.70 million, following the execution of the debt settlement agreement between CIMB and PCB Taipan dated 15 September 2023.

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Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group’s finance costs for 9-month FPE 2024 and 9-month FPE 2025 were fairly consistent.

(i) (LBT)/PBT, tax expenses and (LAT)/PAT

The following tables set out the comparison between the statutory tax rates and the Group’s effective tax rates for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 as well as 9-month FPE 2024 and 9-month FPE 2025:

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2024	9-month FPE 2025
Tax expenses (RM’000)	10,865	30,082	12,167	12,664	10,868	7,596	8,483
Effective tax rate (%)	20.67	61.34	29.09	39.51	39.29	44.85	39.89
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00	24.00	24.00

The following tables set out the Group’s PBT/(LBT), PBT/(LBT) margin, PAT/(LAT) and PAT/(LAT) margin for FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024 as well as 9-month FPE 2024 and 9-month FPE 2025:

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2024	9-month FPE 2025
(LBT)/PBT (RM’000)	(52,556)	49,040	41,827	32,053	27,660	16,935	21,264
(LBT margin)/PBT margin (%)	(40.05)	20.00	28.07	19.95	17.97	14.85	17.08
(LAT)/PAT (RM’000)	(102,647)	(15,972)	29,660	19,389	16,792	9,339	12,781
(LAT margin)/PAT margin(%)	(78.23)	(6.51)	19.91	12.07	10.91	8.19	10.26

Commentary on (LBT)/PBT, tax expenses and (LAT)/PAT**Comparison between FYE 2019 and FYE 2020**

The Group recorded an increase in LBT of RM31.68 million or 151.72%, from LBT of RM20.88 million in FYE 2019 to LBT of RM52.56 million in FYE 2020. The increase in LBT was mainly contributed by the decrease in revenue and lower GP, as explained in Section 1.2.2(a) and (b) of Appendix XVIII of this Circular respectively. In addition, the increase in the Group’s LBT in FYE 2020 is contributed by the increase in net impairment losses on receivables and financial guarantee contracts as well as the increase in finance costs, as explained in Section 1.2.2(f), (g)

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

and (h) of Appendix XVIII of this Circular respectively. However, the aforementioned increase in LBT was offset by the lower other expenses incurred during FYE 2020, as explained in Section 1.2.2(e) of Appendix XVIII of this Circular.

Despite improvements in GP margin in FYE 2020, the Group has recorded a higher LBT margin in FYE 2020 of 40.05% (FYE 2019: LBT margin of 13.95%) mainly due to the higher net impairment losses on receivables and financial guarantee contracts and higher finance costs incurred in FYE 2020.

Despite the Group incurring a LBT in FYE 2020, the Group recorded a tax expense of RM10.87 million in FYE 2020 as compared to a tax expense of RM15.71 million in FYE 2019, which was a decrease of RM4.84 million or 30.81%, due to lower taxable profits during FYE 2020 impacted by the COVID-19 pandemic as well as higher over-provision of Malaysian income tax in the prior year. The Group's effective tax rate of 20.67% (FYE 2019: 75.27%) was lower than the statutory tax rate of 24.00% mainly due to adjustments in respect of deferred tax not recognised in FYE 2020.

As a result of lower tax expenses in FYE 2020 and lower losses incurred from discontinued operations (mainly due to the cessation of operations of the former subsidiary, i.e. PCB Development, on 28 January 2020), the Group recorded LAT of RM102.65 million in FYE 2020 as compared to LAT of RM116.39 million in FYE 2019. Despite the improvement in LAT in FYE 2020, LAT margin has worsened as revenue has decreased at a rate higher than the improvement in LAT, mainly resulting from the COVID-19 pandemic.

Comparison between FYE 2020 and FYE 2021

The Group recorded PBT of RM49.04 million as compared to LBT of RM52.56 million in FYE 2020. The turnaround was mainly contributed by the significant increase in revenue, GP and other income, as explained in Section 1.2.2(a), (b) and (d) of Appendix XVIII of this Circular respectively. However, the aforementioned improvements were offset by the higher net impairment losses on receivables, as explained in Section 1.2.2(f) of Appendix XVIII of this Circular. Correspondingly, the Group recorded PBT margin of 20.00% (FYE 2020: LBT margin of 40.05%), mainly due to higher GP margin of 59.46% recorded in FYE 2021.

The Group recorded tax expenses of RM30.08 million in FYE 2021 in view of the PBT recognised during the financial year. The Group's effective tax rate of 61.34% (FYE 2020: 20.67%) was higher than the statutory tax rate of 24.00% mainly due to non-deductible expenses on the allowance for impairment losses for financial guarantee liability in respect of the corporate guarantee provided for the syndicated term loans granted to Animation Theme Park Sdn Bhd.

Despite the Group recording a PBT in FYE 2020, the higher tax expenses coupled with losses from discontinued operations of RM34.93 million resulted in a LAT of RM15.97 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between FYE 2021 and FYE 2022

The Group recorded a decrease in PBT of RM7.21 million or 14.70%, from RM49.04 million in FYE 2021 to RM41.83 million in FYE 2022, mainly contributed by the significant decrease in revenue, GP and other income, as explained in Section 1.2.2(a), (b) and (d) of Appendix XVIII of this Circular respectively, as well as increase in other expenses, as explained in Section 1.2.2(e) of Appendix XVIII of this Circular. However, the aforementioned decreases were offset by the lower net impairment losses on receivables, as explained in Section 1.2.2(f) of Appendix XVIII of this Circular. Despite the decrease in PBT and GP margin in FYE 2022, the Group recorded an improvement in PBT margin of 28.07% (FYE 2021: 20.00%), as revenue has decreased at a rate higher than the decrease in PBT in FYE 2022.

The Group recorded tax expenses of RM12.17 million in FYE 2022 as compared to tax expense of RM30.08 million in FYE 2021, a decrease of RM17.91 million or 59.54%, which was in tandem with lower PBT in FYE 2022. The Group's effective tax rate of 29.09% in FYE 2022 (FYE 2021: 61.34%) was higher than the statutory tax rate of 24.00% mainly due to deferred tax expense, i.e. relating to origination and reversal of temporary differences and under provision of deferred tax in prior year.

Correspondingly, the Group recorded PAT of RM29.66 million (FYE 2021: LAT of RM15.97 million), despite lower PBT and lower GP. This was mainly due to the absence of losses from discontinued operations in FYE 2022 following the derecognition of PCB Development on 20 December 2021.

Comparison between FYE 2022 and FYE 2023

The Group recorded a decrease in PBT of RM9.78 million or 23.38%, from RM41.83 million in FYE 2022 to RM32.05 million in FYE 2023, mainly contributed by the significant decrease in other income, as explained in Section 1.2.2(d) of Appendix XVIII of this Circular respectively. However, the aforementioned decrease was offset by higher revenue and GP, lower other expenses and lower net impairment losses on receivables, as explained in Section 1.2.2(a), (b), (e) and (f) of Appendix XVIII of this Circular. Resultingly, the Group recorded a decrease in PBT margin of 19.95% in FYE 2023 (FYE 2022: 28.07%).

The Group recorded tax expenses of RM12.66 million in FYE 2023 as compared to tax expenses of RM12.17 million in FYE 2022, an increase of RM0.49 million or 4.03% which was mainly due to real property gain tax recognised in FYE 2023. The Group's effective tax rate of 39.51% in FYE 2023 (FYE 2022: 29.09%) was higher than the statutory tax rate of 24.00% mainly due to real property gain tax on disposal of a leasehold land.

The Group recorded a decrease in PAT of RM10.27 million or 34.63%, from RM29.66 million in FYE 2022 to RM19.39 million in FYE 2023, mainly due to the decrease in PBT. The Group's lower PAT margin of 12.07% in FYE 2023 is also in line with the decrease in PBT margin.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between FYE 2023 and FYE 2024

The Group recorded a decrease in PBT of RM4.39 million or 13.70%, from RM32.05 million in FYE 2023 to RM27.66 million in FYE 2024, mainly contributed by the decrease in revenue, GP and other income, as explained in Section 1.2.2(a), (b) and (d) of Appendix XVIII of this Circular. Resultingly, the Group recorded a decrease in PBT margin of 17.97% in FYE 2024 (FYE 2023: 19.95%).

The Group recorded tax expenses of RM10.87 million in FYE 2024 as compared to tax expenses of RM12.66 million in FYE 2023, a decrease of RM1.79 million or 14.14% which was mainly due to lower taxable profits and over-provision of income tax in prior years. The Group's effective tax rate of 39.29% in FYE 2024 (FYE 2023: 39.51%) was higher than the statutory tax rate of 24.00% mainly due to add back of non-deductible expenses, particularly for expenses relating to rental properties.

The Group recorded a decrease in PAT of RM2.60 million or 13.41%, from RM19.39 million in FYE 2023 to RM16.79 million in FYE 2024, mainly due to the decrease in PBT. The Group's lower PAT margin of 10.91% in FYE 2024 is also in line with the decrease in PBT margin.

Comparison between 9-month FPE 2024 and 9-month FPE 2025

The Group recorded an increase in PBT of RM4.32 million or 25.50%, from RM16.94 million in 9-month FPE 2024 to RM21.26 million in 9-month FPE 2025, mainly contributed by the increase in GP and other income, increase in administrative expenses and decrease in finance costs, as explained in Section 1.2.2(b), (c), (d) and (h) of Appendix XVIII of this Circular. In line with the higher PBT, the Group also recorded an improvement in PBT margin to 17.08% in 9-month FPE 2025 (9-month FPE 2024: 14.85%), despite the increase in administrative expenses as explained in Section 1.2.2(c) of Appendix XVIII of this Circular.

The Group's tax expenses of RM7.60 million in 9-month FPE 2024 as compared to tax expenses of RM8.48 million in 9-month FPE 2025, an increase of RM0.88 million or 11.58% was mainly due to higher taxable profits. Nevertheless, the Group's effective tax rate of 39.89% in 9-month FPE 2025 (9-month FPE 2024: 44.85%) was higher than the statutory tax rate of 24.00% mainly due to add back of non-deductible expenses and the recognition of tax provisions of a profit-making subsidiary. As the remaining subsidiaries were in loss-making positions, their losses could not be utilised to offset the taxable profits of the profit-making subsidiary.

The Group recorded an increase in PAT of RM3.44 million or 36.83%, from RM9.34 million in 9-month FPE 2024 to RM12.78 million in 9-month FPE 2025, mainly due to the increase in PBT during the 9-month FPE 2025. The Group's higher PAT margin of 10.26% in 9-month FPE 2025 (9-month FPE 2024: 8.19%) was mainly due to the higher PBT during the 9-month FPE 2025, partially offset by the increase in tax expenses incurred in the 9-month FPE 2025 as compared to the 9-month FPE 2024.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

1.2.3 Review of financial position

(a) Assets

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	186,131	92,845	75,151	72,957	73,549	73,293
Right-of-use assets	96,702	93,030	89,994	88,771	87,826	86,997
Port facilities	139,680	140,584	144,154	151,567	213,151	293,594
Investment properties	19,285	7,588	7,305	7,022	6,740	6,528
Other investments	25	25	25	25	25	25
Intangible assets	26,973	26,058	25,107	24,433	24,212	24,107
Finance lease receivables	57	-	-	-	-	-
Inventories	24,311	1,330	10,428	10,428	10,428	10,428
Total non-current assets	493,164	361,460	352,164	355,203	415,931	494,972
Current assets						
Inventories	161,757	105,595	97,009	95,813	105,977	105,487
Receivables, deposits and prepayments	25,728	31,445	25,906	47,651	33,525	44,959
Finance lease receivables	131	57			-	-
Current tax assets	759	461	78	131	2,073	3,323
Other investments	4,247	4,293	121	126	129	134
Deposits, cash and bank balances	41,734	45,897	51,381	41,260	33,224	25,595
Total current assets	234,356	187,748	174,495	184,981	174,928	179,498
TOTAL ASSETS	727,520	549,208	526,659	540,184	590,859	674,470

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between 31 December 2019 and 31 December 2020

The Group's total assets decreased by RM14.75 million or 1.99%, from RM742.27 million as at 31 December 2019 to RM727.52 million as at 31 December 2020. The decrease was mainly attributable to the decrease in current assets of RM105.71 million and partially offset by the increase in non-current assets of RM90.96 million as at 31 December 2020.

Non-current assets

The Group's non-current assets increased by RM90.96 million or 22.62%, from RM402.20 million as at 31 December 2019 to RM493.16 million as at 31 December 2020, mainly attributable to the increase in property, plant and equipment by RM73.13 million, mainly arising from the transfer of the assets held for sale previously recognised under current assets amounting RM87.75 million as at 31 December 2019 to property, plant and equipment under non-current assets as at 31 December 2020. The said transfer was done as the likelihood of the assets being sold within 12 months from the reporting date is highly improbable. In addition, the increase in the Group's non-current assets as at 31 December 2020 is attributable to the increase in port facilities by RM19.74 million, mainly arising from additions of capital work-in-progress for the expansion of LMT2.

Current assets

The Group's current assets decreased by RM105.71 million or 31.08%, from RM340.07 million as at 31 December 2019 to RM234.36 million as at 31 December 2020, mainly attributable to the following:

- (i) decrease in receivables, deposits and prepayments by RM32.37 million, mainly due to allowance for impairment losses on trade receivables, amount due from ultimate holding corporation and amount due from fellow subsidiaries. Further details are set out in Section 1.2.2(f) of Appendix XVIII of this Circular.
- (ii) decrease in assets held for sale by RM87.75 million, mainly due to the transfer of the assets held for sale previously recognised under current assets amounting RM87.75 million as at 31 December 2019 to property, plant and equipment under non-current assets as at 31 December 2020.

The abovementioned decreases were offset by the increase in deposits, cash and bank balances by RM13.92 million. The review of the Group's cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

Comparison between 31 December 2020 and 31 December 2021

The Group's total assets decreased by RM178.31 million or 24.51%, from RM727.52 million as at 31 December 2020 to RM549.21 million as at 31 December 2021. The decrease was mainly attributable to the decrease in non-current assets of RM131.70 million and the decrease in current assets of RM46.61 million as at 31 December 2021.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Non-current assets

The Group’s non-current assets decreased by RM131.70 million or 26.71%, from RM493.16 million as at 31 December 2020 to RM361.46 million as at 31 December 2021, mainly attributable to the following:

- (i) decrease in property, plant and equipment by RM93.28 million, mainly due to the derecognition of property, plant and equipment of PCB Development following its creditors’ voluntary winding up.
- (ii) decrease in investment properties by RM11.70 million, mainly arising from reclassification of the Land to inventories for the Government Acquisition and derecognition of investment properties amounting to RM6.51 million belonging to PCB Development following its creditors’ voluntary winding up.
- (iii) Decrease in inventories by RM22.98 million, mainly due to derecognition of inventories amounting to RM22.71 million belonging to PCB Development following its creditors’ voluntary winding up.

Current assets

The Group’s current assets decreased by RM46.61 million or 19.89%, from RM234.36 million as at 31 December 2020 to RM187.75 million as at 31 December 2021, mainly attributable to the decrease in inventories by RM56.16 million, mainly due to derecognition of inventories owned by PCB Development following its creditors’ voluntary winding up.

The abovementioned decrease was partially offset by the increase in the following:

- (i) increase in receivables, deposits and prepayments by RM5.72 million, mainly due to derecognition of receivables, deposits and prepayment totalling to RM15.57 million belonging to PCB Development following its creditors’ voluntary winding up and the subsequent recognition of a net amount due from PCB Development of RM20.41 million.
- (ii) increase in deposits, cash and bank balances by RM4.17 million. The review of the Group’s cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

Comparison between 31 December 2021 and 31 December 2022

The Group’s total assets decreased by RM22.55 million or 4.11%, from RM549.21 million as at 31 December 2021 to RM526.66 million as at 31 December 2022. The decrease was mainly attributable to the decrease in non-current assets of RM9.30 million and the decrease in current assets of RM13.25 million as at 31 December 2022.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Non-current assets

The Group’s non-current assets decreased by RM9.30 million or 2.57%, from RM361.46 million as at 31 December 2021 to RM352.16 million as at 31 December 2022, mainly attributable to the following:

- (i) decrease in property, plant and equipment of RM17.70 million, mainly due to impairment losses on property, plant and equipment of RM17.64 million.
- (ii) decrease in right-of-use assets of RM3.04 million, mainly due to impairment losses on right-of-use assets of RM3.15 million.

The abovementioned decreases were offset by the increase in the following:

- (i) increase in port facilities of RM3.57 million, mainly due to additions of capital work-in-progress for the expansion of LMT2, offset by depreciation charges.
- (ii) increase in inventories of RM9.10 million, mainly due to the reclassification of leasehold land held for development, amounting to RM10.43 million, from current assets to non-current assets as the Company no longer intends to dispose the said leasehold lands within the next 12 months.

Current assets

The Group’s current assets decreased by RM13.25 million or 7.06%, from RM187.75 million as at 31 December 2021 to RM174.50 million as at 31 December 2022, mainly attributable to the following:

- (i) decrease in inventories by RM8.59 million, mainly due to the Government Acquisition.
- (ii) decrease in receivables, deposits and prepayments by RM5.54 million, mainly due to higher impairment losses on amount due from former subsidiaries.
- (iii) decrease in other investments by RM4.17 million, mainly due to disposal of the Group’s investment in unit trust fund during FYE 2022.

The abovementioned decrease was partially offset by the increase in deposits, cash and bank balances by RM5.48 million. The review of the Group’s cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

Comparison between 31 December 2022 and 31 December 2023

The Group’s total assets increased by RM13.52 million or 2.57%, from RM526.66 million as at 31 December 2022 to RM540.18 million as at 31 December 2023. The increase was mainly attributable to the increase in non-current assets of RM3.04 million and the increase in current assets of RM10.48 million as at 31 December 2023.

Non-current assets

The Group’s non-current assets increased by RM3.04 million or 0.86%, from RM352.16 million as at 31 December 2022 to RM355.20 million as at 31 December 2023, mainly attributable to the increase in port facilities of RM7.42 million, mainly arising from additions of capital work-in-progress for the expansion of LMT2, offset by depreciation charges. Nevertheless, the increase was partially offset by the decrease in property plant and equipment by RM2.19 million and right-of-use assets by RM1.22 million, mainly due to depreciations charges of property plant and equipment and right-of-use assets.

Current assets

The Group’s current assets increased by RM10.48 million or 6.01%, from RM174.50 million as at 31 December 2022 to RM184.98 million as at 31 December 2023, mainly attributable to the increase in receivables, deposits and prepayments by RM21.74 million, mainly due to the following:

- (i) increase in trade receivables by RM2.45 million, resulting from higher revenue recognised during the year.
- (ii) increase in prepayments by RM8.75 million, mainly arising from prepayments for purchase of material handlers.
- (iii) increase in amount due from related parties by RM10.33 million, mainly due to increase in amount due from Lekir Bulk Terminal Sdn Bhd for the provision of operation and maintenance services.

The abovementioned increase was partially offset by the decrease in deposits, cash and bank balances by RM10.12 million. The review of the Group’s cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between 31 December 2023 and 31 December 2024

The Group’s total assets increased by RM50.68 million or 9.38%, from RM540.18 million as at 31 December 2023 to RM590.86 million as at 31 December 2024. The increase was mainly attributable to the increase in non-current assets of RM60.73 million and partially offset by the decrease in current assets of RM10.05 million as at 31 December 2024.

Non-current assets

The Group’s non-current assets increased by RM60.73 million or 17.10%, from RM355.20 million as at 31 December 2023 to RM415.93 million as at 31 December 2024, mainly attributable to the increase in port facilities of RM61.58 million, mainly arising from additions of capital work-in-progress for the expansion of LMT 2, offset by depreciation charges during the year.

Current assets

The Group’s current assets decreased by RM10.05 million or 5.43%, from RM184.98 million as at 31 December 2023 to RM174.93 million as at 31 December 2024, mainly attributable to the following:

- (i) decrease in receivables, deposits and prepayments by RM14.12 million, mainly due to the following:
 - (a) decrease in prepayments by RM7.30 million, mainly due to capitalisation of prior year prepayments for the purchase of material handlers as property, plant and equipment.
 - (b) decrease in amount due from related parties by RM6.09 million, mainly due to collections from related parties during the year.
- (ii) decrease in deposits, cash and bank balances by RM8.04 million. The review of the Group’s cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

The abovementioned decrease was partially offset by the increase in inventories by RM10.17 million, mainly due to capitalisation of land premium costs of Hinterland, Zone 1 Bandar Meru Raya and SVTP Industrial Hub, amounting to RM7.39 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Comparison between 31 December 2024 and 30 September 2025

The Group’s total assets increased by RM83.61 million or 14.15%, from RM590.86 million as at 31 December 2024 to RM674.47 million as at 30 September 2025. The increase was mainly attributable to the increase in non-current assets of RM79.04 million and increase in current assets of RM4.57 million as at 30 September 2025.

Non-current assets

The Group’s non-current assets increased by RM79.04 million or 19.00%, from RM415.93 million as at 31 December 2024 to RM494.97 million as at 30 September 2025, mainly attributable to the increase in port facilities of RM80.44 million, mainly arising from additions of capital work-in-progress for the expansion of LMT 2, offset by depreciation charges during the year.

Current assets

The Group’s current assets increased by RM4.57 million or 2.61%, from RM174.93 million as at 31 December 2024 to RM179.50 million as at 30 September 2025, mainly attributable to the following:

- (iii) increase in receivables, deposits and prepayments by RM11.43 million, mainly due to the following:
 - (a) increase in trade receivables by RM2.35 million, primarily from the Group’s port and logistics segment, resulting from higher revenue recognised during the period.
 - (b) increase in prepayments by RM3.78 million, mainly arising from prepayments for insurance and capital work-in-progress for the expansion of LMT2.
 - (c) increase in amount due from related parties by RM4.88 million, mainly due to increase in amount due from Lekir Bulk Terminal Sdn Bhd for the provision of operation and maintenance services.
- (iv) Increase in current tax assets by RM1.25 million, mainly due to tax instalments paid in advance during the period, pending the finalisation of tax assessments for the current year of assessment.

The abovementioned increase was partially offset by the decrease in deposits, cash and bank balances by RM7.62 million. The review of the Group’s cash flow is set out in Section 1.3.2 of Appendix XVIII of this Circular.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

(b) Liabilities

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities						
Loans and borrowings	67,765	24,593	33,769	54,119	91,997	145,949
Deferred tax liabilities	14,964	12,573	13,263	13,211	14,760	15,910
Total non-current liabilities	82,729	37,166	47,032	67,330	106,757	161,859
Current liabilities						
Loans and borrowings	480,560	158,619	94,186	65,834	52,030	54,865
Payables and accrued liabilities	263,653	132,715	139,626	146,872	161,204	174,362
Current tax liabilities	17,313	2,578	3,025	2,969	1,897	1,632
Total current liabilities	761,526	293,912	236,837	215,675	215,131	230,859
TOTAL LIABILITIES	844,255	331,078	283,869	283,005	321,888	392,718

Comparison between 31 December 2019 and 31 December 2020

The Group's total liabilities increased by RM92.90 million or 12.36%, from RM751.36 million as at 31 December 2019 to RM844.26 million as at 31 December 2020. The increase was mainly attributable to the increase in current liabilities of RM141.04 million and offset by the decrease in non-current liabilities of RM48.14 million as at 31 December 2021.

Non-current liabilities

The Group's non-current liabilities decreased by RM48.14 million or 36.78%, from RM130.87 million as at 31 December 2019 to RM82.73 million as at 31 December 2020, mainly attributable to the following:

- (i) decrease in loans and borrowings by RM4.96 million, mainly due to repayments of term loans during FYE 2020.
- (ii) decrease in payables and accrued liabilities by RM43.41 million, mainly due to reclassification of the amount payable to the ultimate holding corporation from non-current liabilities to current liabilities, as it becomes due for repayment within the next 12 months.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Current liabilities

The Group's current liabilities increased by RM141.04 million or 22.73%, from RM620.49 million as at 31 December 2019 to RM761.53 million as at 31 December 2020, mainly attributable to the following:

- (i) increase in loans and borrowings by RM35.40 million, mainly arising from the defaulted principal repayments along with associated penalties and interest, following the default on principal repayments by Animation Theme Park Sdn Bhd, a subsidiary of PCB Development, in FYE 2019, which led to an event of default.
- (ii) increase in payables and accrued liabilities by RM106.38 million, attributable to the following:
 - (aa) increase in financial guarantee liabilities by RM16.12 million, mainly due to impairment losses recognised on financial guarantee contracts granted to associates of the Group.
 - (bb) increase in contract liabilities by RM17.37 million, mainly due to amounts received in advance from other payables upon signing of agreements.
 - (cc) increase in amount payable to the ultimate holding corporation by RM41.34 million, mainly due to reclassification of the said amounts from non-current liabilities to current liabilities, as it becomes due for repayment within the next 12 months.
 - (dd) increase in other payables and accruals by RM31.87 million, mainly due to liabilities recognised or accrued in relation to the material litigation of the Group, which involves claims brought by subcontractors involved in the construction of the theme park under Animation Theme Park Sdn Bhd.

Comparison between 31 December 2020 and 31 December 2021

The Group's total liabilities decreased by RM513.18 million or 60.78%, from RM844.26 million as at 31 December 2020 to RM331.08 million as at 31 December 2021. The decrease was mainly attributable to the decrease in non-current liabilities of RM45.56 million and decrease in current liabilities of RM467.62 million as at 31 December 2021.

Non-current liabilities

The Group's non-current liabilities decreased by RM45.56 million or 55.07%, from RM82.73 million as at 31 December 2020 to RM37.17 million as at 31 December 2021, mainly attributable to the decrease in loans and borrowings by RM43.18 million, which in turn was mainly due to repayments of term loans during FYE 2021 as well as derecognition of redeemable convertible preference shares resulting from the derecognition of liabilities of PCB Development following its creditors' voluntary winding up.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Current liabilities

The Group’s current liabilities decreased by RM467.62 million or 61.41%, from RM761.53 million as at 31 December 2020 to RM293.91 million as at 31 December 2021, mainly attributable to the following:

- (i) decrease in loans and borrowings by RM321.94 million, mainly due to repayments of term loans and revolving credits during FYE 2021 as well as the derecognition of syndicated term loans resulting from the derecognition of liabilities of PCB Development following its creditors’ voluntary winding up.
- (ii) decrease in payables and accrued liabilities by RM130.93 million, mainly due to the derecognition of liabilities of PCB Development, including other payables, contract liabilities and current tax liabilities, following its creditors’ voluntary winding up.

Comparison between 31 December 2021 and 31 December 2022

The Group’s total liabilities decreased by RM47.21 million or 14.26%, from RM331.08 million as at 31 December 2021 to RM283.87 million as at 31 December 2022. The decrease was mainly attributable to the decrease in current liabilities of RM57.07 million and offset by the increase in non-current liabilities of RM9.86 million as at 31 December 2022.

Non-current liabilities

The Group’s non-current liabilities increased by RM9.86 million or 26.53%, from RM37.17 million as at 31 December 2021 to RM47.03 million as at 31 December 2022, mainly attributable to the increase in loans and borrowings by RM9.18 million, which in turn was mainly due to the issuance of RPS-A1 and RPS-A2 pursuant to CIMB DSA and Affin Islamic DSA respectively and offset by repayments of term loans during FYE 2022.

Current liabilities

The Group’s current liabilities decreased by RM57.07 million or 19.42%, from RM293.91 million as at 31 December 2021 to RM236.84 million as at 31 December 2022, mainly attributable to the decrease in loans and borrowings by RM64.43 million, which in turn was mainly due to repayments of revolving credits during FYE 2022 from the compensation received from Government Acquisition. The decrease is partially offset by the increase in payables and accrued liabilities by RM6.91 million, mainly arising from deposits received of RM7.23 million pertaining to contracts entered into for property transactions, for which the transaction have not been completed as at the end of the financial year.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Comparison between 31 December 2022 and 31 December 2023

The Group's total liabilities decreased slightly by RM0.86 million or 0.30%, from RM283.87 million as at 31 December 2022 to RM283.01 million as at 31 December 2023. The decrease was mainly attributable to the decrease in current liabilities of RM21.16 million and offset by the increase in non-current liabilities of RM20.30 million as at 31 December 2023.

Non-current liabilities

The Group's non-current liabilities increased by RM20.30 million or 43.16%, from RM47.03 million as at 31 December 2022 to RM67.33 million as at 31 December 2023, mainly attributable to the increase in loans and borrowings by RM20.35 million, which in turn was mainly due the issuance of RPS-A1 and RPS-A2 pursuant to CIMB DSA and Affin Islamic DSA respectively during FYE 2022.

Current liabilities

The Group's current liabilities decreased by RM21.16 million or 8.93%, from RM236.84 million as at 31 December 2022 to RM215.68 million as at 31 December 2023, mainly attributable to the decrease in loans and borrowings by RM28.36 million, which in turn was mainly due to repayments of revolving credits during FYE 2023. The decrease is partially offset by the increase in payables and accrued liabilities by RM7.24 million, mainly arising from deposits received of RM9.21 million pertaining to contracts entered into for property transactions, for which the transaction have not been completed as at the end of the financial year.

Comparison between 31 December 2023 and 31 December 2024

The Group's total liabilities increased by RM38.88 million or 13.74%, from RM283.01 million as at 31 December 2023 to RM321.89 million as at 31 December 2024. The increase was mainly attributable to the increase in non-current liabilities of RM39.43 million and offset by the decrease in current liabilities of RM0.55 million as at 31 December 2024.

Non-current liabilities

The Group's non-current liabilities increased by RM39.43 million or 58.56%, from RM67.33 million as at 31 December 2023 to RM106.76 million as at 31 December 2024, mainly attributable to the increase in loans and borrowings by RM37.88 million, which in turn was mainly due the drawdown of banking facilities granted by CIMB to LMTSB amounting to RM28.91 million to part finance the construction cost of LMT2 as well as reclassification of the Group's financing-i and revolving credits from current liabilities to non-current liabilities, based on their respective contractual maturity profiles.

Current liabilities

The Group’s current liabilities decreased by RM0.55 million or 0.26%, from RM215.68 million as at 31 December 2023 to RM215.13 million as at 31 December 2024, mainly attributable to the decrease in loans and borrowings by RM13.80 million, which in turn was mainly due to reclassification of the Group’s financing-I and revolving credits from current liabilities to non-current liabilities, based on their respective contractual maturity profiles. The decrease is partially offset by the increase in payables and accrued liabilities by RM14.33 million, mainly arising from deposits received of RM15.30 million pertaining to contracts entered into for property transactions, for which the transaction have not been completed as at the end of the financial year.

Comparison between 31 December 2024 and 30 September 2025

The Group’s total liabilities increased by RM70.83 million or 22.00%, from RM321.89 million as at 31 December 2024 to RM392.72 million as at 30 September 2025. The increase was mainly attributable to the increase in non-current liabilities of RM55.10 million and increase in current liabilities of RM15.73 million as at 30 September 2025.

Non-current liabilities

The Group’s non-current liabilities increased by RM55.10 million or 51.61%, from RM106.76 million as at 31 December 2024 to RM161.86 million as at 30 September 2025, mainly attributable to the increase in loans and borrowings by RM53.95 million, which in turn was mainly due to the drawdown of banking facilities granted by CIMB to LMTSB amounting to RM55.29 million to part finance the construction cost of LMT2.

Current liabilities

The Group’s current liabilities increased by RM15.73 million or 7.31%, from RM215.13 million as at 31 December 2024 to RM230.86 million as at 30 September 2025, mainly attributable to the increase in payables and accrued liabilities by RM13.16 million, mainly arising from deposits received of RM10.68 million pertaining to the Proposed Joint Development, Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Zone 1 Bandar Meru Raya and the collaboration agreement executed with SASB on 7 February 2025 for the proposed joint development of the 50-acres Land, for which the aforementioned transactions have not been completed as at the end of the financial period. The remaining increase in payables and accrued liabilities mainly arise from expenses incurred for the expansion of LMT2.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

(c) Financial guarantee liabilities

The details of financial guarantee liabilities as at 30 September 2025 are as follows:

Corporate Guarantees	Details of cross default clauses	⁽¹⁾Outstanding balance as at 30 September 2025 RM'000	Corporate guarantees given to financial institutions RM'000	Carrying amount of financial guarantee liabilities (Company level) RM'000
Corporate guarantee provided by Perak Corp to Suaconcept, an associate company of Perak Corp, for project financing facility extended by MDV. ⁽²⁾	MDV may (but shall not be under any obligation whether at law or in equity so to do), by written notice to the customer declare that the facility shall be cancelled, whereupon the same shall be cancelled and/or (but shall not be under any obligation whether at law or in equity so to do) declare the secured amount to be forthwith due and payable, whereupon the same shall become so payable, if: (1) any security party fails to pay any sum due under the security documents on due date; or (2) any security party is in default under any provision of the security documents which is not capable of remedy or which, being capable of remedy, is not remedied within seven (7) days after MDV's notice to such security party requesting action to remedy the same; or (3) any indebtedness of any security party becomes capable, in accordance with relevant terms thereof, of being declared due prematurely by reason of default by such security party in its obligations in respect of the same, or such security party fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any financing facility, advance or credit made available to any security party is withdrawn; or	19,522	19,068	9,974

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Corporate Guarantees	Details of cross default clauses	(1)Outstanding balance as at 30 September 2025 RM'000	Corporate guarantees given to financial institutions RM'000	Carrying amount of financial guarantee liabilities (Company level) RM'000
	(4) any indebtedness of the security party becomes due or capable of being declared due before its stated maturity or any guarantee of the security party is not discharged at maturity or when called or the security party goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness or guarantee.			
Corporate guarantee provided by Perak Corp to Unified Million Sdn Bhd (" UMSB "), an associate company of Perak Corp, for banking facilities extended by Malayan Banking Berhad (" MBB "). ⁽³⁾	Any indebtedness of the borrower or the security party or any of their subsidiaries becomes due or capable of being declared due before its stated maturity, any guarantee of the borrower or the security party or any of their subsidiaries is not discharged at maturity or when called or the borrower or the security party or any of their subsidiaries goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness or guarantee.	5,776	5,629	5,675
Corporate guarantee provided by Perak Corp to PCB Taipan for banking facilities extended by CIMB.	Notwithstanding any other provisions stated herein, CIMB hereby expressly agrees that if any sum shall be due from CIMB and/or the security party and/or the guarantor to the bank and/or any other third party from time to time or at any time or if the borrower and/or the security party and/or the guarantor may be or become liable to the bank anywhere on any banking loan or any other credit facilities, or any other account current or otherwise or in any manner whatsoever or if default is made in any provisions of such accounts or in any other facilities granted by the bank to the borrower an/or the security party and/or the guarantor or in any other of the provisions herein, then and in such event the facility and advances herein together with all monies owing under the accounts or facilities aforesaid shall immediately become due and payable and the security documents herein shall become immediately enforceable.	24,715	30,000	24,286

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Corporate Guarantees	Details of cross default clauses	(1)Outstanding balance as at 30 September 2025 RM'000	Corporate guarantees given to financial institutions RM'000	Carrying amount of financial guarantee liabilities (Company level) RM'000
Corporate guarantee provided by Perak Corp to Lanai Casuarina Sdn Bhd, a wholly-owned subsidiary of Perak Corp, for financing facilities extended by Bank Islam Malaysia Berhad.	Any indebtedness of the customer or the security party or any of their subsidiaries with the bank or any other banks becomes due or capable of being declared due before its stated maturity, any guarantee of the customer or the security party or any of their subsidiaries is not discharged at maturity or when called or the customer or the security party or any of their subsidiaries goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness or guarantee. The customer hereby expressly agrees that if any sums shall be due from the customer to the bank from time to time or at any time or if the customer may be or become liable to the bank anywhere on banking account or any other account current or otherwise in any manner whatsoever or if default is made in any provisions of such account or in any other banking facilities granted by the bank or any other banks to the customer or in any of the provisions herein, then in any such event, the monies hereby secured together with all monies payable under such account or other banking facilities aforesaid shall immediately become due and payable and the security herein shall become immediately enforceable.	19,085	19,766	-
Corporate guarantee provided by Perak Corp to Casuarina Teluk Intan Sdn Bhd, a wholly-owned subsidiary of Perak Corp, for banking facilities extended by Bank Islam Malaysia Berhad.	Any indebtedness of the customer or the security party or any of their subsidiaries with the bank or any other banks becomes due or capable of being declared due before its stated maturity, any guarantee of the customer or the security party or any of their subsidiaries is not discharged at maturity or when called or the customer or the security party or any of their subsidiaries goes into default under, or commits a breach or, any instrument or agreement relating to any such indebtedness or guarantee.	10,690	23,000	-

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Corporate Guarantees	Details of cross default clauses	(1) Outstanding balance as at 30 September 2025 RM'000	Corporate guarantees given to financial institutions RM'000	Carrying amount of financial guarantee liabilities (Company level) RM'000
	The customer hereby expressly agrees that is any sums shall be due from the customer to the bank from time to time or at any time or if the customer may be or become liable to the bank anywhere on banking account or any other account current or otherwise in any manner whatsoever or if default is made in any provisions of such account or in any other banking facilities granted by the bank or any other banks to the customer or in any of the provisions herein, then in any such event, the monies hereby secured together with all monies payable under such account or other banking facilities aforesaid shall immediately become due and payable and the security herein shall become immediately enforceable.			
Letter of undertaking issued by Perak Corp to certain subcontractors appointed by Daya Sejahtera Sdn Bhd (formerly known as Sanderson Development Group (Malaysia) Sdn Bhd) (In Liquidation), a former turnkey contractor engaged by Animation Theme Park Sdn Bhd, a former subsidiary of Perak Corp, whereby Perak Corp undertook to settle outstanding payments in consideration of the completion of the respective subcontracted works. ⁽⁴⁾	-	963	963	963
Total		80,751	98,426	40,898

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Notes:

- (1) Refers to outstanding balance of respective related company’s borrowings for which corporate guarantees were provided by the Company.
- (2) Suaconcept is a licensed network facilities provider, primarily involved in deploying fibre optic infrastructure through non-destructive methods using sewer tunnels. The corporate guarantee provided by Perak Corp to Suaconcept was for project financing facility extended by MDV. In addition to the corporate guarantee provided by Perak Corp, the project financial facility extended by MDV is further secured by the following:
 - (i) A debenture creating a first rank fixed and floating charge over all present and future assets of Suaconcept;
 - (ii) Specific debenture over MDV-financed equipment;
 - (iii) Joint and several guarantees from the directors of Suaconcept, i.e. Mohd Khalid bin Shuib, Shuib bin Md Yusop and Wan Razawa bin Wan Ismail;
 - (iv) General deed of assignment on all proceeds received/to be received from the projects stipulated under the project financing facility agreement (“**Deed of Assignment**”); and
 - (v) Assignment over the insurance policies in respect of the assets and equipment financed by MDV.

Furthermore, Perak Corp’s exposure under the said corporate guarantee is limited to 49.00% of the outstanding loans of Suaconcept (i.e. approximately RM12.03 million as at 31 December 2024). Based on the latest audited financial statement of Suaconcept for FYE 2023, Suaconcept recorded revenue of RM138.79 million and PAT of RM0.44 million, with its auditors issuing an unmodified opinion and not highlighting any going concern matters. As at the LPD, Suaconcept has certain overdue payments to MDV, of which MDV, through its solicitors, had issued a notice of demand to Suaconcept and its guarantors in respect of the said overdue amounts. However, MDV has allowed Suaconcept to settle all outstanding amounts by April 2026 and has not commenced any legal proceedings against Suaconcept and its guarantors. Besides, pursuant to the Proposed Disposal of Suaconcept, the Purchaser is required to obtain written confirmation from MDV to release the corporate guarantee provided by Perak Corp. However, as at the LPD, the Purchaser has yet to obtain the said written confirmation from MDV as the Purchaser has not satisfactorily provided alternative arrangements to substitute or discharge Perak Corp’s corporate guarantee. Nevertheless, upon completion of the SSA, Perak Corp will be fully discharged of its obligations and liabilities under the said corporate guarantee.

The Board is of the view that the financial exposure of Perak Corp under the corporate guarantee provided to Suaconcept is well mitigated as the Deed of Assignment allows MDV to claim the assigned proceeds directly from Suaconcept’s project account assigned to MDV in the event of a default and the Purchaser has a contractual obligation to obtain the written confirmation from MDV to release the corporate guarantee provided by Perak Corp, pursuant to the SSA.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

- (3) UMSB is the owner and operator of Pangkor Village Resort. The corporate guarantee provided by Perak Corp to UMSB was for term loan and overdraft facilities extended by MBB. In addition to the corporate guarantee provided by Perak Corp, the financing facilities extended by MBB are secured by the following:
- (i) A first-party legal charge over a piece of commercial land held under HSD 35997, PT 1108, Mukim Pekan Pasir Bogak, Daerah Manjung, Negeri Perak;
 - (ii) A debenture over fixed and floating, present and future assets for RM7.14 million of UMSB; and
 - (iii) Joint and several guarantees from Mohamad Fahizan bin Suid, Mohamad Shahrul Izzam bin Mohamad Zazuri and Rosni binti Suid.

Based on the latest audited financial statement of UMSB for the FYE 31 December 2021, despite recording a LAT of RM0.48 million, UMSB maintains a positive net asset position, with its auditors issuing an unmodified opinion and not highlighting any going concern matters. Furthermore, as at the LPD, there are no events of default or overdue payments in relation to the banking facilities extended by MBB.

The Board is of the view that the financial exposure of Perak Corp under the corporate guarantee provided to UMSB is well mitigated as the charged assets under the facility agreement between UMSB and MMB exceeds the outstanding loan amount of UMSB.

- (4) Although Animation Theme Park Sdn Bhd is no longer a subsidiary of the Group, the obligations to settle the outstanding payments in consideration of the completion of the respective subcontracted work were direct commitments made by the Company under the letter of undertaking, and these outstanding balances have since been classified as contingent creditors under the SOA. Upon completion of the Proposed Issuance of RPS-B, any remaining balance of debts owing to the contingent creditors not settled shall be waived in full and all undertakings given by Perak Corp to the contingent creditors shall be discharged accordingly.

1.3 LIQUIDITY AND CAPITAL RESOURCES**1.3.1 Working capital**

The Group has been financing its operations through existing cash and bank balances, cash generated from operations, while for development purposes, external sources of funds, i.e. term loans.

As at 30 September 2025, deposits, cash and bank balances of the Group totalled RM25.60 million.

The decision to utilise either internally generated funds or borrowings for the business operations depends on, amongst others, the available cash and bank balances at the material time, expected cash inflows from the operations, future working capital and capital expenditure requirements and the interest rate on borrowings.

Immediately upon full implementation of the Proposed Regularisation Plan, Perak Corp expects to raise proceeds of up to RM106.27 million from the Proposed Disposals of Hulu Bernam Lands and Proposed Disposal of Zone 1 Bandar Meru Raya, which has been earmarked for the utilisation as disclosed in Section 3 of this Circular. Out of the Proceeds Raised, RM64.68 million is allocated for the redemption of RPS-A1 and RPS-A2 as well as for the redemption of Parcel 2 Land. The balance proceeds will be earmarked for redemption of RPS-B, construction of STP, working capital purposes as well as to defray estimated expenses for the Proposed Regularisation Plan.

In respect of the Group’s port and logistics segment, LMTSB has secured a bank facility of RM130.00 million to partially finance the construction of LMT2. Leveraging on the stable and recurring income from its existing port operations at LMT, LMTSB plans to fund the setup costs of LMT2 through a combination of internally generated funds and the aforementioned banking facility, which will be utilised upon commencement of construction works of LMT2, prior to its operations.

The Board is of the opinion that, after taking into consideration for the following:

- (i) the stable and recurring revenue stream of LMTSB through its port operations;
- (ii) the proceeds to be raised from the Proposed Disposals of Hulu Bernam Lands, Proposed Disposal of Zone 1 Bandar Meru Raya and the pro forma cash flows position of the Group upon the completion of the Proposed Regularisation Plan; and
- (iii) the future plans and strategies of the Group, focusing on expanding its business through the development of new property projects. This includes identifying high-potential land banks, launching residential, commercial, and mixed-use developments, and leveraging strategic partnerships to enhance project viability,

is of the view that the Group will have sufficient working capital available for a period of 12 months from the date of this Circular.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.3.2 Review of cash flows

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	33,087	111,930	83,703	30,497	46,319	33,116
Net cash used in investing activities	(17,340)	(25,964)	(8,680)	(22,260)	(64,888)	(95,544)
Net cash (used in)/generated from financing activities	(9,274)	(81,293)	(69,823)	(23,748)	24,626	52,408
Net increase/(decrease) in cash and cash equivalents	6,473	4,673	5,200	(15,511)	6,057	(10,020)
Cash and cash equivalents at the beginning of the financial year	13,823	20,296	24,969	30,169	14,658	20,715
Cash and cash equivalents at the end of the financial year	20,296	24,969	30,169	14,658	20,715	10,695

FYE 2020

Net cash from operating activities

In FYE 2020, the Group recorded net cash from operating activities of RM33.09 million. The Group collected RM166.04 million from its customers and received other income of RM1.56 million. However, the above was offset by cash payments made amounting to RM134.51 million, for the following:

- (i) RM123.04 million paid to the Group's suppliers as well as operating expenses (such as staff salaries and Directors' remunerations).
- (ii) income tax paid of RM11.47 million.

Net cash from investing activities

In FYE 2020, the Group recorded net cash used in investing activities of RM17.34 million, mainly attributable to the purchase of furniture and fittings and a motor vehicle amounting to RM1.17 million as well as purchase of port facilities amounting to RM16.15 million, including port equipment and additions to capital work-in-progress for the expansion of LMT2.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Net cash used in financing activities

In FYE 2020, the Group recorded net cash used in financing activities of RM9.27 million, attributable to the following:

- (i) Dividends paid to non-controlling interests of RM5.00 million.
- (ii) Placement of deposits with licensed banks with maturity of more than 3 months of RM7.31 million.
- (iii) Repayment of term loans amounting to RM5.72 million.
- (iv) Interest paid on loans and borrowings during the year amounting to RM2.87 million.
- (v) Advances from related parties amounting to RM7.02 million.
- (vi) Cash flow from financing activities of discontinued operations, i.e. Animation Theme Park Sdn Bhd, of RM4.65 million, following PCB Development’s creditors’ voluntary winding up.

FYE 2021**Net cash from operating activities**

In FYE 2021, the Group recorded net cash from operating activities of RM111.93 million. The Group collected RM415.50 million from its customers and received other income of RM2.95 million. However, the above was offset by cash payments made amounting to RM306.52 million, for the following:

- (i) RM294.89 million paid to the Group’s suppliers as well as operating expenses (such as staff salaries and Directors’ remunerations).
- (ii) Net income tax paid of RM11.63 million.

Net cash from investing activities

In FYE 2021, the Group recorded net cash used in investing activities of RM25.96 million, attributable to the following:

- (i) Purchase of furniture and fittings and 3 motor vehicles amounting to RM1.06 million.
- (ii) Purchase of port facilities amounting to RM6.32 million, including port equipment, port structures and additions to capital work-in-progress for the expansion of LMT2.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

- (iii) Derecognition of subsidiaries, net of cash and cash equivalents derecognised of RM1.58 million.
- (iv) Advances provided to related parties amounting to RM17.42 million for working capital purposes.

Net cash used in financing activities

In FYE 2021, the Group recorded net cash used in financing activities of RM81.29 million, attributable to the following:

- (i) Dividends paid to non-controlling interests of RM5.00 million.
- (ii) Repayment of term financing, term loans and revolving credits amounting to RM79.12 million.
- (iii) Interest paid on loans and borrowings during the year amounting to RM3.06 million.
- (iv) Advances from related parties amounting to RM4.26 million for working capital purposes.
- (v) Cash flow from financing activities of discontinued operations, i.e. Animation Theme Park Sdn Bhd, of RM1.25 million, following PCB Development’s creditors’ voluntary winding up.

FYE 2022**Net cash from operating activities**

In FYE 2022, the Group recorded net cash from operating activities of RM83.70 million. The Group collected RM196.40 million from its customers and received other income of RM63.47 million (mainly from compensation received for the Government Acquisition of RM59.69 million). However, the above was offset by cash payments made amounting to RM176.17 million, for the following:

- (i) RM165.52 million paid to the Group’s suppliers as well as operating expenses (such as staff salaries and Directors’ remunerations).
- (ii) Net income tax paid of RM10.65 million.

Net cash from investing activities

In FYE 2022, the Group recorded net cash used in investing activities of RM8.68 million, attributable to the following:

- (i) Purchase of property, plant and equipment amounting to RM1.08 million, including 2 motor vehicles and additions to capital work-in-progress for the development of Hotel Casuarina @ Teluk Intan amounting to RM0.51 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

- (ii) Purchase of right-of-use asset amounting to RM1.31 million, pertaining to the additions to the leasehold port land in LMT.
- (iii) Purchase of port facilities amounting to RM9.66 million, including port equipment, port structures and additions to capital work-in-progress for the expansion of LMT2.
- (iv) Proceeds from disposals of other investments amounting to RM4.23 million.
- (v) Advances provided to related parties amounting to RM1.21 million for working capital purposes.

Net cash used in financing activities

In FYE 2022, the Group recorded net cash used in financing activities of RM69.82 million, attributable to the following:

- (i) Dividends paid to non-controlling interests of RM5.00 million.
- (ii) Repayment of term financing and revolving credits amounting to RM45.37 million.
- (iii) Interest paid on loans and borrowings during the year amounting to RM19.88 million.

FYE 2023**Net cash from operating activities**

In FYE 2023, the Group recorded net cash from operating activities of RM30.50 million. The Group collected RM200.27 million from its customers and received other income of RM1.28 million. However, the above was offset by cash payments made amounting to RM171.05 million, for the following:

- (i) RM158.22 million paid to the Group’s suppliers as well as operating expenses (such as staff salaries and Directors’ remunerations).
- (ii) income tax paid of RM12.83 million.

Net cash from investing activities

In FYE 2023, the Group recorded net cash used in investing activities of RM22.26 million, attributable to the following:

- (i) Purchase of property, plant and equipment amounting to RM2.53 million, including purchase of motor vehicles of RM1.34 million and additions to capital work-in-progress for the development of Hotel Casuarina @ Teluk Intan amounting to RM0.83 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

- (ii) Purchase of port facilities amounting to RM13.26 million, including port equipment, port structures and additions to capital work-in-progress for the expansion of LMT2.
- (iii) Proceeds from disposals of leasehold land held for development, i.e. amounting to RM4.05 million.
- (iv) Advances provided to related parties amounting to RM11.18 million for working capital purposes.

Net cash used in financing activities

In FYE 2023, the Group recorded net cash used in financing activities of RM23.75 million, attributable to the following:

- (i) Dividends paid to non-controlling interests of RM5.00 million.
- (ii) Placement of deposits with licensed banks with maturity of more than 3 months of RM5.39 million.
- (iii) Repayment of hire purchase, finance lease liabilities, term financing and revolving credits amounting to RM6.51 million.
- (iv) Interest paid on loans and borrowings during the year amounting to RM6.73 million.

FYE 2024**Net cash from operating activities**

In FYE 2024, the Group recorded net cash from operating activities of RM46.32 million. The Group collected RM198.24 million from its customers and received other income of RM1.31 million. However, the above was offset by cash payments made amounting to RM153.23 million, for the following:

- (i) RM140.89 million paid to the Group’s suppliers as well as operating expenses (such as staff salaries and Directors’ remunerations); and
- (ii) income tax paid of RM12.33 million.

Net cash from investing activities

In FYE 2024, the Group recorded net cash used in investing activities of RM64.89 million, attributable to the following:

- (i) Purchase of property, plant and equipment amounting to RM2.57 million, including purchase of furniture and fittings and additions to capital work-in-progress for the development of Hotel Casuarina @ Teluk Intan amounting to RM1.49 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

- (ii) Purchase of port facilities amounting to RM68.88 million, including port equipment, port structures and additions to capital work-in-progress for the expansion of LMT2.
- (iii) Repayment from related parties amounting to RM6.69 million.

Net cash used in financing activities

In FYE 2024, the Group recorded net cash generated from financing activities of RM24.63 million, attributable to the following:

- (i) Dividends paid to non-controlling interests of RM5.00 million.
- (ii) Withdrawal of deposits with licensed banks with maturity of more than 3 months of RM14.04 million.
- (iii) Net drawdown of term financing amounting to RM26.05 million to part finance the construction cost of LMT2.
- (iv) Repayment of revolving credits amounting to RM5.00 million.
- (v) Interest paid on loans and borrowings during the year amounting to RM2.91 million.
- (vi) Repayment to related parties amounting to RM2.54 million.

9-month FPE 2025**Net cash from operating activities**

In 9-month FPE 2025, the Group recorded net cash from operating activities of RM33.12 million. The Group collected RM135.35 million from its customers and received other income of RM0.01 million. However, the above was offset by cash payments made amounting to RM102.24 million, for the following:

- (i) RM93.99 million paid to the Group’s suppliers as well as operating expenses (such as staff salaries and Directors’ remunerations); and
- (ii) income tax paid of RM8.25 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

Net cash from investing activities

In 9-month FPE 2025, the Group recorded net cash used in investing activities of RM95.54 million, attributable to the following:

- (i) Purchase of property, plant and equipment amounting to RM0.85 million, comprising of motor vehicles and equipment.
- (ii) Purchase of port facilities amounting to RM95.04 million, including port equipment, port structures and additions to capital work-in-progress for the expansion of LMT2.

Net cash used in financing activities

In 9-month FPE 2025, the Group recorded net cash generated from financing activities of RM52.41 million, attributable to the following:

- (i) Net drawdown of term financing amounting to RM55.29 million to part finance the construction cost of LMT2.
- (ii) Placement of fixed deposits pledged with banks and fixed deposits with maturity of more than 3 months amounting to RM2.40 million.
- (iii) Interest paid on loans and borrowings during the year amounting to RM0.48 million.

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APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.3.3 Loans and borrowings

All the Group's borrowings are secured, interest-bearing and denominated in RM. The total outstanding borrowings as at 30 September 2025 stood at RM200.81 million, details of which are set out below:

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 30 September 2025 RM'000
Interest bearing short-term loans and borrowings, payable within 1 year:					
Hire purchase and finance lease liabilities	Finance lease liabilities of the leasehold land of Hotel Casuarina @ Kuala Kangsar and Hotel Casuarina @ Teluk Intan	Not applicable	99 years	3.91 - 4.19	602
Revolving credits	Working capital	(i) Third party second fixed legal charge over a parcel of freehold commercial land of a former subsidiary; (ii) Third party first fixed legal charge over a piece of leasehold land in Mukim Hulu Bernam Timur, Perak; and (iii) Corporate guarantee of Perak Corp.	5 years	5.36 - 7.47	5,572
Overdraft	Working capital	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.	-	7.15	5,503

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 30 September 2025 RM'000
Redeemable cumulative preference shares	To restructure the defaulted loans and borrowings	Secured by third party second fixed legal charge over a hotel and office blocks of the Group Secured by a third party second fixed legal charge over two parcels of freehold commercial land of the Company and third party second fixed legal charged over a parcel of freehold commercial land of a former subsidiary	3 years	-	43,188
Subtotal					54,865
Interest bearing short-term loans and borrowings, payable after 1 year:					
Hire purchase and finance lease liabilities	To finance the purchase of kitchen equipment	The hire purchases payables are secured by the kitchen equipment under hire purchase agreements	4 years	3.78 - 4.19	558
	Finance lease liabilities of the leasehold land of Hotel Casuarina @ Kuala Kangsar and Hotel Casuarina @ Teluk Intan	Not applicable	99 years	3.91 - 4.19	11,770
Term financing-i	To part finance the construction of LMT2	(i) registered first party fixed legal charge in favour of the bank over 4 lots of leasehold land of the subsidiary; and (ii) debenture by way of registered first fixed and floating charge over all the present and future assets of the subsidiary.	9 years	5.51	84,702

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 30 September 2025 RM'000
Business financing-i and cash line-i	To part finance the construction of hotel Casuarina @ Kuala Kangsar and Hotel Casuarina @ Teluk Intan	(i) third party first and second legal charges over 3.782 acres of commercial land in Bandar Baru Teluk Intan, Daerah Hilir Perak, Perak; (ii) third party first and second legal charges over 2 acres of commercial land in Bandar Kuala Kangsar, Mukim Sayong, Daerah Kuala Kangsar, Perak; and (iii) corporate guarantee of the Company.	21 years	6.72	29,776
Revolving credits	Working capital	(i) Third party second fixed legal charge over a parcel of freehold commercial land of a former subsidiary; (ii) Third party first fixed legal charge over a piece of leasehold land in Mukim Hulu Bernam Timur, Perak; and (iii) Corporate guarantee of Perak Corp.	5 years	5.36 – 7.47	19,143
Subtotal					145,949
Total loans and borrowings					200,814

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.4 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Financial Year Under Review are as follows:

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2025
Trade receivables turnover (days) ⁽¹⁾	96	43	65	68	73	73
Trade payables turnover (days) ⁽²⁾	117	55	76	43	24	20
Current ratio (times) ⁽³⁾	0.31	0.64	0.74	0.86	0.81	0.78
Gearing ratio (times) ⁽⁴⁾	(4.70)	0.84	0.53	0.47	0.54	0.71

Notes:

- (1) Computed based on average opening and closing trade receivables (including amounts due from related parties which are trade in nature) over revenue for the respective financial years/periods, multiplied by 365/273 days for each financial year/period.
- (2) Computed based on average opening and closing trade payables (including amounts due to related parties which are trade in nature) over cost of sales (excluding depreciation charges) for the respective financial years/periods, multiplied by 365/273 days for each financial year/period.
- (3) Computed based on current assets over current liabilities as at each financial year/period end.
- (4) Computed based on total interest-bearing borrowings over total equity as at each financial year/period end.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.4.1 Trade receivables turnover

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	35,250	34,070	24,088	29,101	31,099	30,049
Closing trade receivables	34,070	24,088	29,101	31,099	30,049	36,126
Average trade receivables	34,660	29,079	26,595	30,100	30,574	33,088
Revenue	131,220	245,244	149,001	160,651	153,884	124,527
Trade receivables turnover (days) ⁽ⁱ⁾	96	43	65	68	73	73

Note:

- (i) Computed based on average opening and closing trade receivables (including amounts due from related parties which are trade in nature) over revenue for the respective financial years/periods, multiplied by 365/273 days for each financial year/period.

The normal credit terms granted by the Group to its trade receivables is generally from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis after taking into consideration, amongst other, the customers' payment history and credit worthiness and transaction volume. The Group will perform ageing analysis to monitor the credit quality of the trade receivables.

The Group's trade receivables turnover periods were between 43 days and 96 days for FYE 2020 to FYE 2024 and the 9-month FPE 2025, which the Group's trade receivables turnover period for FYE 2020, FYE 2022, FYE 2023, FYE 2024 and 9-month FPE 2025 exceeded the normal credit terms granted by the Group.

The Group's trade receivables turnover period stood at 96 days in FYE 2020, mainly due to the Group's customers and related parties requesting extended period to process submitted invoices and resulting in delayed payments, due to the various MCOs imposed by the Malaysian Government. The Group's trade receivables turnover period improved to 43 days in FYE 2021, which was within the normal credit terms granted by the Group.

Subsequently, the Group's trade receivables turnover period increased from 43 days in FYE 2021 to 65 days in FYE 2022, 68 days in FYE 2023 and 73 days in FYE 2024, mainly due to delayed payments from trade customers and related parties due to disputed invoices issued to the trade customers and related parties, which has been resolved as at the LPD. The Group's trade receivables turnover period remained at 73 days in 9-month FPE 2025.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

The ageing analysis of our trade receivables as at 30 September 2025 is as follows:

	Trade receivables as at 30 September 2025		Amount collected subsequent from 1 October 2025 up to LPD		Trade receivables net of subsequent collections	
	RM'000	Percentage of trade receivables	RM'000	Percentage collected	RM'000	Percentage of trade receivables net of subsequent collections
	(a)	(a)/total of (a)	(b)	(b)/total of (a)	(c) = (a)- (b)	(c)/total of (a)
Neither past due nor impaired	17,797	61.76	16,671	57.85	1,127	3.91
Past due but not impaired:						
• 1 to 30 days	8,440	29.29	8,439	29.28	1	0.01
• 31 to 60 days	1,258	4.36	1,238	4.30	20	0.06
• 61 to 90 days	43	0.15	17	0.06	26	0.09
• More than 90 days	1,280	4.44	897	3.11	383	1.33
	11,021	38.24	10,591	36.75	430	1.49
Total	28,818	100.00	27,262	94.60	1,556	5.40

As at 30 September 2025, the Group's trade receivables of more than 90 days amounted to RM1.28 million, representing 4.44% of total trade receivables as at 30 September 2025.

As at LPD, the Group has collected RM27.26 million, representing 94.60% of the Group's trade receivables as at 30 September 2025. As at LPD, the outstanding trade receivables that are more than 90 days amounts to RM0.38 million.

The Group closely monitors the recoverability of trade receivables on a regular basis and where appropriate, provides for specific impairment for these trade receivables. The Board is of the view that the remaining trade receivables are recoverable and no further provision for impairment is required after taking into consideration the Group's relationship with its customers as well as its efforts to improve collection with various credit control measures to reduce the potential exposure on credit risk.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

1.4.2 Trade payables turnover

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening trade payables	16,215	14,637	12,833	11,265	4,461	3,547
Closing trade payables	14,637	12,833	11,265	4,461	3,547	3,535
Average trade payables	15,426	13,735	12,049	7,863	4,004	3,541
Cost of sales (excluding depreciation charges)	48,127	91,884	57,690	67,177	61,810	48,270
Trade payables turnover (days) ⁽ⁱ⁾	117	55	76	43	24	20

Note:

- (i) Computed based on average opening and closing trade receivables (including amounts due to related parties which are trade in nature) over cost of sales (excluding depreciation charges) for the respective financial years/periods, multiplied by 365/273 days for each financial year/period. For clarity, depreciation charges recognised under cost of sales mainly pertains to depreciation charges on port facilities and property, plant and equipment, as follows:

	Audited					Unaudited
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	9-month FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation charges	7,593	7,528	7,642	7,350	7,988	6,313

The normal credit terms granted by the Group's suppliers to the Group is generally from 7 to 90 days.

The Group's trade payables turnover periods were between 20 days and 117 days for FYE 2020 to FYE 2024 and 9-month FPE 2025, which the Group's trade payables turnover period for FYE 2020 exceeded the normal credit term.

In FYE 2020, the Group's trade payables turnover period was 117 days, which exceeded the normal credit period granted by the Group's suppliers, mainly due to the COVID-19 situation where the Company was more prudent with its cash conversion to weather through the pandemic situation.

The Group's suppliers have also allowed the Group a longer period for payment in view of its established relationships with the Group, payment history and the Group's credentials. Notwithstanding the slower payments, the Group has not encountered any issue with its suppliers during FYE 2020.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

The Group's trade payables turnover period improved to 55 days in FYE 2021, as evidenced by prompt payments by the Group following the recovery of the economy and upliftment of the various MCOs imposed by the Malaysian Government during the COVID-19 pandemic period.

The Group's trade payables turnover period increased to 76 days in FYE 2022, mainly due to invoices received from suppliers close to the end of the financial year for operating expenses, resulting in higher trade payables balance as at 31 December 2022, which were settled in the subsequent financial year.

The Group's trade payables turnover period improved to 43 days in FYE 2023, 24 days in FYE 2024 and 20 days in 9-month FPE 2025, as the Group paid its suppliers on a more timely basis following improved collections from trade receivables in FYE 2023, FYE 2024 and 9-month FPE 2025.

The ageing analysis of our trade payables as at 30 September 2025 is as follows:

	Trade payables as at 30 September 2025		Amount paid subsequent from 1 October 2025 up to LPD		Trade payables net of subsequent payment	
	RM'000	Percentage of trade payables	RM'000	Percentage paid	RM'000	Percentage of trade payables net of subsequent payments
	(a)	(a)/total of (a)	(b)	(b)/total of (a)	(c) = (a)-(b)	(c)/total of (a)
Not past due	882	24.95	687	19.43	195	5.52
Past due:						
• 1 to 30 days	392	11.09	314	8.88	78	2.21
• 31 to 60 days	369	10.44	313	8.85	56	1.59
• 61 to 90 days	607	17.17	409	11.57	198	5.60
• More than 90 days	1,285	36.35	307	8.69	978	27.66
	2,653	75.05	1,343	37.99	1,310	37.06
Total	3,535	100.00	2,030	57.42	1,505	42.58

As at 30 September 2025, the Group's trade payables of more than 90 days amounted to RM1.29 million, representing 36.35% of total trade payables as at 30 September 2025.

As at LPD, RM2.03 million or 57.42% of the total trade payables outstanding as at 30 September 2025 has been paid, while the outstanding trade payables that are more than 90 days amounts to RM0.98 million.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

As at LPD, there are no disputes in respect of any trade payables and our Board confirms that there has been no legal action initiated by our suppliers to demand for payment as at to-date.

1.4.3 Current ratio

The Group's current ratios during FYE 2020 to FYE 2024 as well as 9-month FPE 2025 are as follows:

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	234,356	187,748	174,495	184,981	174,928	179,498
Current liabilities	761,526	293,912	236,837	215,675	215,131	230,859
Net current liabilities	527,170	106,164	62,342	30,694	40,203	51,361
Current ratio (times)	0.31	0.64	0.74	0.86	0.81	0.78

The Group's current ratio ranged between 0.31 times and 0.86 times for FYE 2020 to FYE 2024 and 9-month FPE 2025.

The Group's current ratio increased from 0.31 times as at 31 December 2020 to 0.64 times as at 31 December 2021, mainly due to the significant decrease in current liabilities of the Group in FYE 2021, which in turn was mainly due to the derecognition of syndicated term loans resulting from the derecognition of liabilities of PCB Development following its creditors' voluntary winding up.

The Group's current ratio increased from 0.64 times as at 31 December 2021 to 0.74 times as at 31 December 2022, mainly due to reductions in loans and borrowings resulting from repayments of revolving credits during FYE 2022.

The Group's current ratio increased from 0.74 times as at 31 December 2022 to 0.86 times as at 31 December 2023, mainly due to increase in receivables, deposits and prepayments, partially offset by the decrease in loans and borrowings during FYE 2023.

The Group's current ratio decreased from 0.86 times as at 31 December 2023 to 0.81 times as at 31 December 2024, mainly due to decrease in receivables, deposits and prepayments as well as deposits, cash and bank balances during FYE 2024.

The Group's current ratio further decreased from 0.81 times as at 31 December 2024 to 0.78 times as at 30 September 2025, mainly due to decrease in cash and bank balances and increase in payables and accrued liabilities during 9-month FPE 2025.

APPENDIX XVIII – MANAGEMENT DISCUSSION AND ANALYSIS (Cont’d)

1.4.4 Gearing ratio

The Group’s gearing ratios during FYE 2020 to FYE 2024 and 9-month FPE 2025 are as follows:

	Audited					Unaudited
	As at 31 December					As at 30 September
	2020	2021	2022	2023	2024	2025
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Total loans and borrowings	548,325	183,212	127,955	119,953	144,027	200,814
Total equity	(116,735)	218,130	242,790	257,179	268,971	281,752
Gearing ratio (times)	(4.70)	0.84	0.53	0.47	0.54	0.71

The Group’s gearing ratio ranged between negative 4.70 times and 0.84 times for FYE 2020 to FYE 2024 and 9-month FPE 2025.

The Group’s gearing ratio increased from negative 4.70 times as at 31 December 2020 to 0.84 times as at 31 December 2021. This was mainly attributable to the positive non-controlling interests of RM139.28 million as at 31 December 2021 (31 December 2020: negative non-controlling interests of RM208.21 million), as a result of derecognition of former subsidiaries, specifically the non-controlling interests of Animation Theme Park Sdn Bhd, and the significant decrease in the Group’s loans and borrowings by RM365.12 million or 66.59%, mainly due to the derecognition of the loans and borrowings of PCB Development following its creditors’ voluntary winding up.

The Group’s gearing ratio decreased from 0.84 times as at 31 December 2021 to 0.53 times as at 31 December 2022. This was mainly attributable to the PAT recorded during FYE 2022 of RM29.66 million, which resulted in an increase in total equity as at 31 December 2022, and decrease in the Group’s loans and borrowings by RM55.25 million or 30.16%, mainly due to the repayment of revolving credits during FYE 2022.

The Group’s gearing ratio further decreased from 0.53 times as at 31 December 2022 to 0.47 times as at 31 December 2023. This was mainly attributable to the PAT recorded during FYE 2023 of RM19.39 million, which resulted in an increase in total equity as at 31 December 2023, and decrease in the Group’s loans and borrowings by RM8.01 million or 6.26%, mainly due to the repayment of revolving credits during FYE 2023.

The Group’s gearing ratio increased from 0.47 times as at 31 December 2023 to 0.54 times as at 31 December 2024. The was mainly attributable to the increase in the Group’s loans and borrowings by RM24.08 million or 20.08%, mainly due to drawdown of term financing to part finance the expansion of LMT2. The increase was partially offset by the PAT recorded during FYE 2024 of RM16.79 million.

The Group’s gearing ratio increased from 0.54 times as at 31 December 2024 to 0.71 times as at 30 September 2025. The was mainly attributable to the increase in the Group’s loans and borrowings by RM56.78 million or 39.42%, mainly due to drawdown of term financing to part finance the expansion of LMT2. The increase was partially offset by the PAT recorded during 9-month FPE 2025 of RM12.78 million.

APPENDIX XIX – DETAILS OF PROPOSED AMENDMENTS I

The Constitution of the Company be amended by inserting the following new Clause 3.3C immediately after Clause 3.3B:

(a) Clause 3.3C – Redeemable Preference Shares Series B

The Redeemable Preference Shares Series B ("**RPS-B**") in the capital of the Company so issued at the issue price of RM1.00 each shall be limited to the maximum of 39,733,680 RPS-B and shall confer on the holder(s) thereof the following rights and privileges and be subject to the following conditions, that is to say:

- (i) The tenure of the RPS-B shall be for five (5) years and the maturity date of the RPS-B shall be the business day immediately preceding the fifth (5th) anniversary of the date of issue of the RPS-B ("**RPS-B Maturity Date**").
- (ii) The RPS-B shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 2.0% per annum, calculated based on the issue price 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-B and the Company's ordinary shares unless the dividends, including accumulated dividends, on the RPS-B have first been paid.

The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-B. 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-B Maturity Date.

- (iii) The RPS-B may at the option of the Company be redeemed commencing from the first (1st) anniversary of the issue date for the following amounts but subject always to a full redemption by the fifth (5th) anniversary of the issue date or a date to be determined by the Company:

Anniversary of Subscription	RPS-B (excluding dividend to be declared) (RM)
1 st	3,973,368
2 nd	5,960,052
3 rd	7,946,736
4 th	9,933,420
5 th	11,920,104
Total	39,733,680

Any RPS-B that is not redeemed on the relevant redemption date shall continue to be carried forward.

- (iv) The RPS-B shall rank pari-passu without any preference or priority among themselves, RPS-A1, RPS-A2 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-B shall carry only the rights to dividends and shall not confer on the RPS-B holders the right to participate in any profits of the Company.

- (v) The RPS-B is not convertible into new ordinary shares.

APPENDIX XIX – DETAILS OF PROPOSED AMENDMENTS I (Cont'd)

(vi) The RPS-B shall carry no right to receive notice of or to attend or vote at any meeting of members 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 or repayment of capital of the Company; or
- (c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-B.

Every RPS-B holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-B of which he is a holder.

(vii) In the event of the commencement of any winding up or liquidation of the Company, the RPS-B shall rank:

- (a) pari-passu with each other, all other creditors (including the holders of subordinated debts) and with other preference shares issued subsequently which rank pari-passu with the consent of the RPS-B holder; and
- (b) senior to the ordinary shares and any other securities or obligation of the Company that are subordinated to the RPS-B.

The outstanding RPS-B is immediately due and repayable, and the RPS-B then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

(viii) The RPS-B shall not be listed on any stock exchange.

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APPENDIX XX – DETAILS OF PROPOSED AMENDMENTS II

The existing Clause 3.3A of the Constitution of the Company be replaced in its entirety to read as follows:

3.3A The Redeemable Preference Shares Series A1 ("**RPS-A1**") in the capital of the Company so issued at the issue price of RM1.00 each shall be limited to the maximum of 20,900,309 RPS-A1 and shall confer on the holder(s) thereof the following rights and privileges and be subject to the following conditions, that is to say:

- (i) The tenure of the RPS-A1 shall be for three (3) years and the maturity date of the RPS-A1 shall be the business day immediately preceding the third (3rd) anniversary of the date of issue of the RPS-A1 or such date as agreed by the holder(s) of RPS-A1 ("**RPS-A1 Maturity Date**").
- (ii) The RPS-A1 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 and on the basis of the actual number of days lapsed in a 365-day year. Effective 1 October 2025, the RPS-A1 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 8.0% per annum, calculated based on the issue price 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-A1 and the Company's ordinary shares unless the dividends, including accumulated dividends, on the RPS-A1 have first been paid.

The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A1. 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-A1 Maturity Date.

- (iii) The RPS-A1 may at the option of the Company be redeemed from the first (1st) anniversary of the issue date for the following amounts but subject always to a full redemption on the third (3rd) anniversary of the issue date or a date as agreed by the RPS-A1 holder.

Anniversary of Issue Date	Redemption amount for RPS-A1 (excluding dividend to be declared) (RM)
1 st	6,966,769
2 nd	6,966,770
3 rd	6,966,770
Total	20,900,309

The Company may at any time on the first (1st) and/or second (2nd) anniversary of the issue date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A1 and pay the applicable redemption amount and all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A1. Any RPS-A1 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A1 shall be fully redeemed by the Company and all outstanding accrued dividends shall be paid to the holder on the RPS-A1 Maturity Date without the requirement of any notice.

Provided always that in the event that an Event of Default (as defined in the Debt Settlement Agreement between the Company and CIMB Bank Berhad) occurs, the Company shall fully redeem the RPS-A1 and pay all outstanding accrued dividends within thirty (30) days upon notice in writing being issued by CIMB Bank Berhad.

APPENDIX XX – DETAILS OF PROPOSED AMENDMENTS II (Cont'd)

- (iv) The RPS-A1 shall rank pari-passu without any preference or priority among themselves and RPS-A2 issued by the Company but shall otherwise rank in priority to all other shares or securities of the Company.

The RPS-A1 shall carry only the rights to dividends and the CIMB New Securities (as hereinafter defined).

- (v) The RPS-A1 is not convertible into new ordinary shares.
- (vi) The RPS-A1 shall be securitised by the following security documents ("**CIMB New Securities**"):
- (a) a land charge over one (1) piece of freehold land held under Geran 151067, Lot 516687 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("**Hulu Kinta Land**") in favour of CIMB Bank Berhad ("**Charge over Hulu Kinta Land**") valued at an indicative desktop market valuation of approximately RM20,800,000.00 to RM22,300,000.00 on 8 October 2020 and a Power of Attorney thereto; and
 - (b) a land charge over one (1) piece of freehold land held under Geran 178754, Lot 516683, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan ("**Bandar Meru Raya Land**") in favour of CIMB Bank Berhad ("**Charge over Bandar Meru Raya Land**") and a Power of Attorney thereto.

If an event of default on the compliance with the terms and conditions of the RPS-A1 (including default in the payment of the redemption sum and payment of accrued dividends) by the Company occurs, the RPS-A1 holder shall automatically, and without the requirement of any notice (save and except for any notice to be provided or issued under any written law) be entitled to first enforce the Charge over Hulu Kinta Land including selling, dealing with or disposing of the Charge over Hulu Kinta Land to recoup the amount equal to the RPS-A1 to be redeemed and the accrued and unpaid dividends. Only after the Charge over Hulu Kinta Land has been disposed by the RPS-A1 holder and there continues to remain a balance still due and owing to the RPS-A1 holder, the RPS-A1 holder shall then exercise its rights in and to the Charge over Bandar Meru Raya Land; or at the expiry of 1 year from the date of default and without assigning any reason, to enforce the Charge over Hulu Kinta Land and/or Charge over Bandar Meru Raya Land including selling, dealing with or disposing at the absolute discretion of the RPS-A1 holder.

- (vii) Every RPS-A1 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of meetings of members, reports and audited financial statements of the Company, and to attend at all meetings of members or any other meeting of any class of members of the Company but without voting rights other than as permitted herein.
- (viii) The RPS-A1 shall carry no right to vote at any meeting of members of the Company, save as follows (and the following matters require the affirmative vote of the RPS-A1 holder):
- (a) any resolution is proposed for the winding-up or liquidation of the Company; or
 - (b) the meeting is convened for the purpose of considering a reduction or repayment in the capital of the Company other than the redemption of preference shares; or
 - (c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A1 (including any amendments to the constitution of the Company in that respect);

APPENDIX XX – DETAILS OF PROPOSED AMENDMENTS II (Cont'd)

Every RPS-A1 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A1 of which he is a holder.

- (ix) In the event of the commencement of any winding up or liquidation of the Company, the RPS-A1 shall be automatically, and without the requirement of any notice, redeemed in priority from the proceeds from the disposal of the CIMB New Security and shall rank in respect to the proceeds from the disposal of the CIMB New Security:
 - (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-A1.

The outstanding RPS-A1 is immediately due and repayable, and the RPS-A1 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

- (x) The RPS-A1 shall not be listed on any stock exchange.

The existing Clause 3.3B of the Constitution of the Company be replaced in its entirety to read as follows:

3.3B The Redeemable Preference Shares Series A2 ("**RPS-A2**") in the capital of the Company so issued at the issue price of RM1.00 each shall be limited to the maximum of 14,914,671 RPS-A2 and shall confer on the holder(s) thereof the following rights and privileges and be subject to the following conditions, that is to say:

- (i) The tenure of the RPS-A2 shall be for three (3) years and the maturity date of the RPS-A2 shall be the business day immediately preceding the third (3rd) anniversary of the date of issue of the RPS-A2 or such date as agreed by the holder(s) of RPS-A2 ("**RPS-A2 Maturity Date**").
- (ii) The RPS-A2 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 and on the basis of the actual number of days lapsed in a 365-day year. Effective 31 January 2025, the RPS-A2 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 8.0% per annum, calculated based on the issue price 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-A2 and the Company's ordinary shares unless the dividends, including accumulated dividends, on the RPS-A2 have first been paid.

The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A2. 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-A2 Maturity Date.

- (iii) The RPS-A2 may at the option of the Company be redeemed from the first (1st) anniversary and second (2nd) anniversary of the issue date for the following amounts but subject always to a mandatory full redemption by the third (3rd) anniversary of the issue date or a date as agreed by the RPS-A2 holder:

APPENDIX XX – DETAILS OF PROPOSED AMENDMENTS II (Cont'd)

Anniversary of Subscription	RPS-A2 (excluding dividend to be declared) (RM)
1 st	4,971,557
2 nd	4,971,557
3 rd	4,971,557
Total	14,914,671

The Company may at any time on the first (1st) and/or second (2nd) anniversary of the issue date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A2 and pay all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A2. Any RPS-A2 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A2 shall be fully redeemed by the Company and all outstanding accrued dividends shall be paid to the holder on the RPS-A2 Maturity Date without the requirement of any notice.

Provided always that in the event that an Event of Default (as defined in the Debt Settlement Agreement between the Company and Affin Islamic Bank Berhad) occurs prior to the Debt Settlement Date, the Company shall redeem the RPS-A2 and pay all outstanding accrued dividends within thirty (30) days upon notice in writing issued by Affin Islamic Bank Berhad.

- (iv) The RPS-A2 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-A2 shall carry only the rights to dividends and the AFFIN Islamic Additional Charge (as hereinafter defined) and shall not confer on the RPS-A2 holders the right to participate in any profits of the Company.

- (v) The RPS-A2 shall be transferable to a nominee of Affin Islamic Bank Berhad.

- (vi) The RPS-A2 is not convertible into new ordinary shares.

- (vii) The RPS-A2 shall be securitised by the following security documents:

- (a) a Third Party Second Legal Charge over a property known as Casuarina Hotel Meru comprising twelve (12) storey hotel tower annexed with two (2) storey podium, two (2) blocks of nine (9) storey office building and a single storey convention hall held under Title No. H.S.(D) 204383 PT 245010, Mukim Hulu Kinta, Daerah Kinta, Perak, bearing postal address No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak created by Casuarina Meru Sdn Bhd in favour of Affin Islamic Bank Berhad ("**AFFIN Islamic Additional Charge**").

In the event of default on the compliance with the terms and conditions of the RPS-A2 (including redemption and payment of accrued dividends) by the Company, the RPS-A2 holder shall first enforce its charge against the AFFIN Islamic Additional Charge including selling, dealing with or disposing of the AFFIN Islamic Additional Charge to recoup the amount equal to the RPS-A2 to be redeemed and the accrued and unpaid dividends prior to exercising its rights in, to or on any other existing security then held.

Affin Islamic Bank Berhad agrees to release and deliver a discharge of the AFFIN Islamic Additional Charge and sign the release and discharge documents to evidence such release and discharge within fourteen (14) days from the date of redemption of the RPS-A2 and payment of accrued dividends, whichever is later.

APPENDIX XX – DETAILS OF PROPOSED AMENDMENTS II (Cont'd)

- (viii) Every RPS-A2 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of meetings of members, reports and audited financial statements of the Company, and to attend and speak at all meetings of members or any other meeting of any class of members of the Company but without voting rights other than as permitted herein.
- (ix) The RPS-A2 shall carry no right to receive notice of or to attend or vote at any meeting of members of the Company, save as follows:
 - (ii) any resolution is proposed for the winding-up of the Company; or
 - (iii) 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-A2 or repayment of the issue price and accrued unpaid dividends; or
 - (iv) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A2.

Every RPS-A2 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A2 of which he is a holder.

- (x) In the event of the commencement of any winding up or liquidation of the Company, the RPS-A2 shall be redeemed in priority from the proceeds from the disposal of the AFFIN Islamic Additional 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-A2.

The outstanding RPS-A2 is immediately due and repayable, and the RPS-A2 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

- (xi) The RPS-A2 shall not be listed on any stock exchange.

APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



Crowe Malaysia PLT
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30 January 2026

The Board of Directors
Perak Corporation Berhad
No. 1-A, Block B, Menara PKNP
Jalan Meru Casuarina
Bandar Meru Raya
30020 Ipoh
Perak Darul Ridzuan

Dear Sirs

**PERAK CORPORATION BERHAD ("PERAK CORP" OR THE "COMPANY") AND ITS SUBSIDIARIES (THE "GROUP")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INCLUSION IN THE COMPANY'S CIRCULAR IN CONNECTION WITH THE:**

- (a) Proposed reduction of the issued share capital of Perak Corp pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction");
- (b) Proposed joint venture between Perbadanan Kemajuan Negeri Perak ("PKNP"), a major shareholder of Perak Corp to jointly carry out the development of the Silver Valley Technology Park Industrial Hub, sale of industrial plots and other product offerings to end purchasers and end users on thirty-nine pieces of PKNP's leasehold lands measuring 746.73 Acres ("Proposed Joint Development");
- (c) Proposed disposal of four parcels of leasehold lands, all located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak, comprising the following:
 - (i) 73.14 acres of land held under PN394964, Lot 20570 and PN394965, Lot 20571 ("Parcel 1 Lands") to Makmur Implan Property Sdn Bhd ("MIP") for a total cash consideration of RM21.13 million ("Proposed Disposal of Parcel 1 Lands");
 - (ii) 247.85 acres of land held under PN394961, Lot 20402 ("Parcel 2 Land") to TG Malim Hi-Tech Park Sdn Bhd (formerly known as ARX-YSC Sdn Bhd) ("TMHTP") for a total cash consideration of RM49.50 million ("Proposed Disposal of Parcel 2 Land"); and
 - (iii) 103.71 acres of land held under PN394962, Lot 20403 ("Parcel 3 Land") to TMHTP for a total cash consideration of RM18.94 million ("Proposed Disposal of Parcel 3 Land");(The Proposed Disposals of Parcel 1 Lands, Parcel 2 Land, and Parcel 3 Land are collectively referred to as the "Proposed Disposals of Hulu Bernam Lands".)
- (d) Proposed disposal of three pieces of land located at Wilayah Batu Undan, Mukim of Lumut, District of Marjung ("Hinterland") to Lumut Maritime Terminal Sdn Bhd ("LMTSB") for a total cash consideration of RM8.53 million ("Proposed Disposal of Hinterland");

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APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



- (e) Proposed settlement of the Company's entitlement pursuant to the joint venture agreement entered into with PKNP and Uni-Poh Construction Works Sdn Bhd ("Unipoh") for a parcel of state land located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("Zone 1 Bandar Meru Raya") for a total cash consideration of RM40.38 million ("Proposed Settlement");
- (f) Proposed issuance of Redeemable Preference Shares Series B ("RPS-B") for the settlement of the outstanding liabilities and debt obligations owing to scheme creditors amounting to RM39.73 million pursuant to the Scheme of Arrangement under Section 366 and other provisions of the Companies Act 2016 between Perak Corp, PCB Development Sdn Bhd, a former subsidiary, and its scheme creditors ("Proposed Issuance of RPS-B");
- (g) Proposed amendments to the Constitution of Perak Corp to facilitate the proposed issuance of RPS-B ("Proposed Amendments I"); and
- (h) Proposed amendments to the Constitution of Perak Corp to facilitate the revisions of the redemption date Of RPS-A1 and RPS-A2, revisions of the cumulative compounded gross preferential dividend rate of RPS-A2 as well as the substitution of the security documents provided under the supplemental agreement dated 11 September 2023 to the debt settlement agreement entered into between Perak Corp and CIMB Bank Berhad ("CIMB") dated 8 November 2021 to secure the issuance of 20,900,309 redeemable preference shares to CIMB ("Proposed Amendments II").

(collectively, referred to as the "Proposed Regularisation Plan").

We have completed our assurance engagement to report on the compilation of pro forma consolidated statement of financial position of Perak Corp and its subsidiaries (collectively known as the "Group") prepared by the Board of Directors of the Company. The pro forma consolidated statement of financial as at 31 December 2024 and the accompanying notes thereon, have been stamped by us for the purpose of identification.

The pro forma consolidated statement of financial position of the Group has been compiled by the Board of Directors to illustrate the impact of the transactions as set out in Attachment A on the consolidated statement of financial position of the Group as at 31 December 2024 as if the events or transactions have been in existence throughout the financial year. As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited consolidated statement of financial position of the Group for the financial year ended 31 December 2024.

APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the pro forma consolidated statement of financial position of the Group on the basis as described in the notes of Attachment A.

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

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

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion about whether the pro forma consolidated statement of financial position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in the notes of Attachment A.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards as adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statement of financial position on the basis as described in the notes of Attachment A.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the pro forma consolidated statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statement of financial position.

The purpose of pro forma consolidated statement of financial position included in the circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONTINUED)

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statement of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statement of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statement of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, pro forma consolidated statement of financial position of the Group has been compiled, in all material respects, on the basis as described in notes of Attachment A.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the Proposed Regularisation Plan. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

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

30 January 2026

Chan Kuan Chee
02271/10/2027 J
Chartered Accountant

**APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Perak Corporation Berhad ("PCB" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Attachment A

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

			Pro forma I	Pro forma II	Pro forma III	Pro forma IV	Pro forma V	Pro forma VI	Pro forma VII	Pro forma VIII
		Audited as at 31 December 2024	After the Proposed Share Capital Reduction	After (I) and Proposed Disposal of Parcel 1 Land	After (II) and Proposed Disposal of Parcel 2 Land	After (III) and Proposed Disposal of Parcel 3 Land	After (IV) and Proposed Disposal of Hinterland	After (V) and Proposed Settlement	After (VI) and Proposed Issuance of RPS-B	After (VII) and Change in Accounting Estimates
	Notes	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	4.2	73,549	73,549	73,549	73,549	73,549	73,549	73,549	73,549	77,342
Right-of-use assets	4.3	87,826	87,826	87,826	87,826	87,826	87,826	87,826	87,826	89,432
Part facilities		213,151	213,151	213,151	213,151	213,151	213,151	213,151	213,151	213,151
Investment properties		6,740	6,740	6,740	6,740	6,740	6,740	6,740	6,740	6,740
Other investments		25	25	25	25	25	25	25	25	25
Intangible assets		24,212	24,212	24,212	24,212	24,212	24,212	24,212	24,212	24,212
Inventories		10,428	10,428	10,428	10,428	10,428	10,428	10,428	10,428	10,428
		415,931	415,931	415,931	415,931	415,931	415,931	415,931	415,931	421,330
CURRENT ASSETS										
Inventories	4.4	105,977	105,977	95,748	89,335	58,807	58,807	74,510	74,510	74,510
Receivables, deposits and prepayments	4.5	33,525	33,525	33,525	33,525	33,525	33,525	33,525	33,525	33,525
Current tax assets		2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073
Other investments		129	129	129	129	129	129	129	129	129
Deposits, cash and bank balances	4.6	33,224	33,224	33,224	33,224	38,060	38,060	55,447	45,147	45,147
		174,928	174,928	168,699	158,886	132,534	132,534	165,684	155,384	155,384
TOTAL ASSETS		590,859	590,859	584,630	574,817	548,465	548,465	581,615	575,315	580,714



**APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Perak Corporation Berhad ("PCB" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Attachment A

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

			Pro forma I	Pro forma II	Pro forma III	Pro forma IV	Pro forma V	Pro forma VI	Pro forma VII	Pro forma VIII
	Notes	Audited as at 31 December 2024 RM'000	After the Proposed Share Capital Reduction RM'000	After (I) and Proposed Disposal of Parcel 1 Lands RM'000	After (II) and Proposed Disposal of Parcel 2 Land RM'000	After (III) and Proposed Disposal of Parcel 3 Land RM'000	After (IV) and Proposed Disposal of Hinterland RM'000	After (V) and Proposed Settlement RM'000	After (VI) and Proposed Issuance of RPS-B RM'000	After (VII) and Change in Accounting Estimates RM'000
EQUITY										
Share capital (Accumulated losses)	4.7	271,770	87,770	87,770	87,770	87,770	87,770	87,770	87,770	87,770
Retained earnings	4.8	(174,911)	10,083	18,368	30,368	43,501	40,402	66,902	81,679	87,977
Equity attributable to owners of the Company		87,859	97,853	106,138	118,138	131,271	128,172	154,672	169,449	175,747
Non-controlling interests		171,118	173,118	171,118	171,118	171,118	171,118	171,118	171,118	171,118
TOTAL EQUITY		258,977	270,971	277,256	289,256	302,389	299,290	325,790	340,567	346,865
LIABILITIES										
NON-CURRENT LIABILITIES										
Loans and borrowings	4.9	91,997	91,997	91,997	72,854	72,854	72,854	72,854	103,766	103,766
Deferred tax liabilities		14,760	14,760	14,760	14,760	14,760	14,760	14,760	14,760	14,760
		106,757	106,757	106,757	87,614	87,614	87,614	87,614	118,526	118,526
CURRENT LIABILITIES										
Loans and borrowings	4.10	52,030	52,030	54,999	14,188	1,283	1,283	1,283	1,283	1,283
Payables and accrued liabilities	4.11	181,204	181,204	157,207	147,593	148,307	148,307	144,510	183,762	183,762
Current tax liabilities	4.12	1,667	1,667	4,513	10,188	12,972	13,971	22,358	31,199	31,189
		215,131	215,131	196,819	171,969	162,560	162,560	168,151	216,824	216,824
TOTAL LIABILITIES		321,888	321,888	303,576	259,583	247,276	249,175	255,795	335,393	335,393
TOTAL EQUITY AND LIABILITIES		580,865	592,859	580,832	548,839	549,665	548,465	581,585	676,960	683,258



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Perak Corporation Berhad ("PCB" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Attachment A

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV	Pro forma V	Pro forma VI	Pro forma VII	Pro forma VIII
	Audited as at 31 December 2024	After the Proposed Share Capital Reduction	After (I) and Proposed Disposal of Parcel 1 Land	After (II) and Proposed Disposal of Parcel 2 Land	After (III) and Proposed Disposal of Parcel 3 Land	After (IV) and Proposed Disposal of Hinderland	After (V) and Proposed Settlement	After (VI) and Proposed Issuance of RPS-B	After (VII) and Change in Accounting Estimates
Supplemental information									
No. of Shares in issue ('000)	100,900	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Net assets per share * (RM)	0.98	0.98	1.30	1.24	1.30	1.20	1.55	1.49	1.55
Total borrowings (including lease liabilities) (RM'000)	144,027	144,027	126,896	87,063	74,137	74,137	74,137	106,068	106,068
Gearing ratio # (times)	1.47	1.47	1.20	0.70	0.57	0.58	0.49	0.70	0.68

Notes:

* Net assets per share is defined as equity attributable to owners of the Company over the number of shares in issue.

Gearing ratio is calculated based on total borrowings divided by equity attributable to owners of the Company.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

1. ABBREVIATIONS

The following definitions will apply throughout this report, unless or except where the context or subject matter otherwise indicates or requires:-

Act	Companies Act, 2016 in Malaysia
Affin Islamic	Affin Islamic Bank Berhad
Board	Board of Directors of Perak Corp
Bursa Securities	Bursa Malaysia Securities Berhad
CIMB	CIMB Bank Berhad
FPE	Financial period ended
FYE	Financial year ended
Group	Collectively, Perak Corporation Berhad and its subsidiaries
IFRS	International Financial Reporting Standards
Listing Requirements	Main Market Listing Requirements of Bursa Securities
LMTSB	Lumut Maritime Terminal Sdn Bhd, a 50% plus 1 share subsidiary of PCB Taipan
M & A Securities	M & A Securities Sdn Bhd
MFRS	Malaysian Financial Reporting Standards
Perak Corp or the Company	Perak Corporation Berhad
PCB Development	PCB Development Sdn Bhd, a former subsidiary of Perak Corp
PCB Taipan	PCB Taipan Sdn Bhd, a wholly-owned subsidiary of Perak Corp
PKNP	Perbadanan Kemajuan Negeri Perak, ultimate holding corporation
PN17	Practice Note 17 of Listing Requirements
RM	Ringgit Malaysia
Scheme Creditors	Consisting of creditors of Perak Corp and PCB Development, other than financial institutions, whose debt owing are not secured by any security facility that are owed to, or may potentially have a claim against Perak Corp and PCB Development, up to the cut-off date on 30 June 2020



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")

Pro Forma Financial Position and the notes thereon

1. ABBREVIATIONS (CONT'D)

SOA	Scheme of arrangement and compromise pursuant to Sections 366, 368, 369 and other relevant provisions of the Act between Perak Corp and/or PCB Development and its Scheme Creditors, in respect of the amounts owing to the Scheme Creditors as at the cut-off date on 30 June 2020, which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the Court on 7 May 2021

2. PROPOSED REGULARISATION PLAN

2.1 The proforma consolidated statements of financial position of the Group as at 31 December 2024 ("Pro Forma Financial Information") has been prepared for inclusion in the Company's Circular in connection with the following transactions:

- (a) Proposed reduction of the issued share capital of Perak Corp pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction");
- (b) Proposed joint venture between Perbadanan Kemajuan Negeri Perak ("PKNP"), a major shareholder of Perak Corp to jointly carry out the development of the Silver Valley Technology Park Industrial Hub, sale of industrial plots and other product offerings to end purchasers and end users on thirty-nine pieces of PKNP's leasehold lands measuring 746.73 Acres;
- (c) Proposed disposal of four parcels of leasehold lands, all located at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak, comprising the following:
 - (i) 73.14 acres of land held under PN394964, Lot 20570 and PN394965, Lot 20571 ("Parcel 1 Lands") to Makmur Impian Property Sdn Bhd ("MIP") for a total cash consideration of RM21.13 million ("Proposed Disposal of Parcel 1 Lands");
 - (ii) 247.85 acres of land held under PN394961, Lot 20402 ("Parcel 2 Land") to TG Malim Hi-Tech Park Sdn Bhd (formerly known as ARX-YSC Sdn Bhd) ("TMHTP") for a total cash consideration of RM49.50 million ("Proposed Disposal of Parcel 2 Land"); and
 - (iii) 103.71 acres of land held under PN394962, Lot 20403 ("Parcel 3 Land") to TMHTP for a total cash consideration of RM18.94 million ("Proposed Disposal of Parcel 3 Land");

(The Proposed Disposals of Parcel 1 Lands, Parcel 2 Land, and Parcel 3 Land are collectively referred to as the "Proposed Disposals of Hulu Bernam Lands".)
- (d) Proposed disposal of three pieces of land located at Wilayah Batu Undan, Mukim of Lumut, District of Manjung ("Hinterland") to LMTSB for a total cash consideration of RM8.53 million ("Proposed Disposal of Hinterland");
- (e) Proposed settlement of the Company's entitlement pursuant to the joint venture agreement entered into with PKNP and Uni-Poh Construction Works Sdn Bhd ("Unipoh") for a parcel of state land located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("Zone 1 Bandar Meru Raya") for a total cash consideration of RM40.38 million ("Proposed Settlement");



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

2. PROPOSED REGULARISATION PLAN (CONT'D)

- (f) Proposed issuance of Redeemable Preference Shares Series B ("RPS-B") for the settlement of the outstanding liabilities and debt obligations owing to scheme creditors amounting to RM39.73 million pursuant to the Scheme of Arrangement under Section 366 and other provisions of the Companies Act 2016 between Perak Corp, PCB Development Sdn Bhd, a former subsidiary, and its scheme creditors ("Proposed Issuance of RPS-B");
- (g) Proposed amendments to the Constitution of Perak Corp to facilitate the proposed issuance of RPS-B ("Proposed Amendments I"); and
- (h) Proposed amendments to the Constitution of Perak Corp to facilitate the revisions of the redemption date of RPS-A1 and RPS-A2, revisions of the cumulative compounded gross preferential dividend rate of RPS-A2 as well as the substitution of the security documents provided under the supplemental agreement dated 11 September 2023 to the debt settlement agreement entered into between Perak Corp and CIMB Bank Berhad ("CIMB") dated 8 November 2021 to secure the issuance of 20,900,309 redeemable preference shares to CIMB ("Proposed Amendments II").

(collectively, referred to as the "Proposed Regularisation Plan").

3. BASIS OF PREPARATION

- 3.1 The pro forma consolidated statements of financial position, of which the Board of Directors is solely responsible, have been prepared for illustrative purposes only and based on the audited consolidated financial statements of Perak Corp for the year ended 31 December 2024 and also on the assumptions that the events and transactions as stated in Note 4 have been effected as at 31 December 2024, and should be read in conjunction with the notes accompanying thereto.
- 3.2 The pro forma consolidated statements of financial position have been prepared based on audited consolidated financial statements of Perak Corp for the year ended 31 December 2024, which have been prepared in accordance with MFRS, IFRS and in a manner consistent with both the format of the financial statements and the accounting policies adopted by Perak Corp.
- 3.3 The pro forma consolidated statements of financial position are presented in RM and all values are rounded to the nearest thousand ("RM'000") except where otherwise indicated.
- 3.4 The pro forma consolidated statements of financial position, because of their nature, may not be reflective of the Group's actual financial position and results. Furthermore, such information does not purport to predict the future financial position and results of the Group.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:-

Pro forma I – Proposed Share Capital Reduction

Pro forma I reflects the Proposed Share Capital Reduction on the consolidated statements of financial position of the Group as at 31 December 2024.

	RM'000
Share capital as at 31 December 2024	272,770
Proposed Share Capital Reduction	(185,000)
Share capital after Proposed Share Capital Reduction	<u>87,770</u>

- (i) The Proposed Share Capital Reduction entails a reduction of the Company's issued share capital from RM272.77 million to RM87.77 million by the cancellation of the issued share capital of Perak Corp of RM185.00 million pursuant to Section 116 of the Companies Act, 2016.
- (ii) The credit arising from the Proposed Share Capital Reduction will be utilised to set-off against the accumulated losses of the Company, and any surplus after the elimination of the accumulated losses of the Company shall be credited to the retained earnings account of the Company which may be utilised in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Listing Requirements as well as the Constitution of the Company.

Pro forma II – Proposed Disposal of Parcel 1 Lands

Pro forma II incorporates the effects of Pro forma I and the followings:-

The Company has on 16 August 2023 entered into a supplemental agreement ("SA JVA I") to the joint venture agreement dated 10 September 2019 ("JVA I") with TMHTP to vary, amend and/or to supplement certain terms of the JVA I for the proposed joint development of the following 4 parcels of land all located in Mukim Hulu Bernam Timor, Perak:

Land	Individual titles	Current land use	Area Acres
Parcel 1 Lands	PN 394964, Lot 20570	Commercial	27.2060
	PN 394965, Lot 20571	Commercial	45.9365
Parcel 2 Land	PN 394961, Lot 20402	Residential	247.8463
Parcel 3 Land	PN 394962, Lot 20403	Residential	103.7099
Total			<u>424.6990</u>

The Company has on 17 August 2023 entered into a supplemental agreement ("SA SPA I") to the sale and purchase agreement ("SPA I") dated 10 September 2019 with Makmur Impian Property Sdn Bhd ("MIP") to vary the terms of the conditions precedent, payment terms and to extend the time period for the fulfilment of the conditions precedent in the SPA I. The SPA was in relation to the disposal of Parcel 1 Lands.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

On 13 November 2024, the Company entered into a second supplemental agreement to the SPA I ("Second SA SPA I") with MIP to vary the terms in the SPA I and the SA SPA I. In particular, the method of settlement for the disposal consideration for Parcel 1 Lands have been revised to RM21.13 million in cash and RM2.13 million in land premium to be paid by MIP on behalf of Perak Corp to the State Authority of Perak.

As at 31 December 2024, MIP had paid Perak Corp a sum amounting to RM4.0 million⁽¹⁾ as deposit. The balance purchase price of RM17.13 shall be payable to Perak Corp's Solicitors within two (2) months upon completion of the SPA I. The balance purchase price will be utilised for redemption of RPS-A2 issued to Affin Islamic.

As at 31 December 2024, the carrying amounts of the lands are RM10.23 million.

Note:

- (1) The deposit includes TMHTP's total entitlement of RM0.19 million for the Proposed Disposal of Parcel 1 Lands in accordance with the terms and conditions of SPA I and SA SPA I.

Pro forma III – Proposed Disposal of Parcel 2 Land

Pro forma III incorporates the effects of Pro forma II and the followings:-

Subsequent to the execution of SA JVA I, the Company has on 2 February 2024 entered into a second supplemental agreement with TMHTP for an early settlement of Perak Corp's entitlement of Parcel 2 Land for a total consideration of RM63.50 million ("Second SA JVA I").

On 13 November 2024, the Company entered into a supplement agreement to the JVA I with TMHTP to revoke the SA JVA I and Second SA JVA I and vary the terms of the JVA I and for TMHTP to settle the Company's entitlement in respect of Parcel 2 Land and Parcel 3 Land in accordance to JVA I ("Third SA JVA I"). In tandem with the execution of the Third SA JVA I, the Company has on even date entered into a sale and purchase agreement with TMHTP to transfer Parcel 2 Land to TMHTP for a cash consideration of RM49.50 million (excluding RM14.00 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak) ("SPA II").

As at 31 December 2024, TMHTP had paid Perak Corp a sum amounting to RM9.66 million as deposit. The balance purchase price of RM39.84 shall be payable to Perak Corp's Solicitors within two (2) months upon completion of the SPA II. The balance purchase price will be utilised for redemption of the remaining balance of RPS-A2 issued to Affin Islamic, partial redemption of RPS-A1 issued to CIMB and redemption of Parcel 2 Land charged as security to CIMB under the revolving credit facilities granted to PCB Taipan.

As at 31 December 2024, the carrying amount of the land is RM25.81 million.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

Pro forma IV – Proposed Disposal of Parcel 3 Land

Pro forma IV incorporates the effects of Pro forma III and the followings:-

Subsequent to the execution of SA JVA I and the Third SA JVA I, the Company has on 13 November 2024 entered into a sale and purchase agreement with TMHTP to transfer Parcel 3 Land to TMHTP for a disposal consideration of RM18.94 million (excluding RM3.05 million of land premium to be paid by TMHTP on behalf of Perak Corp to the State Authority of Perak) ("SPA III").

As at 31 December 2024, TMHTP had paid Perak Corp a sum amounting to RM1.24 million as deposit. The balance purchase price of RM17.70 shall be payable to Perak Corp's Solicitors within two (2) months upon completion of the SPA III. The balance purchase price will be utilised for redemption of the remaining balance of RPS-A1 issued to CIMB.

As at 31 December 2024, the carrying amount of the land is RM11.13 million.

Pro forma V – Proposed Disposal of Hinterland

Pro forma V incorporates the effects of Pro forma IV and the followings:-

In accordance to the execution of the Master Development Agreement ("MDA") with PKNP on 31 March 2023, the Company and PKNP intended to broaden and further expand the Group's current port and logistics activities and services for the Lumut Maritime Terminal. In line with the aforementioned, the Company and PKNP have on 13 February 2025 entered into a sales and purchase agreement with LMTSB, for the disposal of Hinterland for a total cash consideration of RM8.53 million ("SPA IV").

As the Proposed Disposal occurs within the Group, there will be no impact on the Group's earnings, except for the tax impact on the gain from the Proposed Disposal of Hinterland at Perak Corp's level, which is not eliminated.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
 Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

Pro forma VI – Proposed Settlement

Pro forma VI incorporates the effects of Pro forma V and the followings:-

Following the execution of the MDA, the Company has on 8 March 2024 entered into a joint development agreement with PKNP to jointly collaborate and carry out the development of Zone 1 Bandar Meru Raya ("JDA I"). In tandem with the execution of JDA I, the Company, PKNP and Unipoh entered into a joint venture agreement to jointly undertake the construction and completion of a gated and guarded housing scheme in Zone 1 Bandar Meru Raya as well as to market and carry out sales of the units to end purchasers ("JVA III").

Subsequently, on 13 February 2025, the Company entered into a supplemental agreement to the JVA III with Unipoh and PKNP to modify, vary and supplement the terms of the JVA III and to stipulate and specify the agreed liquidated value of Perak Corp's entitlement pursuant to JVA III and the new mode of payment of the same ("SA JVA III").

Perak Corp's Entitlement shall be pre-determined and pre-agreed at the aggregate liquidated sum of RM40.38 million subject to first deduction therefrom the value of the Sewerage Treatment Plant Module 3 and 4 of RM17.50 million ("STP Contract Sum") and the portion of the premium to be borne by Perak Corp payable to the State Authority of Perak of RM4.88 million and the balance thereof amounting to RM18.02 million shall be paid and satisfied over 48 months.

As at 31 December 2024, Unipoh had paid to the State Authority the portion of the premium to be borne by Perak Corp amounting to RM1.80 million which has been recorded as a deposit.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

Pro forma VII – Proposed issuance of RPS-B

Pro forma VII incorporates the effects of Pro forma VI and the followings:-

The SOA under Section 366 and other relevant provisions of the Companies Act, 2016 between Perak Corp, PCB Development (collectively referred as "Scheme Companies") and their respective Scheme Creditors, involves the settlement of the liabilities owed to the Scheme Creditors as at the cut-off date of 30 June 2020 via the combination of the following:

- (i) issuance of RPS-B to be allotted on a pari passu basis to all Scheme Creditors Perak Corp and PCB Development; and
- (ii) upon the issuance of RPS-B, any remaining balance debts not settled to the Scheme Creditors above shall be waived in full. All existing corporate guarantees and/or personal guarantees (if any) given by the Scheme Companies to Scheme Creditors shall accordingly be discharged.

For avoidance of doubt, notwithstanding the derecognition of PCB Development from the Group in 2021, the SOA sanctioned by the Court on 7 May 2021 includes the settlement of liabilities owed to PCB Development's Scheme Creditors. As such, Perak Corp remains obligated to issue RPS-B as part of the agreed settlement under the SOA. Resultingly, the RPS-B allocated to PCB Development's Scheme Creditors will be recorded as an amount due from PCB Development to Perak Corp.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (Cont’d)

Attachment A

Perak Corporation Berhad (“Perak Corp” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

The summary of the outstanding debt owing to the Scheme Creditors by Perak Corp and PCB Development based on the proof of debt (“POD”) verification exercise conducted are as follows:

	Amount based on the POD verification exercise	Settlement via Proposed Issuance of RPS-B	Debt Waiver
Scheme Creditors	RM'000	RM'000	RM'000
Perak Corp			
Intercompany creditors	88,030	⁽¹⁾ 8,803	79,227
Other creditors	25,468	2,547	⁽²⁾ 22,922
Contingent creditors	15,278	1,528	⁽³⁾ 13,750
PCB Development			
Intercompany creditors	252,401	⁽²⁾ 25,240	227,161
Other creditors	16,158	⁽³⁾ 1,616	14,542
Total	397,336	39,734	357,602

Note:

- (1) The settlement of intercompany creditors of Perak Corp via the Proposed Issuance of RPS-B will be eliminated at Perak Corp Group level. As such, there is no impact of the settlement of intercompany creditors of Perak Corp at Perak Corp Group level.
- (2) Following the issuance of RPS-B, any remaining unsettled debts to other creditors and contingent creditors will be fully waived. This debt waiver of RM38.67 million will result in a tax impact amounting to RM8.80 million.
- (3) Perak Corp remains obligated to issue RPS-B of RM26.86 million to PCB Development's Scheme Creditors as part of the agreed settlement under the SOA. In view of PCB Development's significant negative financial standing and its non-going concern status, an impairment loss on the amount due from PCB Development of RM26.86 million has been accounted for in respect of the RPS-B issuance by Perak Corp to PCB Development's Scheme Creditors.

Upon completion of Proposed Regularisation Plan, an estimate expenses in relation to the Proposed Regularisation Plan amounting to RM6.30 million is expensed off to the accumulated losses with corresponding entry to cash and bank balances.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

- 4.1 The pro forma adjustments to the pro forma consolidated statements of financial position are as follows:- (Cont'd)

Pro forma VIII – Change in Accounting Estimates

Pro forma VIII incorporates the effects of Pro forma VII and the followings:-

At present, the financial statements of the Group are prepared on a non-going concern basis. This approach reflects the Group's financial position, where assets are measured at their recoverable amounts based on prevailing conditions as of the reporting date. The determination of asset values considers the specific financial constraints and uncertainties affecting the Group, including the realisation of assets through forced sale transactions, where applicable.

Upon successful implementation of the Proposed Regularisation Plan, the Group will be able to demonstrate its ability to meet its financial obligations and sustain business operations in the foreseeable future. Consequently, the basis of preparation of the financial statements will revert to a going concern basis. This transition will result in a reassessment of the carrying values of the Group's assets, particularly Property, Plant and Equipment ("PPE") and Right-of-Use ("ROU") assets.

Under the non-going concern basis, the Group had previously recognised impairment losses on PPE and ROU assets based on forced sale values, reflecting their immediate recoverability under distressed conditions. However, with the Group's financial stability restored through the Proposed Regularisation Plan, asset valuation will be realigned to reflect market values, which is higher than forced sale values.

As a result, a reversal of impairment losses on PPE and ROU assets is expected, leading to a corresponding positive impact on the Group's financial statements. This adjustment will enhance the net asset position, contributing to improved financial ratios and increased shareholder value.

The pro forma financial statements will incorporate the effects of this accounting estimates change, demonstrating the anticipated financial position of the Group post-implementation of the Proposed Regularisation Plan.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
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4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.2 Movement in property, plant and equipment

	RM'000
Balance as at 31 December 2024/ Pro forma VII	73,549
Effects of Pro Forma VIII:	
- Reversal of impairment losses on PPE resulting from a change in accounting estimates on application of the going concern basis	3,793
Pro forma VIII	<u>77,342</u>

4.3 Movement in right-of-use assets

	RM'000
Balance as at 31 December 2024/ Pro forma VII	87,825
Effects of Pro Forma VIII:	
- Reversal of impairment losses on ROU assets resulting from a change in accounting estimates on application of the going concern basis	1,606
Pro forma VIII	<u>89,432</u>

4.4 Movement in Inventories (current)

	RM'000
Balance as at 31 December 2024/ Pro forma I	105,977
Effects of Pro Forma II:	
- Cost of sales on Proposed Disposal of Parcel 1 Land ⁽¹⁾	(10,229)
Pro forma II	95,748
Effects of Pro Forma III:	
- Cost of sales on Proposed Disposal of Parcel 2 Land	(25,813)
Pro Forma III	69,935
Effects of Pro Forma IV:	
- Cost of sales on Proposed Disposal of Parcel 3 Land	(11,128)
Pro Forma IV/ Pro Forma V	58,807
Effects of Pro Forma VI:	
- Capitalisation of STP Contract Sum	17,500
- Land premium paid on behalf	(1,797)
Pro Forma VI/ Pro Forma VII/ Pro Forma VIII	<u>74,510</u>

Note:

(1) The cost of sales includes TMHTP's entitlement of RM0.19 million.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (Cont’d)

Attachment A

Perak Corporation Berhad (“Perak Corp” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.5 Movement in receivables, deposits and prepayments

	RM'000
Balance as at 31 December 2024/ Pro forma VI	34,383
Effects of Pro Forma VII:	
- Amount due from PCB Development in relation to issuance of the RPS-B by Perak Corp to PCB Development's Scheme Creditors	26,856
- Impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by Perak Corp to PCB Development's Scheme Creditors	(26,856)
Pro Forma VII/ Pro Forma VIII	<u>34,383</u>

4.6 Movement in deposits, cash and bank balances

	RM'000
Balance as at 31 December 2024/ Pro forma III	33,224
Effects of Pro Forma IV:	
- Gross proceeds from Proposed Disposal of Parcel 3 Land	18,935
- Deposit received	(1,243)
- Redemption of the remaining balance of RPS-A1 issued to CIMB	(12,916)
Pro forma IV/ Pro forma V	<u>38,000</u>
Effects of Pro Forma VI:	
- Perak Corp's Entitlement from the Proposed Settlement	17,447
Pro Forma VI	<u>55,447</u>
Effects of Pro Forma VII:	
- Payment of estimated expenses in relation to the Proposed Regularisation Plan	(6,300)
Pro Forma VII/ Pro Forma VIII	<u>49,147</u>

4.7 Movement in share capital

	RM'000
Balance as at 31 December 2024	272,770
Effects of Pro Forma I:	
- Proposed Share Capital Reduction	(185,000)
Pro forma I/ Pro forma II/ Pro forma III/ Pro forma IV/ Pro forma V/ Pro forma VI/ Pro forma VII/ Pro forma VIII	<u>87,770</u>



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
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4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.8 Movement in (accumulated losses)/retained earnings

	RM'000
Balance as at 31 December 2024	(174,917)
Effects of Pro Forma I:	
- Proposed Share Capital Reduction	185,000
Pro forma I	10,083
Effects of Pro Forma II:	
- Gain on the Proposed Disposal of Parcel 1 Lands	8,283
Pro Forma II	18,366
Effects of Pro Forma III:	
- Gain on the Proposed Disposal of Parcel 2 Land	18,002
Pro Forma III	36,368
Effects of Pro Forma IV:	
- Gain on the Proposed Disposal of Parcel 3 Land	5,933
Pro Forma IV	42,301
Effects of Pro Forma V:	
- Tax effect of the Proposed Disposal of Hinterland	(1,899)
Pro Forma V	40,402
Effects of Pro Forma VI:	
- Gain on the Proposed Settlement	26,560
Pro Forma VI	66,962
Effects of Pro Forma VII:	
- Waiver of debts pursuant to the SOA	36,672
- Tax effect of the waiver of debts pursuant to the SOA	(8,800)
- Impairment loss on amount due from PCB Development in relation to the issuance of RPS-B by Perak Corp to PCB Development's Scheme Creditors	(26,858)
- Estimated expenses in relation to the Proposed Regularisation Plan	(6,300)
Pro Forma VII	61,678
Effects of Pro Forma VIII:	
- Reversal of impairment losses on property, plant, and equipment resulting from a change in accounting estimates on application of the going concern basis	3,793
- Reversal of impairment losses on ROU assets resulting from a change in accounting estimates on application of the going concern basis	1,506
Pro forma VIII	67,077



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

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Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
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4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.9 Movement in loans and borrowings (non-current)

	RM'000
Balance as at 31 December 2024/ Pro forma I/ Pro forma II	91,997
Effects of Pro Forma III:	
- Redemption of Parcel 2 Land charged as security to CIMB under the revolving credit facilities granted to PCB Taipan	(19,143)
Pro forma III/ Pro forma IV/ Pro forma V/ Pro forma VI	72,854
Effects of Pro Forma VII:	
- Issuance of RPS-B to Perak Corp's Scheme Creditors pursuant to the SOA and subsequent reclassification from Payables and Accrued Liabilities	4,075
- Issuance of RPS-B to PCB Development's Scheme Creditors pursuant to the SOA	26,856
Pro Forma VII/ Pro Forma VIII	103,785

4.10 Movement in loans and borrowings (current)

	RM'000
Balance as at 31 December 2024/ Pro forma I	52,030
Effects of Pro Forma II:	
- Partial redemption of RPS-A2 issued to Affin Islamic ⁽¹⁾	(17,131)
Pro forma II	34,899
Effects of Pro Forma III:	
- Redemption of the remaining balance of RPS-A2 issued to Affin Islamic ⁽¹⁾	(1,055)
- Partial redemption of RPS-A1 issued to CIMB ⁽¹⁾	(13,741)
- Redemption of Parcel 2 Land charged as security to CIMB under the revolving credit facilities granted to PCB Taipan	(5,904)
Pro forma III	14,199
Effects of Pro Forma IV:	
- Redemption of the remaining balance of RPS-A1 issued to CIMB ⁽¹⁾	(12,916)
Pro Forma IV/ Pro Forma V/ Pro Forma VI/ Pro Forma VII/ Pro Forma VIII	1,283

Note:

Redemption of RPS-A1 and RPS-A2 inclusive of cumulative compounded gross preferential dividends up to 31 March 2026, consistent with the extension of time granted by Affin Islamic and CIMB for the mandatory redemption of the RPS-A1 and RPS-A2. However, the carrying amount of the RPS-A1 and RPS-A2 as at 31 December 2024, as disclosed under loans and borrowings, does not include the cumulative compounded gross preferential dividends accruing up to 31 March 2026. The pro forma adjustments reflect the full redemption amount payable under the extended timeline, including the additional cumulative compounded gross preferential dividend accrued up to 31 March 2026.



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (Cont’d)

Attachment A

Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")

Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.11 Movement in payables and accrued liabilities

	RM'000
Balance as at 31 December 2024/ Pro Forma I	161,204
Effects of Pro Forma II:	
- Reclassification of deposit received upon recognition of revenue from the Proposed Disposal of Parcel 1 Lands	(3,997)
Pro forma II	157,207
Effects of Pro Forma III:	
- Reclassification of deposit received upon recognition of revenue from the Proposed Disposal of Parcel 2 Land	(9,657)
Pro Forma III	147,550
Effects of Pro Forma IV:	
- Reclassification of deposit received upon recognition of revenue from the Proposed Disposal of Parcel 3 Land	(1,243)
Pro Forma IV/ Pro Forma V	146,307
Effects of Pro Forma VI:	
- Reclassification of deposit received upon recognition of revenue from the Proposed Settlement	(1,797)
Pro Forma VI	144,510
Effects of Pro Forma VII:	
- Waiver of debts pursuant to the SOA	(36,673)
- Issuance of RPS-B to Perak Corp's Scheme Creditors pursuant to the SOA and subsequent reclassification under Loans and Borrowings.	(4,075)
Pro forma VII/ Pro forma VIII	103,762



APPENDIX XXI – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PERAK CORP GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (Cont’d)

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Perak Corporation Berhad ("Perak Corp" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

4. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.12 Movement in current tax liabilities

	RM'000
Balance as at 31 December 2024/ Pro Forma I	1,897
Effects of Pro Forma II:	
- Tax effect of the gain on the Proposed Disposal of Parcel 1 Lands	2,616
Pro forma II	4,513
Effects of Pro Forma III:	
- Tax effect of the gain on the Proposed Disposal of Parcel 2 Land	5,585
Pro Forma III	10,198
Effects of Pro Forma IV:	
- Tax effect of the gain on the Proposed Disposal of Parcel 3 Land	1,874
Pro Forma IV	12,072
Effects of Pro Forma V:	
- Tax effect of the Proposed Disposal of Hinterland	1,899
Pro Forma V	13,971
Effects of Pro Forma VI:	
- Tax effect of the gain on the Proposed Settlement	8,387
Pro Forma VI	22,358
Effects of Pro Forma VII:	
- Tax effect of the waiver of debts pursuant to the SOA	8,801
Pro Forma VII/ Pro Forma VIII	31,159



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Protégé
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The Board of Directors
Perak Corporation Berhad
No. 1-A, Blok B, Menara PKNP
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Bandar Meru Raya 30020 Ipoh
Perak Darul Ridzuan

Date: 30 January 2026

Dear Sirs/Madams,

Independent Market Research Overview Report ("MRO Report") on the:

- a) Port Market in Malaysia;
- b) Hospitality Industry in Malaysia; and
- c) Property Development Industry in Malaysia.

Protégé Associates Sdn Bhd ("Protégé Associates") has prepared this MRO Report for Perak Corporation Berhad ("Perak Corporation" or the "Company")

We have been engaged to provide an independent market research overview of the abovementioned industries in which Perak Corporation Berhad and its subsidiaries ("Perak Corporation Group", or the "Group") operate in. The market research process undertaken involved secondary research as well as detailed primary research when required, which involves interviews with the relevant stakeholders of the industry to discuss the state of the industry. Quantitative market information could be sourced from such interviews and therefore, the information is subject to fluctuations due to changes in business, industry, and economic conditions.

We have prepared this MRO Report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this MRO Report presents a balanced view of the industry within the boundaries and limitations of secondary statistics, primary research, and continued industry movements. Our research has been conducted to present an overall view of the industry and may not necessarily reflect the performance of individual companies in this industry. Protégé Associates is not responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

Thank you.

Yours sincerely,


Seow Cheow Seng
Managing Director

About Protégé Associates Sdn Bhd

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of signing partner, Seow Cheow Seng

Seow Cheow Seng is the Managing Director of Protégé Associates. He has 26 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has a Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia.



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The research for this MRO Report was completed in January 2026.

For further information, please contact:

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1 OVERVIEW OF THE PORT MARKET IN MALAYSIA

1.1 THE PORT MARKET IN MALAYSIA

A port is a place generally located on the coast of bodies of water such as oceans, rivers for ships to dock. Ships dock at ports to load and unload cargo or passengers. Ports play an important role in the economy of a country as they are crucial in transporting goods and raw materials. There are 14 ports in Malaysia, namely Port Klang, Penang Port, Johor Port, Kuantan Port, Bintulu Port, Tanjung Bruas Port, Kuching Port, Miri Port, Rajang Port, Sabah Port, Port of Port Dickson, Kemaman Port, Port of Teluk Ewa and Port of Tanjung Pelepas. Of the 14 ports in Malaysia, there are 7 main federal ports namely Penang Port, Port Klang, Kuantan Port, Kemaman Port, Johor Port, Port of Tanjung Pelepas and Bintulu Port. All the ports in Sabah and Sarawak, save for Bintulu Port and Labuan Port, are under the jurisdiction of the State Governments of Sabah and Sarawak respectively. Ports are generally built, maintained, and operated by port authorities. The administration of ports is legislated under the respective port act, and port authorities such as the Port Klang Authority and Penang Port Commission were established to govern federal ports.

The ports market in Malaysia is active with total cargo throughput (including import, export, and transshipment) at the 14 ports in Malaysia increasing over the last 3 years. In 2024, the total cargo throughput, in terms of twenty-foot equivalent units ("TEUs"), reached 30.8 million TEUs, while total cargo throughput in terms of freight weight tonnes ("FWT") reached 583.7 million FWT. During the same year, there were 60,173 ships that berthed at ports in Malaysia.

Figure 1: Total Cargo Throughput in Malaysia in tonnes and TEUs, 2022-2024

Port	Total Cargo Throughput			Total Cargo Throughput		
	'000 tonnes			TEUs		
	2022	2023	2024	2022	2023	2024
Port Klang	226,143	242,597	248,579	13,223,928	14,061,022	14,644,527
Penang Port	30,155	32,088	32,333	1,299,940	1,443,506	1,416,450
Johor Port	30,769	29,050	29,870	918,598	941,086	1,059,117
Kuantan Port	22,366	25,272	25,772	128,087	141,218	147,460
Bintulu Port	43,991	42,803	45,263	364,272	359,831	342,429



Port	Total Cargo Throughput			Total Cargo Throughput		
	'000 tonnes			TEUs		
	2022	2023	2024	2022	2023	2024
Tanjung Bruas Port	486	535	504	17,779	5,194	14,402
Kuching Port	9,870	9,349	10,093	291,862	274,202	305,197
Min Port	3,365	3,119	3,263	24,179	24,852	27,331
Rajang Port	1,493	1,411	1,478	87,900	83,866	86,311
Sabah Port	29,234	27,546	28,870	449,515	428,313	501,944
Port of Port Dickson	11,556	17,279	13,199	N/A	N/A	N/A
Kemaman Port	4,529	5,322	7,069	N/A	N/A	N/A
Port of Teluk Ewa	2,109	1,931	2,003	N/A	N/A	N/A
Port of Tanjung Pelepas	151,576	148,261	135,372	10,512,806	10,480,537	12,253,309
Total	567,642	586,563	583,668	27,318,866	28,243,627	30,798,477

Source: Ministry of Transport, Malaysia ("MOT")

Figure 2: Total Ships Calling at Port in Malaysia, 2022-2024

Port	Total Ships Calling at Port		
	Units		
	2022	2023	2024
Port Klang	12,997	14,566	13,609
Penang Port	3,353	3,547	4,653
Johor Port	3,864	3,968	3,968
Kuantan Port	2,020	2,067	2,357
Bintulu Port	7,152	7,399	7,619
Tanjung Bruas Port	120	96	112
Kuching Port	1,368	1,365	1,351
Min Port	4,188	7,990	9,600
Rajang Port	452	424	435
Sabah Port	9,283	9,295	10,150
Port of Port Dickson	562	657	981
Kemaman Port	491	480	473
Port of Teluk Ewa	215	201	178
Port of Tanjung Pelepas	4,576	4,842	4,687

Port	Total Ships Calling at Port		
	Units		
	2022	2023	2024
Total	50,641	56,897	60,173

Source: MOT

Two of the most prominent ports in Malaysia are Port Klang, located in Selangor, and the Port of Tanjung Pelepas, located in Johor. The two ports accounted for approximately 65.8% or 384.0 million tonnes of cargo throughput in 2024. Major commodities loaded at the 14 ports in Malaysia are liquified natural gas, petroleum, and fuel oil, as well as palm oil while major commodities unloaded include petroleum and fuel oil, chemicals or fertiliser, as well as grains.

1.1.1 Lumut Port

Lumut Port is a private port strategically located on the west coast of Peninsular Malaysia in the state of Perak directly off the Straits of Malacca. The port, which currently consists of two terminals, namely the Lumut Maritime Terminal ("LMT") and the Lekir Bulk Terminal ("LBT"), is managed by Lumut Maritime Terminal Sdn Bhd. The LMT mainly serves cargo ships which are involved in importing and exporting dry bulk, liquid bulk, and break bulks, while the LBT serves as a gateway for the delivery of coal to the Janamanjung plant, which is a coal-fired power plant, operated by TNB Janamanjung Sdn Bhd, a wholly owned subsidiary of Tenaga Nasional Berhad. Dry bulk refers to unpackaged goods shipped in large quantities and can include products such as grains, coal, metal ores, and sand and gravel. Liquid bulk refers to liquids such as chemicals, petroleum and natural gas, as well as edible oils which are shipped without individual packaging on specialised ships called tankers. Break bulk refers to goods that are too large, heavy, or oddly shaped to fit into standard containers and are shipped as individually counted units.

Figure 3: Total Cargo Throughput and Ships Calling at Lumut Port, 2022-2024

Port	Total Cargo Throughput			Total Ships Calling at Port		
	'000 tonnes			Units		
	2022	2023	2024	2022	2023	2024
Lumut	16,926	17,292	15,485	537	524	519

Source: Perak Corporation

The Lumut Port recorded a total cargo throughput of 15.5 million tonnes and 519 ships calling at port in 2024. The 6 ports along the Straits in Malacca (Penang Port, Lumut Port, Port Klang, Port of Tanjung Bruas, Port of Port Dickson, and Port of Teluk Ewa) recorded a total cargo



throughput of 312.0 million tonnes in 2024. Perak Corp, through its subsidiary, Lumut Maritime Terminal Sdn Bhd, manages the Lumut Port which recorded a total cargo throughput of 15.5 million tonnes during the same period. As such, Perak Corp's market share is 5.0% of the total cargo throughput along the Straits of Malacca.

While the 6 ports are on the Straits of Malacca, they do not necessarily compete directly as each port may have different backward economic linkages (Integration of port clusters into national or state inputs and outputs). The ports are key to the development of the surrounding region. Several key factors determining a port's competitiveness include marine connectivity, the quality of the port operations in terms of input organisation, hinterland and local goodwill. Each port may have strong ties to specific port-related industries such as businesses exporting goods or importing raw materials (port-attracted industries) or businesses intending to expand its markets by exporting through the port (port-induced industries). Each port is also likely to have different characteristics in terms of their facilities, depth of water, and width of the channel. Lumut Port is a natural deep-water port that can provide good nautical access.

Lumut Port plays an important role in the coal supply chain in Malaysia. Coal, along with natural gas, oil, hydroelectricity, and renewable energy make up the 5 vital energy sources identified by the Malaysian Government. According to the National Energy Transition Roadmap ("NETR"), Malaysia's energy system is primarily dominated by non-renewable sources of energy namely, natural gas, oil and coal. The primary energy supplied by coal and coke in 2022 was 23,655 kilotonne of oil equivalent or 22.6% of Malaysia's primary energy supply, which was the third largest contributor following natural gas and crude oil. As Malaysia's supply of coal and coke for power is almost fully imported, the role of LBT is key in providing a supply of coal for power generation at the Janamanjung plant.

The strategic location of Lumut Port off the Straits of Malacca allows it to serve as a gateway for various products from Perak. The Lumut Port Industrial Park, which is in close proximity to Lumut Port is gazetted for heavy industrial use and houses various companies such as PETRONAS Dagang Berhad, Sapura Energy, United Fleet Palms, and PGEO Oil Mill. Lumut Port may also benefit from the development of 4 additional industrial parks in Perak namely the Automotive High-Tech Valley, the Perak Halal Industrial Park, the Silver Valley Technology Park ("SVTP"), and the Kerian Integrated Green Industrial Park. The Perak Government had proposed the construction of a new highway alignment that will connect Tanjung Malim to Lumut to facilitate logistics services through the Lumut Maritime Industrial City to support the activities of the Automotive High-Tech Valley once it is operational. Additionally, Lumut Port may also benefit from the establishment of the 21st Century Maritime Silk Road, which is the



sea route section of the Belt and Road Initiative, a development strategy adopted by the People's Republic of China for the country to foster better regional connectivity. The 21st Century Maritime Silk Road will utilise the Straits of Malacca to connect Europe and the Middle East to Asia. As such, Lumut Port can capitalise on its location and offer its port services to more potential customers in the future.

1.2 DEMAND CONDITIONS

Increasing Trade Volumes Across the World

Shipping plays an important role in supporting trade across the world, and ports similarly support trade as they facilitate the loading and unloading of cargo. Global trade has been increasing over the years. According to the UNCTAD, global trade is estimated to have increased by 2.2 trillion United States dollars ("USD") to USD35 trillion in 2025.

Malaysia has also seen a growth in trade volumes over the last 10 years. Malaysia's total trade volume (comprising imports and exports) increased by 0.18 trillion Ringgit Malaysia ("RM") in 2024 to RM3.06 trillion in 2025. Exports increased from RM1.51 trillion in 2024 to RM1.61 trillion in 2025, while imports increased from RM1.37 trillion to RM1.45 trillion over the same period. Malaysia recorded an increase in total container throughput to 28.2 million TEUs in 2023 to 30.8 million TEUs in 2024. The continued high levels of trade in Malaysia bodes well for the demand for port services and is expected to contribute to the growth of the port market in Malaysia moving forward.

Malaysia's Strategic Location on Major Shipping Routes Including the Straits of Malacca and the South China Sea

Malaysia is strategically located within major shipping routes namely the Straits of Malacca and the South China Sea and allows it to facilitate shipping trade various countries. In particular, the Straits of Malacca has served as the primary connecting link between Europe, the Middle East, and South Asia on one side and Southeast and East Asia on the other. Furthermore, the Straits of Malacca is the shortest shipping route that connects the Indian Ocean to the Pacific Ocean. Due to its strategic location, Malaysia can act as a shipment hub that facilitates cargo transfer. Malaysia recorded 19.7 million TEUs in transshipments in 2024.

Prominence of Electronic Commerce

Electronic commerce ("e-commerce") has grown in prominence across the world including Malaysia in recent years. While e-commerce had been steadily increasing in popularity, the COVID-19 pandemic and subsequent changes in consumers' online shopping behaviour had led



to significant growth in e-commerce. According to the Department of Statistics Malaysia, e-commerce contributed RM258.2 billion (in terms of gross value added) to the country's GDP in 2024, an increase of 4.7% from RM246.6 billion in 2023. The gross value added of e-commerce has nearly doubled from pre-pandemic levels (2019: RM129.35 billion). The rise of e-commerce has led to e-commerce giants such as Alibaba Group Holding Limited launching a consolidated end-to-end logistics service between the People's Republic of China and Malaysia whereby Malaysian consumers will be able to purchase products on Chinese e-commerce sites like Taobao, JD.com, and Pinduoduo with shorter shipping times. There has also been an emergence of platforms to facilitate forwarding of e-commerce purchases in overseas countries such as the United States of America, Korea, and Japan into Malaysia. Some overseas brands may not offer shipping to Malaysia and these platforms provide Malaysian consumers with a postal address in the brand's country of origin. Once the items have reached the platform's warehouse, they will arrange for it to be delivered to the Malaysian consumer. The continued prominence of e-commerce is likely to auger well for the Malaysian port market over the forecast period as ocean freight is a major transport channel for trade.

Wide Range of End-users/ Customers

As ocean freight is a major transport channel for global trade, the port market serves a wide range of end-users/ customers such as manufacturers and traders in different industries including agriculture, food and beverage, and energy. The demand for raw materials, finished goods, and petroleum products is supported by global economic activity as well as healthy economic activity in Malaysia. Port services are also required to support passenger ships such as cruise ships that bring in tourists. The continued demand for port services from a wide range of end-users/ customers augers well for the further development of the Malaysian port market.

Economic Uncertainty

Global economic growth remains slow and uneven and has been impacted by additional factors such as the Russia-Ukraine war and conflicts in the Middle East, tightening of monetary policy, and slowdown the world's top economies namely the United States of America and the PRC. The International Monetary Fund had forecast global growth to moderate to 3.3% in 2026 and 3.2% in 2027. The slowdown in economic growth may affect consumer confidence and purchasing power, which may lead to a decline in demand for goods and services and subsequently affect global trade. In addition, the United States of America ("USA") began imposing additional tariffs on Canada, Mexico, and China in January 2025, and the situation has escalated into a trade war after the USA imposed increased tariffs on other countries around the world, including Malaysia.



On 2 April 2025, President Donald Trump of the USA invoked his authority under the International Emergency Economic Power Act of 1977 to address the national emergency posed by the trade deficit faced by the USA. Using this, President Donald Trump imposed a 10% baseline tariff on all countries effective 5 April 2025. Subsequently, effective 9 April 2025, reciprocal tariffs would be imposed on countries with which the USA has larger trade deficits, including Malaysia, which was imposed with a 24% tariff. On 9 April 2025, President Donald Trump announced a 90-day pause on the reciprocal tariffs, save for the PRC. On 8 July 2025, President Donald Trump notified Malaysia that it would impose a 25% tariff on products from Malaysia with effect from 1 August 2025. This rate was later revised downwards to 19% pursuant to an order issued by the US Government on 31 July 2025, with the revised tariff taking effect on 1 August 2025. While LMT is involved in the export of dry bulk, liquid bulk, break bulk, and project cargoes, it mainly exports to ports such as Indonesia, Japan and India. As such, the imposition of the 25% tariff and its subsequent revision to 19% by the USA is unlikely to have a significant direct impact on LMT. However, the imposition of tariffs by the USA on other countries may trigger changes in supply chains, which may indirectly affect demand for LMT's services for dry bulk, liquid bulk, break bulk, and project cargoes. However, the overall port market in Malaysia may be affected as the tariff is likely to lead to a decline in the competitiveness of Malaysian exports to the USA.

1.3 SUPPLY CONDITIONS

Government Support

Due to the key role that ports play in facilitating trade activities and Malaysia's geographical position along the Straits of Malacca, the port market is a key economic driver for Malaysia. In the 13th Malaysia Plan 2026-2030 ("13MP"), the Government has identified the Blue Economy, the economic activities associated with the oceans and seas, as one of the areas for strengthening the nation's economy. The Government intends to improve maritime competitiveness by improving federal port governance and improving port infrastructure. The Malaysian Government had also announced plans of the expansion of Port Klang whereby a new mega port with an annual container throughput capacity of 30 TEUs will be built on Carey Island.

The Government had also announced in Budget 2024 that would allocate RM20.0 million in matching grants for the enhancement of the Malaysia Maritime Single Window system, a digital portal integrated with other government agencies to strengthen the integration and coordination of port trade in Malaysia. The Malaysia Maritime Single Window system has since



been implemented in Port Klang where all transactions involving ship arrivals and departures are carried out exclusive on the system. In addition, Malaysia is finalising the Malaysia Maritime Masterplan 2026-2040 aimed at strengthening domestic shipping and enhancing the maritime sector's contribution to the nation's economic development. In Perak, the Perak State Development Corporation entered to an agreement with the Port of Antwerp-Bruges International¹ in 2022 to develop the Lumut Maritime Industrial City in Manjung Perak, involving a total investment of approximately RM72 billion over the next 25 years. The project's early-stage feasibility study identified seven key industrial zones aligned with high-potential sectors including green energy, ship recycling, marine engineering, and maritime 3D printing. The Perak State Development Corporation is in talks with local and foreign entities to co-develop and finance the different components of the Lumut Maritime Industrial City. The continued support from the federal and state Governments will likely improve Malaysia's ability and efficiency in providing port services. This would in turn drive the growth of the Malaysian port market in future.

Relatively High Barrier to Entry

There are relatively high barriers to entry for potential industry players intending to establish a new port. Ports are inherently large strategic infrastructure that requires a large upfront capital expenditure, sizable land in a strategic location, approval from relevant authorities, as well as good infrastructure surrounding the land which will enable access in and out of the port. Potential new entrants also need to be mindful of the long period required until the port is operational and commercially successful considering the construction duration of the large port. Given the high barrier to entry, it is unlikely that new ports will be established on a regular basis. This may affect the rate at which port services in Malaysia grow, which may then affect the development of the Malaysian ports market in the future.

1.4 PROSPECTS AND OUTLOOK OF THE PORTS MARKET IN MALAYSIA

The ports market in Malaysia registered an increase in terms of total cargo throughput from 28.2 million TEUs in 2023 with a total trade volume (comprising imports and exports) of RM2.64 trillion, to 30.8 million TEUs, with a total trade volume of RM2.88 trillion in 2024.

¹ The Port of Antwerp-Bruges International, an entity involved in the provision of consultancy, advice and management solutions for port and terminal related projects, is a subsidiary of Port of Antwerp-Bruges, the port authority managing the ports of Antwerp and Zeebrugge in Belgium.



The ports market in Malaysia is expected to expand despite headwinds from slower economic growth. The factors that are expected to drive demand for the industry moving forward include growing global trade volumes, Malaysia's strategic location along major shipping routes, growth and prominence of e-commerce, as well as the wide range of end-users and customers it serves. In terms of supply, the Malaysian ports market may be affected by the relatively high barriers to entry that may affect the ability of new entrants to establish new ports and increase the availability of port services. Nevertheless, support from the Government in terms of various policies as well as expansion plans announced by current port operators are likely to upgrade the port services provided by the nation and further drive the growth of the port market moving forward.

The ports market is forecast to grow at a compound annual growth rate ("CAGR") of 4.5% from 30.8 million TEUs handled in 2024 to 38.3 million TEUs handled in 2029.

2 OVERVIEW OF THE TOURISM AND HOSPITALITY INDUSTRY IN MALAYSIA

Tourism is the act of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services. It encompasses a broad spectrum of experiences and engagements that individuals undertake while exploring different destinations. Ranging from sightseeing, adventure sports, cultural immersions, to leisurely pursuits, tourism activities are diverse and cater to varied interests and preferences.

Five years after the onset of the COVID-19 pandemic, Malaysia's tourism and hospitality industry has shown strong recovery and is close to reaching pre-pandemic levels. Following the reopening of Malaysia's international borders in April 2022, the country experienced a surge in foreign tourist arrivals, with 10.1 million foreign tourists recorded in 2022, an increase of 73,750.3% from 134,728 foreign tourist arrivals in 2021. Consequently, tourist receipts increased by 11,662.5% from RM0.24 billion in 2021 to RM28.23 billion in 2022. In 2023, foreign tourist arrivals increased to 20.1 million while tourist receipts increased to RM71.31 billion. Tourism continued to expand in 2024, with tourist arrivals increasing to 25.0 million tourists and tourist receipts increasing to RM102.20 billion. Tourists from Singapore, Indonesia, and China made up the top 3 arrivals into the country during 2024.

Figure 4: Tourist Arrivals into Malaysia, 2019-2024

Year	Number of tourist arrivals (million)	Tourist Receipts (RM million)
2019	26.1	86,143.5
2020	4.3	12,688.2
2021	0.1	238.7
2022	10.1	28,228.3
2023	20.1	71,308.5
2024	25.0	102,200.0

Source: Tourism Board Malaysia

Domestic tourism has also seen a boost, with the number of domestic tourists increasing by 21.7% from 213.7 million tourists in 2023 to 260.1 million tourists in 2024. Out of the total domestic tourists in 2024, 64.1% (166.7 million) were excursionists, or day-trippers, while the remaining 35.9% (93.4 million) were overnight tourists. Overnight tourists recorded an average length of stay of 2.5 days in 2023 and 2024. The total number of trips taken by domestic tourists increased by 23.4% from 241.5 million trips in 2023 to 297.9 million trips in 2024.



Consequently, domestic tourism expenditure increased by 25.7% from RM84.93 billion in 2023 to RM106.75 billion in 2024. Shopping accounted for the highest share (37.4%) of total domestic tourism expenditure, followed by food and beverage ("F&B") (16.2%), and purchase of automotive fuel (12.7%). In 2024, 99.0 million domestic overnight trips were made by domestic tourists. Staying at relatives' and friends' houses accounted for the largest share (60.4%) of accommodation for domestic overnight trips. This was followed by hotel (21.7%), homestay/vacation homes (8.6%), apartment (4.7%), rest house (2.6%), and chalet (2.0%).

In particular, the performance of domestic tourism in Perak registered an upward trend in terms of the number of visitor arrivals and total receipts after COVID-19 restrictions were lifted. Perak saw an increase from 17.1 million in 2023 to 21.8 million in 2024. Perak's domestic tourism receipts increased from RM5.6 billion in 2023 to RM7.2 billion in 2024. Visiting family and friends remains the top purpose for a visit to Perak, followed by holiday, leisure and relaxation, and shopping.

Accommodation in the hospitality industry provides travellers with a temporary place to unwind and recharge. There are various types of accommodation which travellers can choose from, depending on their budget, requirement, and interests. This includes lodgings such as hotels, resorts, motels, and chalets. The impact of COVID-19 pandemic on hospitality was significant as many had been forced to either temporarily or permanently shut down due to lack of tourism activity. Nevertheless, with the recovery in tourism sector in Malaysia, the average occupancy rate for hotels and resorts increased from 28.2% in 2021. In 2024, the average occupancy rate for hotels and resorts increased to 54.9%. Accommodation services recorded an estimated revenue of RM19.75 billion in 2024, an increase of 37.4% from RM14.37 billion in 2023.

The Malaysian tourism and hospitality industry continued to improve, registering an estimated growth of 38.2% from RM118.71 billion in 2024 to RM161.48 billion in 2025 as a result of the revitalisation of tourism activities and tourist arrivals post-pandemic. Perak Corporation Group recorded revenue of RM22.2 million in the FYE 2024, representing a 0.02% share of the tourism and hospitality industry in Malaysia in 2024.

2.1 DEMAND CONDITIONS

Increasing consumer affluence

Increasing consumer affluence as evidenced by increasing per capita income results in greater purchasing power of the general population. According to the World Bank, the gross national



income per capita of the world was USD13,443 in 2024, an increase from USD11,538 in 2019. Closer to home, the economic growth in Malaysia has improved the affluence of the population. The country's gross national income increased from RM1,473.24 billion in 2019 to RM1,869.64 billion in 2024 while the per capita income in Malaysia rose from RM45,298 in 2019 to RM54,894 in 2024.

Furthermore, the Malaysian Government remains committed in pursuing economic expansion programmes such as the MADANI Economy policy framework that focuses on restructuring the economy to make the country a prominent force among Asian economies and to ensure that the enlarged wealth is benefited equitably by the *Rakyat*. The Budget 2025 tabled by the Malaysian Government also included an increase of the minimum wage from RM1,500 to RM1,700 with effect from February 2025.

The growth of the global and local economy as well as increasing consumer affluence may increase disposable income and people's abilities to spend on leisure activities such as tourism, which in turn may spur the demand for tourism activities in Malaysia.

Introduction of the Malaysian Visa Liberation Plan

The introduction of the Malaysian Visa Liberation Plan, which includes 30-day visa exemption for tourists from China and India, 30-day multiple-entry visa for all travellers into Malaysia, as well as long-term social visit passes, is expected to increase the arrival of foreign tourist and provide impetus for growth of the local tourism and hospitality industry. The relaxed visa policies may incentivise tourists to visit Malaysia as they reduce barriers to entry, thus making it more appealing to visit the country. The higher number of potential tourists visiting Malaysia is likely to drive demand for tourism and hospitality services, which in turn is likely to auger well for the industry moving forward.

Malaysia's accessibility through various modes of transport

Due to Malaysia's geographical location, it can be accessed through various modes of transport via land, air, and sea. Entering Malaysia via land is popular with travellers from Singapore due to the bridges linking the two countries. The shared border between Malaysia and Thailand also serves as an access point via land for travellers from Thailand. Of the 25.0 million foreign tourists arriving in Malaysia in 2024, 52.4% travelled via land while 41.0% and 5.1% travelled via air and sea respectively. The various modes of access can lead to a higher number of tourists visiting Malaysia, thus generating higher demand for tourism and hospitality services. Additionally, Malaysia supports multiple modes of transportation such as intercity flights, intercity trains, and car services for tourists to travel within the country. This enables tourists



to explore different locations within a Malaysia conveniently and caters to varying travel preferences and needs of tourists. Furthermore, the availability of diverse transportation options can encourage tourists to extend their stays or visit multiple destinations in a single trip. This would likely boost the demand for tourism and hospitality services and drive growth of the industry moving forward.

Expansion and upgrading of airports

The planned upgrades and expansion of Kuala Lumpur International Airport ("KLIA") by the Ministry of Transport signify a substantial increase in its passenger and cargo capacity. By enhancing the airport's capabilities to accommodate more passengers annually, this development paves the way for an improvement in inbound and outbound traffic. Currently, KLIA Terminal 1 ("KLIA 1") is designed to accommodate 30.0 million passengers per annum while KLIA Terminal 2 ("KLIA 2") can accommodate up to 45.0 million passengers per annum. According to the Ministry of Transport, Malaysia Airports Holdings Bhd ("MAHB") intends to upgrade the capacity of KLIA 1 and KLIA 2 to 59 million passengers per annum and 67 million passengers per annum respectively. MAHB is also considering the development of a fourth runway and a new airport terminal in the future. Meanwhile, MAHB has undertaken repair and upgrading of the automated people mover system (aerotrain) at KLIA1 to increase passenger mobility. The aerotrain has resumed operations since July 2025. These improved facilities are pivotal to boost the tourism sector as they facilitate smoother and more efficient travel experiences for tourists, potentially leading to increased number of visitors. This would in turn drive demand for tourism and hospitality services in the future.

2.2 SUPPLY CONDITIONS

Government initiatives to support the tourism and hospitality industry

The Malaysian Government launched the National Tourism Policy 2020-2030 in December 2020 as a roadmap for supporting the country's tourism industry and making Malaysia into a global tourist destination. This includes setting up special tourism investment zones, encouraging adoption of digitalisation amongst tourism and hospitality players such as using digital platforms to provide travel packages, as well as practicing sustainable and responsible tourism in line with the United Nations Sustainable Development Goals. The Malaysian Government has also outlined several strategies in the Twelfth Malaysia Plan 2020-2025 ("12MP") to re-energise the tourism industry. One of the strategies are restoring tourist confidence in travelling safely in a post-pandemic world, as well as providing higher-quality products and services such as ecotourism and community-based cultural immersion activities that vividly depict the Malaysian



experience. Under the 13MP, the Government intends to develop a high-income and sustainable tourism sector by establishing special investment tourism zones and upgrading key historical and heritage sites.

Further, the tabled Budget 2024 also holds great promise for the country's tourism industry. One of the key developments is the reinstatement of Visit Malaysia Year in 2026, with the target arrival of 35.6 million foreign tourists and tourist receipts of RM147.1 billion. To achieve this, the government has set aside RM350 million for promotional activities aimed at regaining Malaysia's status as a preferred global tourism destination. RM20.0 million is earmarked for state governments to maintain and restore tourism hotspots, including Tasik Timah Tasoh in Perlis, Kenong Rimba Park in Pahang, and Pantai Teluk Kemang in Negeri Sembilan. Additionally, RM80.0 million is allocated for the conservation and restoration of heritage sites with UNESCO potential, such as Gua Niah in Sarawak, Lembah Bujang in Kedah, and Royal Belum in Perak. For Perak in particular, more than RM20.0 million has been allocated for the restoration and upgrades at tourist attractions around Perak including the Pasir Salak Historical Complex, Perak Museum Board, Taman Rekreasi Gunung Lang, Teluk Batik and Sungai Papan.

The Budget 2025 further showcases the Government's support for the country's tourism industry with an allocation of almost RM550 million to boost tourism promotions and activities including preparation for Visit Malaysia Year 2026, organisation of cultural activities, tourism events and flight access to Malaysia, as well as empowering the local community's economy through the promotion of handicrafts and batik. Meanwhile, RM110 million has been allocated to enhance tourist areas, foster ecotourism partnerships, and support United Nations Educational, Scientific and Cultural Organisation (UNESCO) nominations for cultural sites and activities. Meanwhile, the Perak State Government had announced that it would allocate RM11.3 million of its budget for tourism and cultural programmes. Of this, RM4mil would be channelled toward improving tourism facilities, upgrading key attractions such as Pangkor, Ipoh, Taiping, and Lenggong, as well as enhancing rural infrastructure in tourist hotspots.

Additionally, the Government allocated more than RM700 million in Budget 2026 to boost tourism, including RM500 million for Visit Malaysia 2026, RM60 million for promotion and events, RM50 million for artisans and heritage entrepreneurs, and RM20 million to enhance health tourism programmes managed by the Malaysia Healthcare Travel Council.

These government initiatives are expected to bolster the tourism and hospitality industry moving forward.



Sufficient supply of hotels and rooms

A sufficient supply of hotels and rooms to meet the demand from tourists is key in supporting the tourism and hospitality industry. In 2024, there were 5,277 hotels nationwide offering a total of 343,866 hotel rooms, with an average hotel occupancy rate of 54.9%. The average hotel occupancy rate stood at 52.9% in 2023. Perak had 481 hotels, collectively offering 19,299 hotel rooms. The average occupancy rate in Perak recorded at 46.9% in 2024, indicating that there is adequate hotel room capacity available to accommodate additional visitors in the region.

The role of digitalisation

Digital transformation will play an important role in the tourism and hospitality industry and encompasses the implementation and utilisation of various digital solutions, such as mobile applications, self-service kiosks, online booking systems, digital menus, contactless payments and guest management platforms. With the widespread usage of smart phones and online applications, accessing hotel information and making bookings has become more convenient. These applications have simplified the process of discovering preferred destinations, hotels, and restaurants, allowing users to connect with their desired accommodations and dining experiences. These days, guests also expect technology-driven conveniences, such as contactless check-in, keyless entry, and smart room controls. By embracing these digital innovations, hospitality operators can streamline operations, provide personalised guest services, improve communication, and gain valuable insights through data analytics. Digital adoption in hospitality is becoming increasingly crucial in meeting the evolving expectations of tech-savvy guests and staying competitive in the modern hospitality landscape.

Labour shortage

The COVID-19 pandemic and resulting lockdown measures had negatively impacted the Malaysian tourism and hospitality industry, leading to temporary and permanent closures of leisure and accommodation services. As a result, employees in the tourism and hospitality industry were laid off, prompting them to seek other employment. Despite the lifting of restrictions and reopening of Malaysia's international borders, the local tourism and hospitality industry is still grappling with a labour shortage in the post COVID-19 era. Former industry employees have built careers in other areas thus have not returned to the tourism and hospitality industry. The insufficient manpower in the hospitality industry restricts the travel agencies and hoteliers from operating at full capacity and may affect their ability to provide tourists with adequate levels of service.



Despite the recovery from the pandemic, Malaysian tourism and hospitality industry players are still facing issues regarding shortage of labour. The strong performance of the Singapore dollar against the Malaysian Ringgit has led to Malaysians crossing the causeway to work in the tourism and hospitality in Singapore. Additionally, workers may opt for jobs in higher-paying industries such as the oil and gas industry. The continued shortage of labour may hinder the growth of the Malaysian tourism and hospitality industry in future.

2.3 PROSPECTS AND OUTLOOK OF THE TOURISM AND HOSPITALITY INDUSTRY IN MALAYSIA

The Malaysian tourism and hospitality industry continued to improve, registering a growth of 41.5% from RM85.88 billion in 2023 to RM121.56 billion in 2024 as a result of revitalisation of tourism activities and tourist arrivals post-pandemic. Factors that are expected to drive demand for tourism and hospitality services in the forecast period include increasing consumer affluence, introduction of the Malaysian Visa Liberation Plan, access to Malaysia via multiple modes of transportation, and expansion and upgrading of airports. Growth of the industry is also likely to be driven by support from the Malaysian Government, sufficient supply of hotels and hotel rooms, and growing digitalisation. However, the industry may be hampered by shortage of labour. Nevertheless, as an important service industry that can act as an economic multiplier, the Malaysian tourism and hospitality industry can expect to enjoy continued support from various stakeholders. The tourism and hospitality industry is forecast to grow at a CAGR of 21.1% from RM156.81 billion in 2025 to RM316.81 billion in 2029.



3 OVERVIEW OF THE PROPERTY DEVELOPMENT INDUSTRY IN MALAYSIA

3.1 INTRODUCTION TO THE PROPERTY DEVELOPMENT INDUSTRY IN MALAYSIA

Property development generally refers to the process of acquiring land or existing buildings, constructing or improving them to increase their value, and subsequently generating profit by renting and/or selling the improved properties at prices that exceed the investment outlay. Property developers may undertake a variety of property development projects ranging from constructing and developing commercial and residential buildings such as shopping malls, offices, factories, hotels, landed houses, or high-rise condominiums to renovations or modernisation of buildings.

The performance of the property development industry in Malaysia is associated with the level of real estate construction (the construction of residential and non-residential buildings) activities in the country. The property development industry (in terms of total value of real estate construction activities) in Malaysia is estimated at RM29.09 billion in 2024, an increase of 16.22% from RM25.03 billion in 2023. The growth was mainly contributed by robust construction activities in the residential and non-residential subsectors in tandem with increasing demand for affordable houses and vibrant economic activities. Perak Corporation Group did not record revenue in its property development business segment for the FYE 2024. As such, Perak Corporation Group held no market share in the property development industry in Malaysia for 2024.

The performance of the property development industry is generally positively correlated with the growth of the property market as a higher demand for properties can lead to higher level of real estate construction activities. In 2024, there were 420,545 property transactions worth RM232.30 billion, which was an increase from 399,008 transactions worth RM196.83 billion in 2023.



Figure 5: Property Transaction Volume and Transaction Value in Malaysia by Sub-sector, 2023-2024

Sub-sector	2023		2024	
	Transaction Volume	Transaction Value (RM billion)	Transaction Volume	Transaction Value (RM billion)
Residential	250,586	100.93	260,516	106.92
Commercial	40,463	38.31	45,985	58.06
Industrial	8,157	23.94	8,783	27.86
Agriculture	75,670	18.87	78,797	19.57
Development Land & Others	24,132	14.99	26,464	19.89

Source: National Property Information Centre ("NAPIC")

As seen in the table above, the sales of residential properties accounted for the largest share of the Malaysian property market in terms of transaction volume and value. The commercial properties sub-sector recorded 45,985 transactions worth RM58.06 billion in 2024, an increase from 40,463 transactions worth RM38.31 billion in 2023. In the industrial properties sector, there were a total of 8,783 transactions worth RM27.86 billion in 2024, compared to 8,157 transactions worth RM23.94 billion in 2023.

The property development industry in Perak recorded 46,538 property transactions worth RM12.42 billion in 2024, an increase from 44,468 transactions worth RM11.32 billion in 2023. The industrial sector in Perak is gaining traction as seen by the development of 4 additional industrial parks in Perak namely the Automotive High-Tech Valley, the Perak Halal Industrial Park, the SVTP, and the Kerian Integrated Green Industrial Park. The property development industry in Perak is likely to benefit from the establishment of these industrial parks due to the commercial properties required at said industrial parks. Additionally, these industrial parks are likely to create job opportunities and population growth, likely leading to increased demand for other commercial and residential properties in the surrounding areas. This augurs well for the property development industry in Perak moving forward.

3.2 DEMAND CONDITIONS

Government policies

Various measures and initiatives by the Malaysian Government help to support the local property development industry. These measures include the promotion of affordable housing schemes and measures to ensure that the nation will be able to own their own homes such as



the introduction of the Housing Credit Guarantee Scheme ("HCGS") to help gig workers, independent business owners, and small traders or entrepreneurs who do not have a fixed income become first-time homebuyers; as well as elimination of real property gains tax for property transactions effective from the sixth year onwards. During the tabling of the Budget 2024, the Government has allocated additional funding for the construction of affordable housing under the "Program Rumah Mesra Rakyat", an allocation of RM10 billion to expand the HCGS to up to 40,000 borrowers, as well as fixing the stamp duty levied on transfers of properties between parents and children and grandparents and children at RM10. In Budget 2025, the Government allocated an additional RM10 billion to the HCGS which is expected to benefit 20,000 borrowers while also introducing tax relief for first-time homebuyers of up to RM7,000 and RM5,000 for homes priced below RM500,000 and priced between RM500,000 and RM700,000, respectively, for 2025 to 2027. In Budget 2026, the Government RM20 billion to the HCGS allowing up to 80,000 first-time homebuyers to secure home financing as well as full stamp duty exemption for first-time homebuyers purchasing properties up to RM500,000.

Under the 12MP, the Malaysian Government also intends to enhance connectivity and transport infrastructure. To support this, the Government had announced road network and public transportation related projects such as the continuation of the North-South Expressway lane expansion project, construction of the Penang light rail transit, and resuming construction of 5 stations on the Light Rail Transit 3 (LRT 3) line that were previously cancelled. Increased connectivity between townships may spur demand for properties in the areas surrounding the projects. Meanwhile, under the 13MP, the Government announced that 1 million affordable housing units would be developed by the federal government, state authorities, and private developers between 2026 and 2035. The Government is also planning a new rent-to-own scheme to provide opportunities for households that may be unable to afford upfront deposits and do not qualify for commercial financing.

Population growth and rising household income

The growing population in Malaysia is also expected to support growth of the property development industry by creating continuous demand for housing. The Malaysian population in 2024 is estimated at 34.1 million and is projected to reach 41.8 million in 2040. At the same time, the Malaysian population has been growing in affluence due to the country's economic growth. The annual per capita income in Malaysia rose from RM52,819 in 2022 to RM53,043 in 2023 and to RM54,894 in 2024. The Malaysian economy meanwhile is indicating a trend of sustained expansion. It expanded by 5.1% in 2024 and is estimated to have expanded by 4.9% in 2025. The introduction of the MADANI Economy policy framework by the Malaysian



Government in July 2023 has also charted a course for the nation to become a prominent force in the Asian economy over the next decade. The growing Malaysian economy may boost consumer sentiment as well as benefit the population's income, which would auger well for the growth of the property development industry in the future.

Steady interest rates

The property development industry may be supported by the steady interest rate environment, particularly following the nation's central bank, Bank Negara Malaysia's, lowering of the local overnight policy rate (an indicator of interest rate movement) by 25 basis points to 2.75% on 9 July 2025. The steady interest rate environment is expected to be positive for the local property market as it is likely to alleviate uncertainties amongst property developers and homebuyers, thereby supporting the activity of the property market.

3.3 SUPPLY CONDITIONS

Property overhang situation in Malaysia

Property overhang refers to unsold completed residential and commercial properties that have been on the market for more than 9 months. According to the NAPIC, there were 23,149 residential overhang units valued at RM13.94 billion compared to 25,816 units valued at RM17.68 billion in 2023. Despite the slight decrease in residential overhang units in 2024, the continued property overhang situation may lead to buyers and investors approaching a "wait-and-see" approach to purchasing new properties in the event of potential price reductions. At the same time, property developers have to contend with inventory challenges. The high overhang situation is expected to affect property developers when launching new property projects in the future, thus affecting supply throughout the forecast period.

Labour-intensive and reliance on foreign labour

Property development activities are generally correlated with real estate construction activities. The construction industry in Malaysia is considered to be labour-intensive and locals continue to shun construction jobs as they consider such jobs to be dangerous, dirty, and difficult, and therefore they expect higher wages. As such, the construction industry has relied on foreign labour. The availability of foreign workers is affected by changes in government policies regarding levy rates on foreign workers and the quota of foreign workers in Malaysia. The Malaysian Government had in March 2023 introduced a freeze on foreign worker recruitment quota which halted foreign worker applications and the intake of new foreign workers. The freeze has been extended several times, with the latest extension announced November 2024



continuing into 2025. In August 2025, the Government announced that it would reopen applications for foreign worker recruitment quota, for selected sub-sectors, including construction. The construction sector's quota is limited to businesses involved in government projects, and the manufacturing sector's quota is limited to companies with new investments. The limited availability of foreign workers may affect construction activities and the supply of properties in the future. The Government also announced that it would implement a multi-tiered levy system for foreign workers whereby higher levy rates will be imposed for employers with a large foreign workforce. The higher labour cost involved may deter property developers from developing new projects, which may stifle the growth of the property development industry in future.

Rising cost of building materials

The cost of building materials has increased in recent years due to factors such as the COVID-19 pandemic and resulting supply chain disruptions, increasing demand due to recovery in the economy, as well as inflation. For example, the average price of sand (used in concrete production, amongst others) had increased from RM49.57 per tonne in December 2024 to RM52.56 per tonne in December 2025, while cement prices (per 50kg bag) increased from RM23.25 to RM24.55 over the same period. These rising building material costs create challenges for property developers in managing their construction budgets. This may lead to contractors declining jobs, adopting more conservative pricing strategies, or abandoning projects to avoid financial losses if the unforeseen increase in material costs far exceeds their budgets. The escalation in building material prices could slow the pace of property development in Malaysian and potentially drive-up property prices due to reduced supply.

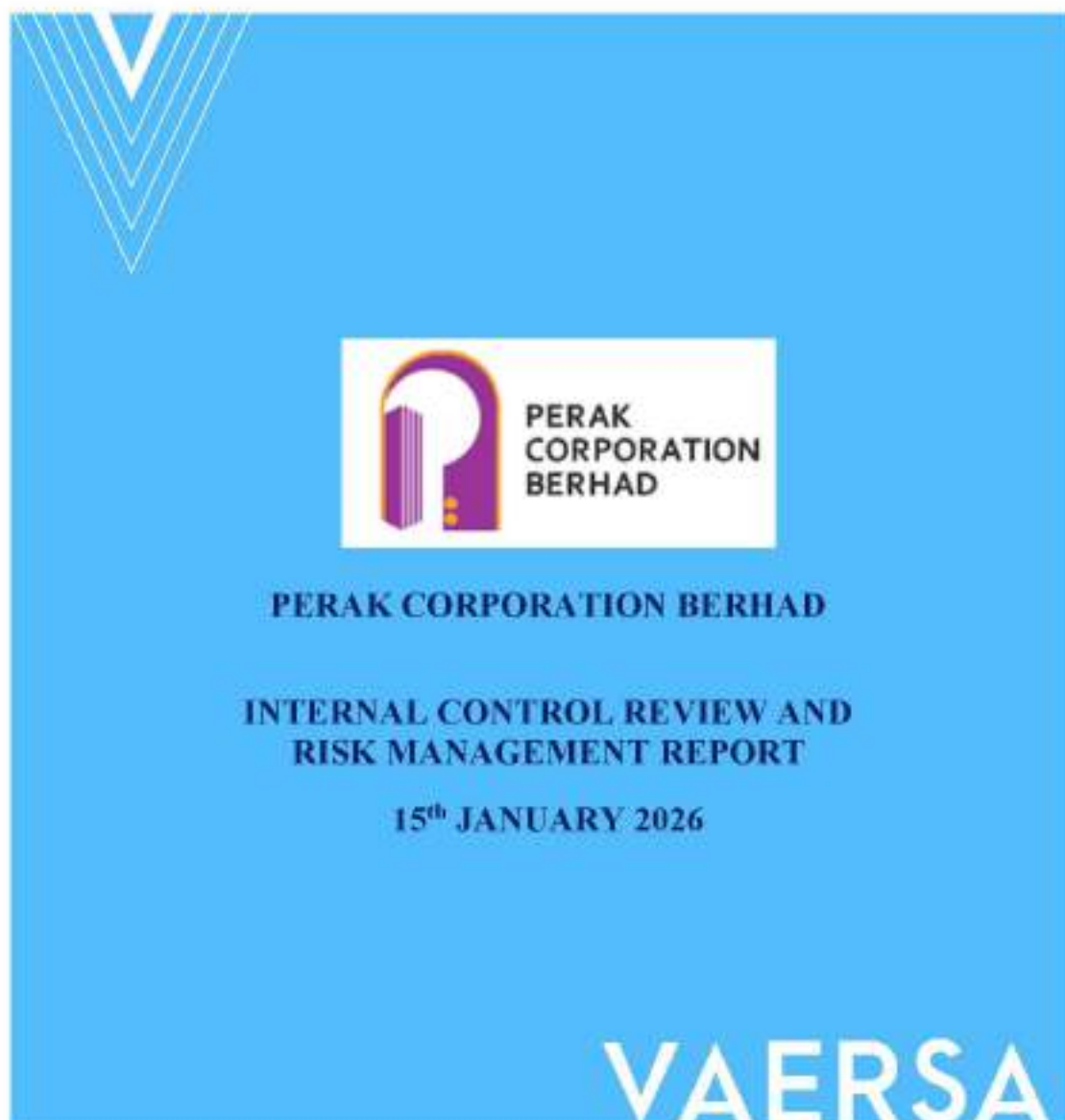
3.4 PROSPECTS AND OUTLOOK OF THE PROPERTY DEVELOPMENT INDUSTRY IN MALAYSIA

The property development industry in Malaysia expected to register growth over the forecast period arising from demand for properties despite headwinds. The performance of the industry has been positive in 2024, with a total transaction volume of 420,545 units valued at RM232.30 billion which was an increase from 399,008 units valued at RM196.83 billion.

Factors that are expected to drive the industry moving forward include accommodative government policies, population growth and rising household income, as well as a steady interest rates. However, the industry may be affected by headwinds such as the current property overhang situation, reliance on foreign labour for construction of properties, and the



rising cost of building materials. The total value of real estate construction activities in Malaysia is forecast to expand at a CAGR of 6.9% from RM32.10 billion in 2025 to RM41.07 billion in 2029.



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VAERSA

STRICTLY PRIVATE & CONFIDENTIAL

15th January 2026

PERAK CORPORATION BERHAD

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

Attention: Board of Directors

Dear Sir/Madam,

**INTERNAL CONTROL AND RISK MANAGEMENT REVIEW PERTAINING TO THE
REGULARISATION PLAN OF PERAK CORPORATION BERHAD ("PERAK CORP")**

In accordance with Paragraph 2.1(D) of Practice Note 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), PERAK CORP, together with its Principal Adviser, M&A Securities Sdn. Bhd. is required to conduct a review of the company's internal control and risk management system. The findings of this review, along with action plans to address any identified weaknesses, must be submitted to Bursa Securities as part of the regularisation plan.

Pursuant to this requirement, we have conducted an independent evaluation of the internal control and risk management system of PERAK CORP. Enclosed herewith is our report, which summarises:

- i) Key findings from the review,
- ii) Recommendations for improvement, and
- iii) Management's comments and responses.

We trust the enclosed documentation provides the necessary insights and meets the submission requirements under PN17.

Thank you.

Yours sincerely,

For or on behalf of

VAERSA ADVISORY SDN. BHD.

Quincy Gan Hoong Huat
Executive Director

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ABBREVIATIONS

In this report, the following abbreviations shall have the following meaning unless otherwise stated:

AVL	Approved Vendor List
Board	Board of Directors
BCP	Business Continuity Plan
CAPEX	Capital Expenditure
CM	Casuarina Mera Sdn Bhd
DAL	Discretionary Authority Limit
DRP	Disaster Recovery Plan
EIS	Employment Insurance System
EPF	Employees' Provident Fund
FC	Financial Controller
FM	Finance Manager
FYE	For Year Ended
HR	Human Resources
HRDF	Human Resources Development Fund
LA	Letter of Award
Listing Requirements	A set of conditions which a firm must meet before listing a security on one of the organised stock exchanges.
LMT	Lumut Maritime Terminal Sdn Bhd @ Lumut Port
MD	Managing Director
PCBL	PCB Leisure Sdn Bhd and its subsidiaries, namely Lanai Casuarina Sdn Bhd, Casuarina Boatouse Sdn Bhd, Casuarina Taiping Sdn Bhd, Biod Leisure & Recreation Sdn Bhd, Labu Sayong Cafe Sdn Bhd and Meru Raya Park Sdn Bhd
PD	Project Director
PDPA	Personal Data Protection Act
PE	Procurement Executive
Perak Corp	Perak Corporation Berhad
PKNP	Perbadanan Kemajuan Negeri Perak
PF	Personnel Files
PIC	Person In Charge
PO	Purchase Order
QS	Quantity Surveyor
SOCSSO	Social Security Organisation
SOP	Standard Operating Procedures



SECTION 1 - EXECUTIVE SUMMARY

1.1 GENERAL INFORMATION

Perak Corporation Berhad ("Perak Corp" or the "Company"), is a diversified public listed company with interests in various sectors, including port and logistics, property development, hospitality and tourism and management services. The business operations of the Company and its subsidiaries ("Group") are primarily focused on the state of Perak.

Perak Corp listed in the Main Market of Bursa Malaysia Securities Berhad, is a subsidiary of PKNP and was established in 1991 with paid-up capital of RM100 million.

This report serves to provide a summary of the key objectives, observations, and outcome of the engagement.

1.2 OBJECTIVES

The objectives of our audit are as follows:

- (i) To study and review the internal control system of Perak Corp;
- (ii) To review, identify and assess the enterprise risks of Perak Corp and to ascertain the adequacy of the risk management system;
- (iii) To discuss our audit findings and the associated recommendations with the Operating Management; and
- (iv) To report our audit findings together with the management response to the Board.

1.3 WORK SCOPE

The internal control review was conducted to assess the adequacy and effectiveness of Perak Corp systems of internal control and compliance with the Company's policies and procedures.

We have reviewed the Finance Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of the Finance SOP.
- (b) Review of the DAL.
- (c) Annual Group Financial Budget.
- (d) Cash Flow Projection and Monitoring.
- (e) Petty Cash Management.
- (f) Bank Reconciliation Test.
- (g) Review of the Accounts Receivables, Collections, and Credit Assessment.
- (h) Review of the Accounts Payables and Payment Process.
- (i) Insurance coverage and renewal monitoring.
- (j) Review the Audit Adjustments.
- (k) Fixed Assets Management.



SECTION 1 - EXECUTIVE SUMMARY

1.3 WORK SCOPE (CONT'D)

We have reviewed the Human Resources Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of Human Resources SOP.
- (b) Employment Documentation.
- (c) Recruitment Process.
- (d) Probation and Confirmation Process.
- (e) Resignation and Termination Process.
- (f) Annual Staff Performance Evaluation and Succession Planning.
- (g) Manpower Planning and Headcount Budget.
- (h) Disciplinary Actions.
- (i) Staff Training, Welfare and Development Programs.
- (j) Monthly Payroll and Salary Computation.
- (k) Employee Leave Application.

We have reviewed the Procurement Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of Procurement SOP.
- (b) Pre-Qualification Assessments of New Suppliers.
- (c) Periodic Evaluation of Existing Suppliers.
- (d) Procurement Operations Flow.
- (e) Monitoring of Outstanding Purchase Orders.
- (f) Monitoring of Cancelled Purchase Orders.

We have reviewed the Contract Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of Contract SOP.
- (b) Establishment of Tender Committee and Award Process.
- (c) Review the Cost Comparison.
- (d) Review the LA for the successful contracts.
- (e) Annual Assessment of Subcontractors Performances.

We have reviewed the Project Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of Project SOP.
- (b) Basis / Process of Selection and Award – Sub-Contractors, Technical Consultants, and Suppliers.
- (c) Letter Award ("LA") / Letter of Offer and Acceptance / Agreement.
- (d) Preparation of Budgeted Cost.
- (e) Monitoring of Construction Progress.
- (f) Issuance of Progress Billings and Payment Certificate.

We have reviewed the Land Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of Land Management SOP.
- (b) Annual Budget.
- (c) Review on the Squatters Report of affected land.
- (d) Collection from Land Sales.
- (e) Quit Rent and Assessment.



SECTION 1 - EXECUTIVE SUMMARY

1.3 WORK SCOPE (CONT'D)

We have reviewed the Strategic Business Unit of Perak Corp and its subsidiaries, which covers:

- (a) Review of Strategic Business Unit SOP.
- (b) Review the Feasibility Study and Progress of Potential Projects.

We have reviewed the IT Department of Perak Corp and its subsidiaries, which covers:

- (a) Review of IT Department SOP.
- (b) Review of the IT Service Request.
- (c) Review of the Endpoint Security.
- (d) Review of the Backup Logs.
- (e) Review of the Annual IT Awareness Training.
- (f) Review of the SLA of the Third-Party IT Vendor.
- (g) Review of the DRP.

We are unable to review the Strategic Communication and Branding Department of CM due to the unavailability of marketing documents and confidentiality issues.

Our review was performed at Perak Corp's principal place of business located at No. 1-A, Blok B, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan, Malaysia. The fieldwork was conducted from 9th October to 13th October 2023. Further, we have subsequently performed a follow-up review from 13th January to 17th January 2025 and updated the report as of 15th January 2026.

1.4 OUR METHODOLOGY

1.4.1 Internal Control Review

Our audit procedures were designed to identify various opportunities to enhance the existing systems of internal control and process efficiency at Perak Corp and, thereon, provide recommendations for improvement.

We conducted our work by referring to a recognised framework for internal auditing, such as the *International Professional Practices Framework* issued by the Institute of Internal Auditors. The followings briefly describe our approach to the review of the internal control system:

Interview Process

We have interviewed the key process owners to enable us to gain an understanding of the processes, to identify risks associated with the processes, and to determine the existence of internal control and its effectiveness relative to the process/function/business unit's objectives.

Review of Information

A large volume of documents was provided as part of the internal control review process. We performed testing on selected documentation, including but not limited to reviewing the control objectives for those processes, written policies and procedures, applicable laws and regulations, and financial reports. We have also documented those processes through the use of process maps and process narratives, and identified and sourced the key risks, and identified existing controls over those processes.



SECTION 1 - EXECUTIVE SUMMARY

1.4 OUR METHODOLOGY (CONT'D)

Analysis of Results

In reviewing the internal control, we summarised from the interview process and review of information furnished to us to enable us to evaluate whether the associated procedures, systems and controls are appropriately designed and functioning to achieve the process/function/business unit's objectives. These include,

- comparison of the controls in place against those that we expect to find;
- review the adequacy of controls over these processes to the extent they exist, and
- review the extent to which incompatible duties were segregated in the processes (e.g. custodian, recording and authorisation of transactions).

I. Classification of findings

Inadequate Systems of Internal Control	The issue noted indicates significant control weaknesses or absence of control activity thereof and the need for urgent remedial action by instituting new control procedures or modifying existing procedures. Where corrective action has not yet started, the current remedial action is not, at the time of the audit, sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
Process Improvement	The areas highlighted represent opportunities for improvement in the effectiveness or efficiency of the business process under review.
Implementation Lapses	These findings represent weaknesses in the functioning or implementation of internal controls. Management should take action to address these findings by enforcing the proper execution of existing control procedures as well as the adherence to established policies and procedures.

II. Priority ratings

The classifications of findings are categorised according to priority as a further guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

High	A high priority issue requires immediate management attention. This is a serious internal control or risk management issue that if not mitigated, may, with a high degree of certainty, lead to: - Substantial losses, possibly in conjunction with other weaknesses in the control framework or the process / function / business unit being audited. - Serious violation of corporate strategies, policies, or values. - Serious reputation damage, such as negative publicity in national or international media. - Significant adverse regulatory impact, such as loss of operating licenses or material fines.

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SECTION 1 - EXECUTIVE SUMMARY

1.4 OUR METHODOLOGY (CONT'D)

II. Priority ratings (Cont'd)

Medium	A medium-priority issue requires timely management attention. This is an internal control or risk management issue could lead to: - Financial losses - Loss of controls within the process / function / business unit being audited - Reputation damage, such as negative publicity in local or regional media - Adverse regulatory impact, such as public sanctions or immaterial fines
Low	A low priority issue requires routine management attention. This is an internal control or risk management issue, the solution to which may lead to improvement in the quality and/or efficiency of the process / function / business unit being audited. Risks likelihood of happening is rare and impact is low.

III. Overall Opinion Grading

Effective (E)	Internal control processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.
Some Improvement Needed (SI)	A few specific control weaknesses were noted; however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed (M)	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Weak (W)	Key controls were either not being applied or were lacking. These weaknesses identified, taken together or individually, significantly impair the overall system of internal control. Prompt corrective action is recommended to improve implementation of key controls, which when carried out, would further reduce the residual risk of the processes to an acceptable level.

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SECTION 1 - EXECUTIVE SUMMARY

1.4.2 Enterprise Risk Management Review

The purpose of Perak Corporation Berhad and its subsidiaries ("Group") Risk Management Report is to ensure transparency in the Group and to make available information on how the Group manages the risks it encounters.

This risk management report discusses various dimensions of our Enterprise Risk Management ("ERM"). The risk-related information outlined in this section may not be exhaustive. The discussion may contain statements that are forward-looking in nature. Our business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements.

A. Overview

Our ERM framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation, and monitoring of the strategic, operational, and legal and compliance risks to achieving our key business objectives. The Group's ERM is to minimise the adverse impact of these risks, thus enabling the Group to leverage market opportunities effectively and enhance its long-term competitive advantage.

Several risks can impact the achievement of a business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks and deploy mitigation measures. This is done through periodic review meetings of the Risk Management Committee ("RMC"). Perak Corp's overall risk management process is overseen by the Board through the Audit Committee as an element of solid corporate governance.

Our risk management practices are:

Risk identification, analysis, and evaluation

Mechanisms for identification of risks include annual risk surveys across the Group, industry benchmarking, periodic assessments of the business environment, incident analysis, findings of internal audits, discussions with the risk council and the risk and strategy committee and analysis of the Group's performance relative to the corporate scorecard goals. Risk analysis and evaluation are carried out using scenario-based assessments to decide the potential impact, likelihood of occurrence and in some cases, the detectability of the risk. Estimated risks are compared with established risk criteria and thresholds to determine the priority and method of risk treatment.

Measuring the Level of Likelihood and Consequence

Probability or likelihood estimations are established giving due consideration to the effectiveness of existing control measures. The Consequence defines the consequence criteria and assesses against potential financial loss, reputation impact, health and safety, legal and regulatory compliance and management time and effort.

The impacts contained in this Consequence Rating are based on the management's assessment of the Group's ability to continue operation in the event of a risk being realised. The setting of the limit is based on management's assessment of the ability of the Group to support an unexpected loss of this magnitude whilst remaining solvent.

The review covered this activity for the period from January 2023 – December 2023. Further, we have subsequently performed a follow-up review as of 31st December 2024 and updated the risk management report as of 15th January 2026.



SECTION 1 - EXECUTIVE SUMMARY

1.4.3 Enterprise Risk Management Framework

The risk management methodology employed is based on assessment of risks and evaluated in terms of the risk impact on the enterprise and probability of occurrence. The risks are then mapped accordingly for a holistic review.

The matrix format ranking has been adopted for the Group in which potential risks are ranked as High, Moderately High, Moderate, Moderately Low or Low as follows:

Likelihood	Consequence				
	Immaterial ("IM")	Minor ("Mi")	Moderate ("Mo")	Major ("Ma")	Drastic ("D")
Very Likely ("VL")	Moderate	Moderately High	Moderately High	High	High
Likely ("L")	Moderately Low	Moderate	Moderately High	Moderately High	High
Possible ("PS")	Low	Moderately Low	Moderately High	Moderately High	High
Unlikely ("UL")	Low	Moderately Low	Moderate	Moderate	Moderately High
Rare ("R")	Low	Low	Moderate	Moderate	Moderately High

Risk Rating	What Should I DO
High	Immediate action required
Moderately High	Action plan required; senior management attention needed
Moderate	Action plan required; management attention needed
Moderately Low	Specific monitoring or procedures required; management responsibility must be specified
Low	Manage through routine procedures. Unlikely need specific application of resources

Risk Rating Criteria

The risk ratings are on two main dimensions:

1. Likelihood ("L")
2. The impact on the financials in the event of occurrence ("I")

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SECTION 1 - EXECUTIVE SUMMARY

1.4.3 Enterprise Risk Management Framework (Cont'd)

As a guide towards risk rating and assessment, the categorisations are listed below:

Likelihood Rating			
The number of times within a specified period in which a risk may occur either because of business operations or through failure of operating systems, policies, or procedures.			
Rating	Description	Occurrence	Probability
Very likely	The risk is expected to occur in most circumstances or at the frequency of at least once in a month.	Multiple / 12 months	> 80%
Likely	The risk is expected to occur several times in a year.	Once / 12 months	61 – 80
Possible	The risk is expected to occur at least once in the next 12 months.	Once / 12 months – 3 years	41 – 60%
Unlikely	The risk is likely to occur less frequently but at least once in the next 5 years.	Once / 3 – 5 years	21 – 40%
Rare	The risk may occur in exceptional circumstances and is unlikely to occur in the next 5 years	Once / > 5 years	< 20%

The outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage, or gain. There may be a range of possible outcomes associated with an event considering factors such as:

- Quantitative and qualitative
- List all the potential consequences of each risk
- List the consequences in monetary terms, to enable better judgement in the decision-making process.

Impact
Major impact, e.g. >25% deviation in scope
Significant impact, e.g. 10-25% deviation in scope
Measurable impact, e.g. 5-10% deviation in scope
Minor impact, e.g. <5% deviation in scope
Insignificant impact, it is not possible to measure the impact as it is minimal

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SECTION 1 - EXECUTIVE SUMMARY

SECTION 1.5: SUMMARY OF RISKS

We have reviewed the main risks in the following main business areas:

1. Strategic risks
2. Human Resources risks
3. Operational risks
4. Financial risks
5. Legal and Regulatory risks
6. Information Technology General Control risks

From the 6 main risks, we have identified total 20 sub-risks through risk mapping and matrix.

After the risk management assessment performed for the year 2023, the risk rating assessed is as below:

Main Risks	Risk Rating for Year 2023					
Matrix	High	Moderately High	Moderate	Moderately Low	Low	Total
Strategic	-	-	3	-	-	3
Human Resources	-	-	-	2	-	2
Operational	-	1	-	4	-	5
Financial	-	1	1	-	-	2
Legal and Regulatory	2	2	-	1	-	5
Information Technology General Control	2	-	-	-	1	3
Total	4	4	4	7	1	20

According to the risk ratings summary tables for risk assessment of Year 2023, there are 4 sub-risks that are categorised in the High zone, 4 sub-risks that are categorised in Moderately High zone, 4 sub-risks categorised in Moderate zone, 7 sub risks categorised in Moderately Low zone and 1 sub risk categorised in Low zone.

Subsequently, we have performed follow up update on the risk management assessment for year 2024 (January 2024 – December 2024), the risk rating assessed is as below:

Main Risks	Risk Rating for Year 2024					
Matrix	High	Moderately High	Moderate	Moderately Low	Low	Total
Strategic	-	-	3	-	-	3
Human Resources	-	-	-	2	-	2
Operational	-	-	1	4	-	5
Financial	-	1	1	-	-	2
Legal and Regulatory	-	3	1	1	-	5
Information Technology General Control	-	-	2	-	1	3
Total	-	4	8	7	1	20

According to the risk ratings summary tables for risk assessment of Year 2024, there are only 4 sub-risks that are categorised in Moderately High zone, 8 sub-risks categorised in Moderate zone, 7 sub risks categorised in Moderately Low zone and 1 sub risk categorised in Low zone.



SECTION 1 - EXECUTIVE SUMMARY

SECTION 1.5: SUMMARY OF RISKS (CONT'D)

Risk No.	Main Risk	Key Risk	Risk Event/Issue of Concern (What & How it can happen)	Risk Rating for Year 2023		
				I	L	Matrix
5.1.1	Strategic Risk	Market risk	Business is essentially project based and therefore, there must be always new projects coming on stream for sustainability.	MI	L	Moderate
5.1.2		Economic environmental risk	Overall, the economic environment is not favorable and challenging.	MI	L	
5.1.3		Concentration risk	Dependency on key customers.	MI	L	
5.2.1	Human Resources Risk	Continuity risk	Loss of key personnel with Succession Planning to be put in place.	MI	Ps	Moderately Low
5.2.2		Retention risk	Loss of talent in key areas.	MI	Ps	
5.3.1	Operational Risk	Internal Process risk	Gaps in the internal processes due to lack of dedicated internal procedures, policies, and framework to govern Perak Corp business activities and operational processes.	MI	Ps	Moderately Low
5.3.2		Corruption risk	Lack of proper and structured monitoring on corruption risk.	MI	Ps	
5.3.3		Infection risk	The emergence of COVID-19 and its variants.	MI	Ps	
5.3.4		Safety, health, and operational risks	Safety, fire, and other hazards at site.	MI	Ps	
5.3.5		Business Continuity risk	Disruption of operations in the event of non-accessibility of office/ facilities.	Ma	L	Moderately High
5.4.1	Financial Risk	Cost Overrun risk	Costs overrun due to inaccurate estimates of costs / man days.	MI	L	Moderate
5.4.2		Liquidity risk	Inadequate capital for operations due to delayed payments received.	Ma	L	Moderately High
5.5.1	Legal and Regulatory Risk	Financial Regulatory risk	Inability to meet the regulatory payments and contributions' requirements due to Perak Corp's financial position.	MI	Ps	Moderately Low
			Inability to comply with Bursa regulations leading to penalties / fines / Affected Listed Issuer status.	Ma	L	Moderately High
5.5.2		Contract risk	Breach of contractual terms.	Ma	VL	High
5.5.3		Legislative risk	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	Ma	VL	
5.5.4		Compliance risk	May hamper the operation and cause a bad reputation to the hotel.	Ma	L	Moderately High
5.6.1	IT Risk	IT Security	Loss of critical data leading to disruption in operation/ business.	MI	R	Low
5.6.2		Loss of Data Risk	Inadequate back-up of critical data.	Ma	VL	High
5.6.3		Disaster Recovery Risk	Disruption in the event of disaster/ denial of access to premises/system.	Ma	VL	

SECTION 1 - EXECUTIVE SUMMARY

SECTION 1.5: SUMMARY OF RISKS (CONT'D)

Risk No.	Main Risk	Key Risk	Risk Event/Issue of Concern (What & How it can happen)	Risk Rating for Year 2024		
				I	L	Matrix
5.1.1	Strategic Risk	Market risk	Business is essentially project based and therefore, there must be always new projects coming on stream for sustainability.	MI	L	Moderate
5.1.2		Economic environmental risk	Overall, the economic environment is not favorable and challenging.	MI	L	
5.1.3		Concentration risk	Dependency on key customers.	MI	L	
5.2.1	Human Resources Risk	Continuity risk	Loss of key personnel with Succession Planning to be put in place.	MI	Ps	Moderately Low
5.2.2		Retention risk	Loss of talent in key areas.	MI	Ps	
5.3.1	Operational Risk	Internal Process risk	Gaps in the internal processes due to lack of dedicated internal procedures, policies, and framework to govern Perak Corp business activities and operational processes.	MI	Ps	Moderately Low
5.3.2		Corruption risk	Lack of proper and structured monitoring on corruption risk.	MI	Ps	
5.3.3		Infection risk	The emergence of COVID-19 and its variants.	MI	Ps	
5.3.4		Safety, health, and operational risks	Safety, fire, and other hazards at site.	MI	Ps	
5.3.5		Business Continuity risk	Disruption of operations in the event of non-accessibility of office/ facilities.	MI	L	Moderate
5.4.1	Financial Risk	Cost Overrun risk	Costs overrun due to inaccurate estimates of costs / man days.	MI	L	Moderate
5.4.2		Liquidity risk	Inadequate capital for operations due to delayed payments received.	Ma	L	Moderately High
5.5.1	Legal and Regulatory Risk	Financial Regulatory risk	Inability to meet the regulatory payments and contributions' requirements due to Perak Corp's financial position.	MI	Ps	Moderately Low
			Inability to comply with Bursa regulations leading to penalties / fines / Affected Listed Issuer status.	Ma	L	Moderately High
5.5.2		Contract risk	Breach of contractual terms.	MI	L	Moderate
5.5.3		Legislative risk	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	Ma	L	Moderately High
5.5.4		Compliance risk	May hamper the operation and cause a bad reputation to the hotel.			
5.6.1	IT Risk	IT Security	Loss of critical data leading to disruption in operation/ business.	MI	R	Low
5.6.2		Loss of Data Risk	Inadequate back-up of critical data.	MI	L	Moderate
5.6.3		Disaster Recovery Risk	Disruption in the event of disaster/ denial of access to premises/system.	MI	L	



SECTION 1 - EXECUTIVE SUMMARY

1.6 LIMITATION

Our internal audit activities are intended for the benefit of the Board and will not be planned or conducted in contemplation of reliance by any other party. Therefore, items of a possible interest to a third party may not be specifically addressed.

In carrying out our audit assessments, we have designed our work to evaluate the effectiveness of management systems of internal control to manage risks. However, our assessment does not constitute an audit in accordance with the general acceptable auditing standard for expressing an opinion on financial statements and are subject to the information and representations provided to us. Due to the inherent nature of the system of internal control, all systems of internal control could only provide reasonable but not absolute assurance.

Due to the test nature of our internal audit work and together with the inherent limitations of the system of internal control and characteristics of fraud, especially involving concealment and falsification of information and documents and high-level stakeholders' corroborations, our findings should not be relied on to provide absolute assurance and to detect fraud and non-compliance of laws even if these internal controls were evaluated satisfactory.

1.7 ACKNOWLEDGEMENT

We would like to express our gratitude to all employees involved in this engagement. Each person involved was accessible and provided useful information.

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SECTION 2 – SUMMARY OF KEY FINDINGS

2.1 SUMMARY OF KEY FINDINGS

Upon thorough review of the identified issues, we have confirmed that all matters previously raised have been addressed and resolved by management. Each concern has been carefully reviewed, and appropriate corrective actions have been implemented to mitigate any risks or potential impacts. Management has demonstrated a proactive approach in resolving these issues, ensuring that all corrective measures align with best practices and regulatory requirements. We are confident that the actions taken have adequately resolved the concerns raised during the assessment.

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SECTION 3 – CONCLUSION

3.1 CONCLUSION

We conclude that critical process risks have been identified, and relevant control activities have also been implemented. As at the date of this report, Management has taken steps to address the highlighted control weaknesses and has implemented most of the necessary improvements based on our recommendations. Those corrective actions demonstrate Management's commitment to enhancing internal governance, risk management processes and overall compliance.

The Enterprise Risk Management (ERM) assessment undertaken for both 2023 and 2024 demonstrates that the Group has effectively identified key risks across all major functional areas, including Strategic, Human Resources, Operational, Financial, Legal and Regulatory, and Information Technology. While four risks were classified as High in 2023 which is business continuity, contract, legislative, and data loss or backup risks and no risks were rated as High in 2024. This improvement demonstrates a positive shift in the risk profile, supported by effective corrective actions and ongoing control enhancements.

Although no High-rated risks remain, certain risks continue to fall within the Moderately High category for 2024. These include liquidity risk, Bursa compliance risk, legislative risk, and hotel operational compliance risk, each of which will require continued monitoring and management attention. The overall risk movement in 2024 reflects meaningful progress, with all previously High-rated risks successfully reduced to lower categories. While several internal control enhancements are still being finalised in accordance with management's implementation timelines, current practices provide reasonable assurance that shareholders' investments are safeguarded, the Group's assets are protected, and the interests of stakeholders remain well upheld.

FINANCE AND ACCOUNTING DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.1.1	Review of Finance SOP.	Some Improvement Needed	Effective
4.1.2	Review the DAL.	Effective	
4.1.3	Annual Group Financial Budget.		
4.1.4	Cash Flow Projection and Monitoring.		
4.1.5	Petty Cash Management.	Some Improvement Needed	
4.1.6	Bank Reconciliation Test.	Effective	
4.1.7	Monitoring of Accounts Receivables, Collections, and Credit Assessment.	Some Improvement Needed	
4.1.8	Monitoring of Accounts Payables and Payment Process.	Major Improvement Needed	
4.1.9	Insurance Coverage and Renewal Monitoring.	Effective	
4.1.10	Review the Audit Adjustments.		
4.1.11	Fixed Assots Management.	Some Improvement Needed	

SECTION 3 – CONCLUSION

3.1 CONCLUSION (CONT'D)

HUMAN RESOURCES DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.2.1	Review of Human Resources SOP.	Effective	Effective
4.2.2	Employment Documentations.		
4.2.3	Recruitment Process.		
4.2.4	Probation and Confirmation Process.		
4.2.5	Resignation and Termination Process.		
4.2.6	Annual Staff Performance Evaluation and Succession Planning.		
4.2.7	Manpower Planning and Headcount Budget.		
4.2.8	Disciplinary Actions.		
4.2.9	Staff Training, Welfare and Development Programs.		
4.2.10	Monthly Payroll and Salary Computation.		
4.2.11	Employee Leave Application.		

PROCUREMENT DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.3.1	Review of Procurement SOP.	Effective	Effective
4.3.2	Pre-Qualification Assessments of New Suppliers.	Major Improvement Needed	
4.3.3	Periodic Evaluation of Existing Suppliers.		
4.3.4	Procurement Operations Flow.	Effective	
4.3.5	Monitoring of Outstanding Purchase Orders.		
4.3.6	Monitoring of Cancelled Purchase Orders.		

CONTRACT DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.4.1	Review of Contract SOP.	Effective	Effective
4.4.2	Establishment of Tender Committee and Award Process.		
4.4.3	Review the Cost Comparison.		
4.4.4	Review the LA for successful contracts.		
4.4.5	Annual Assessment of Subcontractors Performances.		

SECTION 3 – CONCLUSION

3.1 CONCLUSION (CONT'D)

PROJECT DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.5.1	Review of Project SOP.	Effective	Effective
4.5.2	Basis / Process of Selection and Award – Sub-Contractors, Technical Consultants, and Suppliers.		
4.5.3	LA / Letter of Offer and Acceptance / Agreement.		
4.5.4	Preparation of Budgeted Cost.		
4.5.5	Monitoring of Construction Progress.		
4.5.6	Issuance of Progress Billings and Payment Certificate.		

LAND DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.6.1	Review of Land Management SOP.	Effective	Effective
4.6.2	Annual Budget.		
4.6.3	Review the Squatters Report of the affected land.		
4.6.4	Collection from Land Sales.		
4.6.5	Quit Rent and Assessment.		

STRATEGIC BUSINESS UNIT

Ref#	Work Scope	Previous Grading	Current Grading
4.7.1	Review of Strategic Business Unit SOP.	Effective	Effective
4.7.2	Review the Feasibility Study and Progress of Potential Projects.		

IT DEPARTMENT

Ref#	Work Scope	Previous Grading	Current Grading
4.8.1	Review of IT Department SOP.	Some Improvement Needed	Effective
4.8.2	Review the IT Service Request.	Some Improvement Needed	
4.8.3	Review the Endpoint Security.	Effective	
4.8.4	Review the Backup Logs.	Effective	
4.8.5	Review the Annual IT Awareness Training.	Some Improvement Needed	
4.8.6	Review the SLA of Third-Party IT Vendor.	Effective	
4.8.7	Review the DRP.	Major Improvement Needed	

The definition of control adequacy and effectiveness should be interpreted in conjunction with the scope of the audit and at the time of discussion, and observation of these control practices and in relation to transactions tested.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.1 Review of Finance SOP	<u>Perak Corp and its subsidiaries</u> The SOP of the Finance Department covers areas as per in Appendix I. We noted that all the SOPs were approved by the BOD, performed an annual review by the HOD, and amended the existing SOPs if any changes occurred to ensure the validity of SOPs were up to date. Moreover, the SOPs are available for employee reference via a shared folder. However, based on our review, there were lapses noted in the Finance Department SOP: <u>Absence of SOP</u> We noted there was the absence of sub procedures in the Finance SOP as per Appendix I. Issues to be highlighted.		SI			Management is recommended to: i) formalise and establish the SOP. ii) document the SOP for the mentioned areas. iii) make available the approved SOPs for the employees' attention and reference.	Commented by Management: <u>Perak Corp</u> We will prepare the requested SOPs for management review and BODs approval. <u>PCBL</u> Draft SOPs are ready for management review and BOD's approval. <u>CM</u> Finance Department is in the midst of preparing the draft SOP for management's review and BOD's approval. <u>LMT</u> Management believes that certain of the SOPs included in Appendix I are not always necessary. Kindly refer to Appendix - Explanation



SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.1 Review of Finance SOP (Cont'd)	As above		SI			As above	for the comprehensive explanations.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT

FUNCTIONS		FINANCE DEPARTMENT		Effectiveness of Internal Control				Recommendations	Management Response
Functions	Activities	Key Observations		E	S	M	W		
Finance Department	4.1.1 Review of Finance SOP (Cont'd)	<u>Follow Up Status as of 15th January 2026</u>		E				--	--
		As informed by Management, the following Finance SOP of CM have been completed in November 2025.							
		SOP Title							
		Bank Account Signatories							
		Related Party Transactions							
		Budgetary Process							
		Adjustment Entries (Internal for opening journals and audit adjustments)							
		Fixed Assets (Fixed asset acquisition and disposal, tagging and sighting)							
		Finalising of Management account							
		Income Tax							
		Investment							
		Expected credit loss provisioning							
		Inventory (Obsolescence)							
		As informed by Management, the following Finance SOP of Perak Corp and LMT have been completed and remaining SOP to be completed in the December 2025.							
		SOP Title Status							
Bank Account Signatories Completed									
Related Party Transactions Completed									
Budgetary Process Completed									
Adjustment Entries journals Completed									

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT

SECTION 4.1.1 PERAK DEPARTMENT			Effectiveness of Internal Control				Recommendations	Management Response															
Functions	Activities	Key Observations	E	S	M	W																	
Finance Department	4.1.1 Review of Finance SOP (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u>	E					--	--														
		<u>Perak Corp</u>																					
		<table><tr><th>SOP Title</th><th>Status</th></tr><tr><td>Fixed Assets (Fixed asset acquisition and disposal, tagging and sighting)</td><td>Completed</td></tr><tr><td>Finalising of Management account</td><td>Completed</td></tr><tr><td>Income Tax</td><td>Completed</td></tr><tr><td>Customer registration and credit assessments</td><td>Completed</td></tr><tr><td>Expected credit loss provisioning</td><td>Completed</td></tr></table>	SOP Title	Status	Fixed Assets (Fixed asset acquisition and disposal, tagging and sighting)	Completed	Finalising of Management account	Completed	Income Tax	Completed	Customer registration and credit assessments	Completed	Expected credit loss provisioning	Completed									
		SOP Title	Status																				
		Fixed Assets (Fixed asset acquisition and disposal, tagging and sighting)	Completed																				
		Finalising of Management account	Completed																				
		Income Tax	Completed																				
		Customer registration and credit assessments	Completed																				
		Expected credit loss provisioning	Completed																				
		<u>LMT</u>																					
		<table><tr><th>SOP Title</th><th>Status</th></tr><tr><td>Budgetary Process</td><td>Completed</td></tr><tr><td>Adjustment Entries</td><td rowspan="3">To be completed in 1st Quarter 2026</td></tr><tr><td>Finalising of Management account</td></tr><tr><td>Expected credit loss provisioning</td></tr><tr><td>Income Tax</td><td>N/A</td></tr><tr><td>Investment</td><td>Completed</td></tr><tr><td>Inventory (Obsolescence)</td><td></td></tr></table>	SOP Title	Status	Budgetary Process	Completed	Adjustment Entries	To be completed in 1 st Quarter 2026	Finalising of Management account	Expected credit loss provisioning	Income Tax	N/A	Investment	Completed	Inventory (Obsolescence)								
		SOP Title	Status																				
		Budgetary Process	Completed																				
		Adjustment Entries	To be completed in 1 st Quarter 2026																				
		Finalising of Management account																					
		Expected credit loss provisioning																					
		Income Tax	N/A																				
		Investment	Completed																				
		Inventory (Obsolescence)																					

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control E S I M W					Recommendations	Management Response																
Finance Department	4.1.5 Petty Cash Management	Based on our review of the petty cash ledger selected from March 2023 to August 2023 of Perak Corp and its subsidiaries, we noted the range of petty cash claims within the petty cash amount as per our observation on the petty cash ledger and claims submitted monthly by the Custodians. The petty cash float amount for the abovementioned company is being kept by the following custodians: CM <table><tr><th>Custodian</th><th>Amount (RM)</th></tr><tr><td>Purchasing Executive</td><td>20,000</td></tr></table> PCBL <table><tr><th>Custodian</th><th>Amount (RM)</th></tr><tr><td>Finance Executive @ Hotel Casuarina Kuala Kangsar</td><td>3,000</td></tr><tr><td>FB and Banquet Manager @ Hotel Casuarina Kuala Kangsar</td><td>150</td></tr><tr><td>Front Office Executive @ Hotel Casuarina Kuala Kangsar</td><td>2,000</td></tr><tr><td>Human Resources Executive @ Hotel Casuarina Kuala Kangsar</td><td>6,000</td></tr><tr><td>Operation Manager @ Hotel Casuarina Pangkor</td><td>4,500</td></tr></table>	Custodian	Amount (RM)	Purchasing Executive	20,000	Custodian	Amount (RM)	Finance Executive @ Hotel Casuarina Kuala Kangsar	3,000	FB and Banquet Manager @ Hotel Casuarina Kuala Kangsar	150	Front Office Executive @ Hotel Casuarina Kuala Kangsar	2,000	Human Resources Executive @ Hotel Casuarina Kuala Kangsar	6,000	Operation Manager @ Hotel Casuarina Pangkor	4,500	SI					Management is recommended to: i) Formalise and document the Petty Cash Custodian Authorisation Letter with details of roles and responsibilities and to be signed off acknowledgement by the custodian. ii) Perform regular surprise cash counts (i.e., monthly basis) to maintain financial accountability.	Commented by Management: PCBL The management will institute a formalised schedule for surprise cash counts on a quarterly basis. CM The petty cash procedure is governed by SOP FIN-CASH-001 Cash Collection / Cashiering. Currently, the Purchasing Unit is provided with petty cash amounting to RM2,000. The approval of the petty cash establishment for the Purchasing Unit was obtained through the issuance of a memo in May 2023, while the handing over process was carried out using a petty cash voucher, acknowledged by the
Custodian	Amount (RM)																								
Purchasing Executive	20,000																								
Custodian	Amount (RM)																								
Finance Executive @ Hotel Casuarina Kuala Kangsar	3,000																								
FB and Banquet Manager @ Hotel Casuarina Kuala Kangsar	150																								
Front Office Executive @ Hotel Casuarina Kuala Kangsar	2,000																								
Human Resources Executive @ Hotel Casuarina Kuala Kangsar	6,000																								
Operation Manager @ Hotel Casuarina Pangkor	4,500																								

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

SECTION 4.1.5 PETTY CASH MANAGEMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response														
			E	SI	M	W																
Finance Department	4.1.5 Petty Cash Management (Cont'd)	LMT <table> <tr> <th>Custodian</th> <th>Amount (RM)</th> </tr> <tr> <td>CEO Secretary</td> <td>600</td> </tr> <tr> <td>Account Assistants</td> <td>2,000</td> </tr> <tr> <td>Snr Admin Assistant</td> <td>2,000</td> </tr> <tr> <td>Safety and Security Exec</td> <td>400</td> </tr> <tr> <td>HR and Admin Exec</td> <td>800</td> </tr> <tr> <td>Asst. Manager Marines</td> <td>2,000</td> </tr> </table> Below is the petty cash process as follows: - Staff/claimant submit petty cash claims form with supporting docs to Custodian after approved by respective HOD. - Custodian verifies the claim form with supporting documents. (Invoice/Receipt). - Petty Cash Voucher approved by HOD. - Custodian releases payment to staff/claimants. - Receive and acknowledge claims in Petty Cash Voucher. - Custodian to submit petty cash reimbursement with supporting docs - Finance Executive verifies the petty cash reimbursement with supporting documents - Update the accounting system.	Custodian	Amount (RM)	CEO Secretary	600	Account Assistants	2,000	Snr Admin Assistant	2,000	Safety and Security Exec	400	HR and Admin Exec	800	Asst. Manager Marines	2,000	SI				As Above	custodian of the petty cash. CM will improve the process by having a proper Petty Cash Custodian Authorisation Letter that depicts the roles and responsibilities of the custodian. Finance Department will initiate a surprise cash count exercise at least once in every quarter. <u>LMT</u> The petty cash custodian has an accounting directive and/or memo as authorisation for the petty cash. The only issue is the signing off as acknowledgement by the custodian.
		Custodian	Amount (RM)																			
CEO Secretary	600																					
Account Assistants	2,000																					
Snr Admin Assistant	2,000																					
Safety and Security Exec	400																					
HR and Admin Exec	800																					
Asst. Manager Marines	2,000																					

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.5 Petty Cash Management (Cont'd)	Approval of Petty Cash Voucher as follows:	SI				As Above	The management agrees that there is no surprise check being performed.
		Companies Verified by: Approved by:						
		CM Finance Manager General Manager						
		PCBL Custodian Operation Manager/ Head of H&T						
		LMT Supervisor/ HOD HOD Finance						
		However, based on our review, there were lapses noted the following:						
		<u>Absence of Petty Cash Custodian Authorisation Letter / Memo for CM, PCBL and LMT.</u>						
		Absence of a Petty Cash Custodian Authorisation Letter / Memo, which will result in custodians being unaware of their accountability and integrity for handling cash, which could increase the risk of errors, discrepancies, or even theft.						
		<u>Surprise Cash Count for CM, PCBL and LMT.</u>						
		This review noted the absence of performing monthly/quarterly surprise cash counts. Regular surprise cash counts are an important part of maintaining financial accountability and reducing the risk of theft or other financial discrepancies.						
		Issues to be highlighted.						

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.5 Petty Cash Management (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM</u> Management has consistently prepared the monthly confirmation starting from 31st August 2024. These reports are an integral part of the company's internal controls and financial oversight, ensuring the accuracy and completeness of financial records on a regular basis. Additionally, quarterly surprise cash counts have been implemented since December 2024. This process involves unannounced, independent verification of cash balances to enhance the reliability of financial reporting, detect any discrepancies, and ensure proper handling of company funds. The quarterly surprise counts serve as an additional safeguard to maintain transparency and accountability within the organisation's cash management practices. <u>PCBI</u> The petty cash custodian form has been duly prepared by management as part of the internal control measures to ensure proper accountability and management of petty cash transactions. Furthermore, surprise cash counts have been conducted since the second quarter of 2024. These unannounced counts are an important aspect of the company's cash management procedures, aimed at	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.5 Petty Cash Management (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>PCBL</u> verifying the physical cash on hand and ensuring it aligns with the recorded balances. The surprise cash counts help to identify any discrepancies, enhance transparency, and provide assurance regarding the proper handling of petty cash. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																								
			E	SI	M	W																										
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment	<u>CM</u> <u>Monitoring of Account Receivables</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently to review by Finance Executive and submit to HOD via Email/ Hardcopy. We have reviewed the Debtors Aging as of 31st August 2023 and noted most balances have exceeded more than 6 months which is 88% of the total outstanding debtors balances as follows: <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>820,175</td><td>5%</td></tr><tr><td>31 – 60 days</td><td>417,105</td><td>2%</td></tr><tr><td>61-90 days</td><td>236,921</td><td>1%</td></tr><tr><td>91-180 days</td><td>662,928</td><td>4%</td></tr><tr><td>≥181 days</td><td>15,118,082</td><td>88%</td></tr><tr><td>Total</td><td>17,255,211</td><td>100%</td></tr></table>	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	820,175	5%	31 – 60 days	417,105	2%	61-90 days	236,921	1%	91-180 days	662,928	4%	≥181 days	15,118,082	88%	Total	17,255,211	100%		SI			Management is recommended to: i) document the justifications for long outstanding debtor balances and ii) follow-up action taken on the outstanding debtors, iii) practise customer credit assessment prior to engages.	Commented by Management: <u>CM</u> Majority of these outstanding balances are derived from intercompany transactions. The management will commence a diligent effort to collect the outstanding sums through the Finance Department, with the support of the Sales Department. For future transaction, a credit assessment process will be implemented prior to engaging in sales transactions.
Ageing as of 31 st August 2023																																
Period	Amount (RM)	%																														
Current	820,175	5%																														
31 – 60 days	417,105	2%																														
61-90 days	236,921	1%																														
91-180 days	662,928	4%																														
≥181 days	15,118,082	88%																														
Total	17,255,211	100%																														

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response								
			E	SI	M	W										
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>CM (Cont'd)</u> <u>Collection</u> i) Collection target (i.e. customer and Interco) set out by the General Manager every two weeks. ii) The Finance / Credit Team receives email notification for collections via funds transfer. iii) The Accounts personnel/ Credit Team will collect the cheque from the customer to bank in for payment via cheque. iv) All the collections will be captured into the Accounting System by the Account Executive. The Finance / Credit Team shall send out the reminder letters via email to the customer as per the timeline below: <table><tr><th>Exceed Credit Limit</th><th>Action To Be Taken</th></tr><tr><td>Exceeding credit limit of 30 days.</td><td>issue reminder via email to client.</td></tr><tr><td>Exceeding credit limit of 60 days.</td><td>issue second reminder via letter signed by FM to client.</td></tr><tr><td>Exceeding credit limit of 100 days.</td><td>Inform PCB Legal to issue Letter of Demand (LOD).</td></tr></table> Issues to be highlighted.	Exceed Credit Limit	Action To Be Taken	Exceeding credit limit of 30 days.	issue reminder via email to client.	Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.	Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).		SI			As Above	<u>PCBL</u> Majority of these outstanding amounts are attributed to intercompany transactions where these intercompany balances have been diligently identified and segregated within the aging report. Impairment assessment has been conducted, and appropriate adjustments have been made where necessary. The management is committed to ongoing efforts by the Sales and Finance Departments to recover outstanding amounts, both intercompany and external.
Exceed Credit Limit	Action To Be Taken															
Exceeding credit limit of 30 days.	issue reminder via email to client.															
Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.															
Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).															

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>CM (Cont'd)</u> However, based on our review, there were lapses noted the following: <u>Outstanding Balances of more than 6 months</u> Long outstanding trade receivables exceeded more than 6 months, amounting to RM15,118,082. <u>Absence of Customer Credit Assessment</u> i) No customer credit assessment is conducted before engaging sales. ii) No records of customer credit approval. iii) Without proper credit assessment, extending the credit limit might happen to customers who cannot repay. This can lead to a higher incidence of bad debt, where the company unable to recover the money owed. Issues to be highlighted.		SI			As Above	Immediate measures are being taken to implement a robust credit assessment process before engaging in sales transactions. <u>Perak Corp</u> The 96% from the balance was the contribution amount to Perak Corp Nature Foundation (PCNF), which will be charged to P&L, subject to the approval from the IRB on tax exemption for PCNF. The remaining 3% out of 4% from the outstanding balance is expected to be collected in Q2 2024.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																														
			E	SI	M	W																																
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>PCBL</u> <u>Monitoring of Account Receivables</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently to review by Finance Controller and submit to HOD via Email/ Hardcopy. We have reviewed the Debtors Aging for Casuarina Boathouse Sdn Bhd and Lanai Casuarina Sdn Bhd as of 31st August 2023 as below: Casuarina Boathouse Sdn Bhd <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>-</td><td>-</td></tr><tr><td>31 – 60 days</td><td>-</td><td>-</td></tr><tr><td>61-90 days</td><td>-</td><td>-</td></tr><tr><td>91-120 days</td><td>3,275</td><td>65%</td></tr><tr><td>121-180 days</td><td>1,764</td><td>35%</td></tr><tr><td>181 – 365 days</td><td>-</td><td>-</td></tr><tr><td>≥366 days</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>5,039</td><td>100%</td></tr></table> Notes: The ageing bracket more than 366 days amounting to RM0 due to including of outstanding balance RM62,043.80 and impairment losses amounting to RM62,043.80	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	-	-	31 – 60 days	-	-	61-90 days	-	-	91-120 days	3,275	65%	121-180 days	1,764	35%	181 – 365 days	-	-	≥366 days	-	-	Total	5,039	100%	SI				Management is recommended to: i) document the justifications for long outstanding debtor balances and ii) follow-up action taken on the outstanding debtors. iii)practise customer credit assessment prior to engaging	<u>LMT</u> Note that most of the long outstanding debt is from Lekir Bulk Terminal Sdn Bhd (LBTB); RM1,048k, which are transactions covered under the Operations and Maintenance Agreement (OMA) that have the nature of lasting more than 120 days. LBTB historically has had no issues paying the debt as it is part of their obligation under OMA. As for the rest of the third party's debt, we have secured the debt either through a bank guarantee or cargoes kept in our stockpile. Nevertheless, provisions for doubtful debt were made to
Ageing as of 31 st August 2023																																						
Period	Amount (RM)	%																																				
Current	-	-																																				
31 – 60 days	-	-																																				
61-90 days	-	-																																				
91-120 days	3,275	65%																																				
121-180 days	1,764	35%																																				
181 – 365 days	-	-																																				
≥366 days	-	-																																				
Total	5,039	100%																																				

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Section 4: Finance Department (Cont'd)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																														
			E	SI	M	W																																
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>PCBL (Cont'd)</u> We noted most balances have exceeded more than 6 months as follows for Lanai Casuarina Sdn Bhd: Lanai Casuarina Sdn Bhd <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>76,066</td><td>19%</td></tr><tr><td>31 – 60 days</td><td>74,372</td><td>18%</td></tr><tr><td>61-90 days</td><td>35,217</td><td>9%</td></tr><tr><td>91-120 days</td><td>27,231</td><td>7%</td></tr><tr><td>121-180 days</td><td>96,292</td><td>24%</td></tr><tr><td>181 – 365 days</td><td>433,790</td><td>108%</td></tr><tr><td>≥366 days</td><td>(339,510)</td><td>(84%)</td></tr><tr><td>Total</td><td>403,458</td><td>100%</td></tr></table> <i>Notes:</i> The ageing bracket is more than 366 days, amounting to RM339,509.67 as credit balance, including an outstanding balance of RM788,624.68 and impairment losses amounting to RM1,128,134.33.	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	76,066	19%	31 – 60 days	74,372	18%	61-90 days	35,217	9%	91-120 days	27,231	7%	121-180 days	96,292	24%	181 – 365 days	433,790	108%	≥366 days	(339,510)	(84%)	Total	403,458	100%	SI				As Above	ensure that the debt amount with risk is being provided for and legal action will be taken for those long debts. <u>Perak Corp</u> Subject to the approval from the IRB on tax exemption for PCNF. The remaining 3% out of 4% from the outstanding balance are expected to be collected in Q2 2024.
Ageing as of 31 st August 2023																																						
Period	Amount (RM)	%																																				
Current	76,066	19%																																				
31 – 60 days	74,372	18%																																				
61-90 days	35,217	9%																																				
91-120 days	27,231	7%																																				
121-180 days	96,292	24%																																				
181 – 365 days	433,790	108%																																				
≥366 days	(339,510)	(84%)																																				
Total	403,458	100%																																				

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Section III - Financial Performance (Cont'd)			Effectiveness of Internal Control				Recommendations	Management Response									
Functions	Activities	Key Observations	E	SI	M	W											
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>PCBL (Cont'd)</u> <u>Collection</u> i) For collections via funds transfer, the Finance Controller/ Credit Team receives email notification. ii) For payment via cheque, the Accounts personnel/ Credit Team will collect the cheque from the customer to bank in. All the collections will be captured into the Accounting System by the Account Executive. The Finance Controller/ Credit Team shall send out the reminder letters via email to the customer as per the timeline below: <table><tr><th>Exceed Credit Limit</th><th>Action To Be Taken</th></tr><tr><td>Exceeding credit limit of 30 days.</td><td>issue reminder via email to client.</td></tr><tr><td>Exceeding credit limit of 60 days.</td><td>issue second reminder via letter signed by FM to client.</td></tr><tr><td>Exceeding credit limit of 100 days.</td><td>Inform PCB Legal to issue Letter of Demand (LOD).</td></tr></table> However, based on our review, there were lapses noted in the Finance Department SOP:	Exceed Credit Limit	Action To Be Taken	Exceeding credit limit of 30 days.	issue reminder via email to client.	Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.	Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).		SI				As Above	As Above
Exceed Credit Limit	Action To Be Taken																
Exceeding credit limit of 30 days.	issue reminder via email to client.																
Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.																
Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).																

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>PCBL (Cont'd)</u> <u>Outstanding Balance of more than 12 months</u> This review noted that long outstanding trade receivables balances exceeded more than 12 months, amounting to RM788,624. <u>Absence of Customer Credit Assessment</u> i) No customer credit assessment is conducted before engaging sales. ii) No records of customer credit approval. iii) Without proper credit assessment, an extension of the credit limit might happen to customers who are unable to repay. This can lead to a higher incidence of bad debt, where the company unable to recover the money owed. Issues to be highlighted.		SI			As Above	As Above

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

SECTION 4: FINANCIAL STATEMENTS (CONT'D)			Effectiveness of Internal Control				Recommendations	Management Response																									
Functions	Activities	Key Observations	E	SI	M	W																											
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>Perak Corp</u>		SI			As Above	As Above																									
		<u>Monitoring of Account Receivables</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently, it is submitted and reviewed by the FC via Email/ Hardcopy. We have reviewed the Debtors Aging as of 31 st August 2023 and noted the outstanding balances have exceeded more than 6 months which is 99% from total outstanding debtor's balances is as follows: <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>-</td><td>-</td></tr><tr><td>31 – 60 days</td><td>200</td><td>-</td></tr><tr><td>61-90 days</td><td>-</td><td>-</td></tr><tr><td>91-120 days</td><td>-</td><td>-</td></tr><tr><td>121-180 days</td><td>4,210</td><td>1%</td></tr><tr><td>181 – 365 days</td><td>380,000</td><td>96%</td></tr><tr><td>≥366 days</td><td>10,872</td><td>3%</td></tr><tr><td>Total</td><td>395,282</td><td>100%</td></tr></table>	Ageing as of 31 st August 2023			Period			Amount (RM)	%	Current	-	-	31 – 60 days	200	-	61-90 days	-	-	91-120 days	-	-	121-180 days	4,210	1%	181 – 365 days	380,000	96%	≥366 days	10,872	3%	Total	395,282
Ageing as of 31 st August 2023																																	
Period	Amount (RM)	%																															
Current	-	-																															
31 – 60 days	200	-																															
61-90 days	-	-																															
91-120 days	-	-																															
121-180 days	4,210	1%																															
181 – 365 days	380,000	96%																															
≥366 days	10,872	3%																															
Total	395,282	100%																															

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Section 4: Internal Control (Cont'd)			Effectiveness of Internal Control				Recommendations	Management Response								
Functions	Activities	Key Observations	E	SI	M	W										
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment (Cont'd)	<u>Perak Corp (Cont'd)</u> <u>Collection</u> i) For collections via funds transfer, the Finance Executive receives an email notification. ii) For payment via cheque, the Accounts personnel will collect the cheque from the customer to bank in. iii) All the collections will be captured into the Accounting System by the Account Executive. The Finance Executive shall send out the reminder letters via email to the customer as the timeline below: <table><tr><th>Exceed Credit Limit</th><th>Action To Be Taken</th></tr><tr><td>Exceeding credit limit of 30 days.</td><td>issue reminder via email to client.</td></tr><tr><td>Exceeding credit limit of 60 days.</td><td>issue second reminder via letter signed by FM to client.</td></tr><tr><td>Exceeding credit limit of 100 days.</td><td>Inform PCB Legal to issue Letter of Demand (LOD).</td></tr></table>	Exceed Credit Limit	Action To Be Taken	Exceeding credit limit of 30 days.	issue reminder via email to client.	Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.	Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).		SI			As Above	As Above
Exceed Credit Limit	Action To Be Taken															
Exceeding credit limit of 30 days.	issue reminder via email to client.															
Exceeding credit limit of 60 days.	issue second reminder via letter signed by FM to client.															
Exceeding credit limit of 100 days.	Inform PCB Legal to issue Letter of Demand (LOD).															

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>Perak Corp (Cont'd)</u> However, based on our review, there were lapses noted in the Finance Department SOP: <u>Outstanding Balance of more than 6 months</u> This review noted there are long outstanding trade debtor balances exceeded more than 6 months, amounting to RM390,872. <u>Absence of Customer Credit Assessment</u> i) No customer credit assessment is conducted before engaging sales. ii) No records of customer credit approval. iii) Without proper credit assessment, an extension of the credit limit might happen to customers who are unable to repay. This can lead to a higher incidence of bad debt, where the company unable to recover the money owed. Issues to be highlighted.		SI			As Above	As Above

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																											
			E	SI	M	W																													
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>LMT</u> <u>Monitoring of Account Receivables</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently, it is submitted and reviewed by the FC via Email/ Hardecopy. We have reviewed the Debtors Aging as of 30 th September 2023 and noted long outstanding balances have exceeded more than 4 months as follows: <table><tr><th colspan="3">Ageing as of 30th September 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Future</td><td>8,991,615</td><td>46%</td></tr><tr><td>Current</td><td>7,361,483</td><td>37%</td></tr><tr><td>30 days</td><td>1,340,639</td><td>7%</td></tr><tr><td>60 days</td><td>494,411</td><td>3%</td></tr><tr><td>90 days</td><td>197,552</td><td>1%</td></tr><tr><td>≥ 120 days</td><td>1,286,490</td><td>7%</td></tr><tr><td>Total</td><td>19,672,190</td><td>100%</td></tr></table>	Ageing as of 30 th September 2023			Period	Amount (RM)	%	Future	8,991,615	46%	Current	7,361,483	37%	30 days	1,340,639	7%	60 days	494,411	3%	90 days	197,552	1%	≥ 120 days	1,286,490	7%	Total	19,672,190	100%		SI			As Above	As Above
Ageing as of 30 th September 2023																																			
Period	Amount (RM)	%																																	
Future	8,991,615	46%																																	
Current	7,361,483	37%																																	
30 days	1,340,639	7%																																	
60 days	494,411	3%																																	
90 days	197,552	1%																																	
≥ 120 days	1,286,490	7%																																	
Total	19,672,190	100%																																	

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>LMT (Cont'd)</u> <u>Collection</u> i) For collections via funds transfer, the Finance Executive receives an email notification. ii) For payment via cheque, the Accounts personnel will collect the cheque from the customer to bank in. iii) All the collections will be captured into the Accounting System by the Account Executive. The Finance Executive checks the collectable Invoice based on the ageing every two weeks and notifies/reminds customers by sending emails to those who have exceeded credit terms. <u>Credit Assessment Process</u> The AR team will send the Credit Application Form to the customer to fill out by email. Also, to assess the customer's financial matter via CTOS and the financial statement upon receiving replies from the customer. Finally, the customer's request will be opened and uploaded through the system, subsequently requiring the FC to approve the request for registration under the approved customer system with the credit limit.		SI			As Above	As Above

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>LMT (Cont'd)</u> However, based on our review, there were lapses noted in the Finance Department SOP: <u>Outstanding Balance of more than 4 months</u> The long outstanding debtor balances exceeded more than 4 months, amounting to RM1,286,490. Issues to be highlighted.		SI			As Above	As Above
		<u>Follow Up Status as of 15th January 2026</u> <u>CM</u> Management has issued reminder letters to relevant parties, and as a result, certain outstanding amounts have been acknowledged and successfully settled. This proactive approach ensures that overdue balances are promptly addressed. Additionally, balance due statements have been provided in accordance with the procedures outlined in the current Finance SOP. These statements detail the outstanding amounts and are part of the company's systematic process to maintain clear communication with stakeholders and ensure the timely resolution of financial obligations.	E				—	—

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>CM (Cont'd)</u> Management has established a comprehensive Credit Assessment process to evaluate the creditworthiness of customers before extending credit. This process ensures that all credit decisions are based on thorough financial analysis and risk evaluation. In addition, a Customer Credit Approval and Credit Limit Policy has been implemented to regulate and control the amount of credit extended to each customer. This policy sets clear guidelines for credit approval, defines the criteria for assessing customer risk, and establishes limits to mitigate potential financial exposure. The combination of these measures helps safeguard the company's financial interests and promotes sound credit management practices. The target implementation date is currently ongoing. <u>PCBI</u> Management has issued follow-up reminders to debtors and is actively engaging with them to expedite the collections process. Direct communication is being employed to address any concerns and facilitate the timely recovery of	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>PCBL (Cont'd)</u> outstanding amounts. In cases where recovery remains uncertain, impairment losses are provided in accordance with accounting standards, ensuring that the financial statements reflect the potential risk of non-collection. To ensure effective and proactive management of receivables, regular debtor aging reviews are conducted, allowing the team to monitor outstanding balances and identify any overdue accounts promptly. The target implementation date is currently ongoing. Furthermore, the credit assessment procedure is currently being implemented concurrently with the finalisation of the formal procedures and SOP, which is expected to be completed by the Fourth quarter of 2025. <u>Perak Corp – PCB Equity Sdn. Bhd.</u> Management has recognised an impairment on long-outstanding debtor balances totalling RM504,794.09, which have remained unrecovered for more than 12 months as of the previous financial year. This action reflects a prudent approach to financial reporting in accordance with applicable accounting standards.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>Perak Corp – PCB Equity Sdn. Bhd.</u> To address the remaining outstanding balances, the company has initiated a process of issuing reminder letters to debtors, accompanied by a detailed statement of account to substantiate the amounts due. As part of the ongoing recovery initiative, the Company has commenced issuing reminder letters and conducting SSM searches for debtors who are currently uncontactable. In addition, the Company has established the Customer Master Record SOP on 26th November 2025 to enhance the accuracy and reliability of future receivables assessments. We noted that the current debtor balances reflected in the aging report do not fully represent actual trade customers or sales-related transactions. A significant portion of these balances consists of non-trade-related items. In order to enhance the accuracy and credibility of future receivables assessments, the company plans to implement a formal customer credit assessment process by a Credit Application Form, which will be incorporated under the draft SOP for the Customer Master Record.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.7 Monitoring of Accounts Receivables, Collections, and Credit Assessment Process. (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>LMT</u> As of 31st January 2025, long-outstanding debtor balances exceeding four months amount to RM306,670.15, representing approximately 2.67% of total non-related trade receivables. Management remains committed to closely monitoring and managing outstanding debts to minimise the accumulation of prolonged receivables. This includes ongoing follow-up actions, the issuance of reminder letters, and, where appropriate, the initiation of legal proceedings to recover balances considered at risk of non-collection. The target implementation date is currently ongoing. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																								
			E	SI	M	W																										
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process	<u>CM</u> <u>Creditor's Aging Analysis</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently, it is submitted and reviewed by the FC via Email/ Hardcopy. We have reviewed the Creditors Aging as of 31st August 2023 and noted most balances have exceeded more than 180 days as follows: <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>643,874</td><td>9%</td></tr><tr><td>31 – 60 days</td><td>164,024</td><td>2%</td></tr><tr><td>61-90 days</td><td>336,021</td><td>5%</td></tr><tr><td>91-180 days</td><td>24,807</td><td>1%</td></tr><tr><td>≥ 180 days</td><td>5,881,285</td><td>83%</td></tr><tr><td>Total</td><td>7,050,011</td><td>100%</td></tr></table>	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	643,874	9%	31 – 60 days	164,024	2%	61-90 days	336,021	5%	91-180 days	24,807	1%	≥ 180 days	5,881,285	83%	Total	7,050,011	100%			M		Negotiate Payment Plans if full settlement isn't immediately possible, negotiate with creditors to establish a payment plan that spreads the debt over an agreed period. Prioritise the settlement of the oldest outstanding debts to avoid penalties or interest and improve relationships with key suppliers. Use Cash Flow Management strategies to facilitate settlement, improve cash flow management through better receivables collection, cost control, or securing short-term financing to cover the outstanding balances.	Commented by Management: <u>CM</u> The company encountered challenging cash flow issues, impacting its ability to settle payables within the expected timeframe. The extended duration of these balances is a direct result of management's proactive approach to prioritise critical operational needs and maintain crucial vendor relationships during financially constrained periods.
Ageing as of 31 st August 2023																																
Period	Amount (RM)	%																														
Current	643,874	9%																														
31 – 60 days	164,024	2%																														
61-90 days	336,021	5%																														
91-180 days	24,807	1%																														
≥ 180 days	5,881,285	83%																														
Total	7,050,011	100%																														



SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control					Recommendations	Management Response
			E	S	I	M	W		
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	CM (Cont'd) Payment Process: i) The AP Unit compiles the payment supporting documents, i.e., Invoice, Delivery Order, Purchase Order, and Good Received Note, respectively. ii) FM reviews ageing monthly and shall do the payment planning in week 1, and payment will be executed in week two according to the collection and sufficient bank account balance. iii) AE prepares PV provide with its supporting documents for FM review and GM approval thereafter. iv) AE uploads payment on the bank online portal, which is duly checked by the FC and obtains approval from the CEO. Issues to be highlighted.				M		As Above	Majority of the outstanding payables are intercompany balances, primarily related to advances provided. Management acknowledges that these intercompany payables present a low-risk profile, considering the established intercompany relationships and the nature of the advances. The management recognises the significance of resolving outstanding external payables within industry-standard timelines and is actively implementing measures to address these extended balances as the cash flow situation improves.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																														
			E	SI	M	W																																
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>PCBL</u> <u>Creditor's Aging Analysis</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently, it is reviewed by the Senior Exec and submitted to the Finance Controller via Email/ Hardcopy. We have reviewed the Creditors Aging as of 31st August 2023 and noted most balances have exceeded more than 12 months as follows: Casuarina Boathouse Sdn Bhd <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>15,817</td><td>0.26%</td></tr><tr><td>31 – 60 days</td><td>12,005</td><td>0.20%</td></tr><tr><td>61-90 days</td><td>3,805</td><td>0.06%</td></tr><tr><td>91-120 days</td><td>12,415</td><td>0.21%</td></tr><tr><td>121-180 days</td><td>43,564</td><td>0.72%</td></tr><tr><td>181 – 365 days</td><td>49,424</td><td>0.82%</td></tr><tr><td>≥366 days</td><td>5,891,160</td><td>97.73%</td></tr><tr><td>Total</td><td>6,028,190</td><td>100%</td></tr></table>	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	15,817	0.26%	31 – 60 days	12,005	0.20%	61-90 days	3,805	0.06%	91-120 days	12,415	0.21%	121-180 days	43,564	0.72%	181 – 365 days	49,424	0.82%	≥366 days	5,891,160	97.73%	Total	6,028,190	100%			M		As Above	<u>PCBL</u> The company encountered challenging cash flow issues, impacting its ability to settle payables within the expected timeframe. The extended duration of these balances is a direct result of management's proactive approach to prioritise critical operational needs and maintain crucial vendor relationships during financially constrained periods. Majority of the outstanding payables are as intercompany balances, primarily associated with advances provided. The management recognises
Ageing as of 31 st August 2023																																						
Period	Amount (RM)	%																																				
Current	15,817	0.26%																																				
31 – 60 days	12,005	0.20%																																				
61-90 days	3,805	0.06%																																				
91-120 days	12,415	0.21%																																				
121-180 days	43,564	0.72%																																				
181 – 365 days	49,424	0.82%																																				
≥366 days	5,891,160	97.73%																																				
Total	6,028,190	100%																																				

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																														
			E	SI	M	W																																
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	PCBL (Cont'd) Lanai Casuarina Sdn Bhd <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>322,676</td><td>1.18%</td></tr><tr><td>31 – 60 days</td><td>273,602</td><td>1.00%</td></tr><tr><td>61-90 days</td><td>109,826</td><td>0.40%</td></tr><tr><td>91-120 days</td><td>212,688</td><td>0.78%</td></tr><tr><td>121-180 days</td><td>394,653</td><td>1.43%</td></tr><tr><td>181 – 365 days</td><td>1,102,319</td><td>4.01%</td></tr><tr><td>≥366 days</td><td>25,022,926</td><td>91.20%</td></tr><tr><td>Total</td><td>27,438,690</td><td>100%</td></tr></table> Payment Process i) The AP Unit compiles the payment supporting documents, i.e., Invoice, Delivery Order, Purchase Order, and Good Received Note, respectively. ii) FC reviews ageing monthly and shall do the payment planning in week 1, and payment will be executed in week two according to the collection and sufficient bank account balance. iii) AE prepares PV provide with its supporting documents for FC review and approval thereafter. iv) AE uploads payment on the bank online portal and obtains approval from the CEO.	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	322,676	1.18%	31 – 60 days	273,602	1.00%	61-90 days	109,826	0.40%	91-120 days	212,688	0.78%	121-180 days	394,653	1.43%	181 – 365 days	1,102,319	4.01%	≥366 days	25,022,926	91.20%	Total	27,438,690	100%			M		As Above	that these intercompany payables pose a low-risk profile given the intercompany relationships and nature of the advances. The management recognises the significance of resolving outstanding external payables within industry-standard timelines and is actively implementing measures to address these extended balances as the cash flow situation improves. <u>Perak Corp</u> The nature of the amount was not trade in nature, but deposits received from joint venture partners. The amount was reclassified
Ageing as of 31 st August 2023																																						
Period	Amount (RM)	%																																				
Current	322,676	1.18%																																				
31 – 60 days	273,602	1.00%																																				
61-90 days	109,826	0.40%																																				
91-120 days	212,688	0.78%																																				
121-180 days	394,653	1.43%																																				
181 – 365 days	1,102,319	4.01%																																				
≥366 days	25,022,926	91.20%																																				
Total	27,438,690	100%																																				

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																														
			E	SI	M	W																																
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>Perak Corp</u> <u>Creditor's Aging Analysis</u> The ageing report is being extracted from the accounting system by the Account Executive on a monthly basis. Subsequently, it is reviewed by the Assistant Finance Manager and submitted to the Finance Manager via Email or Hardcopy. We have reviewed the Creditors Aging as of 31st August 2023 and noted the outstanding balances have exceeded more than 12 months as follows: <table><tr><th colspan="3">Ageing as of 31st August 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>-</td><td>-</td></tr><tr><td>31 – 60 days</td><td>-</td><td>-</td></tr><tr><td>61-90 days</td><td>-</td><td>-</td></tr><tr><td>91-120 days</td><td>-</td><td>-</td></tr><tr><td>121-180 days</td><td>-</td><td>-</td></tr><tr><td>181 – 365 days</td><td>-</td><td>-</td></tr><tr><td>≥366 days</td><td>6,606,602</td><td>100%</td></tr><tr><td>Total</td><td>6,606,602</td><td>100%</td></tr></table>	Ageing as of 31 st August 2023			Period	Amount (RM)	%	Current	-	-	31 – 60 days	-	-	61-90 days	-	-	91-120 days	-	-	121-180 days	-	-	181 – 365 days	-	-	≥366 days	6,606,602	100%	Total	6,606,602	100%			M		As Above	to trade payable by the auditor. As the joint-venture arrangements are still ongoing, the deposits will be knocked off against the amount due at a later stage or once they materialise. <u>LMT</u> Those long-outstanding payables are our trade creditors that currently have active transactions with the company. The main reason for the long outstanding amount is mainly due to certain documentation not being completed by the contractors. Management will ensure that all outstanding matters are resolved with the contractors to clean up
Ageing as of 31 st August 2023																																						
Period	Amount (RM)	%																																				
Current	-	-																																				
31 – 60 days	-	-																																				
61-90 days	-	-																																				
91-120 days	-	-																																				
121-180 days	-	-																																				
181 – 365 days	-	-																																				
≥366 days	6,606,602	100%																																				
Total	6,606,602	100%																																				

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>Perak Corp (Cont'd)</u> Payment Process i) The AP Unit compiles the payment supporting documents, i.e., Invoice, Delivery Order, Purchase Order, and Good Received Note, respectively. ii) FM reviews ageing monthly and shall do the payment planning in week 1, and payment will be executed in week two according to the collection and sufficient bank account balance. iii) AE prepares PV with its supporting documents for FM review. iv) AE uploads payment on the bank online portal, which is duly checked by the FC and obtains approval from the CEO. Issues to be highlighted.			M		As Above	the long outstanding amount.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response																								
			E	SI	M	W																										
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>LMT</u> <u>Creditor's Aging Analysis</u> The ageing report is extracted and reviewed from the accounting system by the Account Executive on a monthly basis. Subsequently, it is submitted and reviewed by the FC via Email/ Hardcopy. We have reviewed the Creditors Aging as of 30 th September 2023 and noted most balances have exceeded more than 4 months as follows: <table><tr><th colspan="3">Ageing as of 30th September 2023</th></tr><tr><th>Period</th><th>Amount (RM)</th><th>%</th></tr><tr><td>Current</td><td>1,294,967</td><td>102%</td></tr><tr><td>30 days</td><td>(70,247)</td><td>(5%)</td></tr><tr><td>60 days</td><td>(26,685)</td><td>(2%)</td></tr><tr><td>90 days</td><td>-</td><td>-</td></tr><tr><td>≥ 120 days</td><td>65,999</td><td>5%</td></tr><tr><td>Total</td><td>1,264,034</td><td>100%</td></tr></table>	Ageing as of 30 th September 2023			Period	Amount (RM)	%	Current	1,294,967	102%	30 days	(70,247)	(5%)	60 days	(26,685)	(2%)	90 days	-	-	≥ 120 days	65,999	5%	Total	1,264,034	100%			M		As Above	As Above
Ageing as of 30 th September 2023																																
Period	Amount (RM)	%																														
Current	1,294,967	102%																														
30 days	(70,247)	(5%)																														
60 days	(26,685)	(2%)																														
90 days	-	-																														
≥ 120 days	65,999	5%																														
Total	1,264,034	100%																														

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>LMT (Cont'd)</u> Payment Process i) The Account Assistant compiles the payment supporting documents, i.e., Invoice, Delivery Order, Purchase Order, and Good Received Note, respectively. ii) FM reviews ageing monthly, shall do the payment planning and payment will be executed subsequently according to the collection and sufficient bank account balance. iii) AE prepares PV with its supporting documents for FM review. iv) AE uploads payment on the bank online portal, which is duly checked by the FC and obtains approval from the CEO. Issues to be highlighted.			M		As Above	As Above

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM</u> The Finance Manager is actively overseeing all outstanding payables, ensuring that overdue balances are closely monitored and appropriately managed. Discussions have been held with key vendors to address long-overdue accounts, resulting in partial payments being made for obligations under the 3-month, 6-month, and 12-month payment terms. To improve financial discipline and vendor relationships, payments have now been aligned with a structured payment plan. Based on the current structured-repayment approach and projected quarterly reductions, CM is expected to gradually settle the existing payable balance within 20-24 months, assuming continued improvement in liquidity and consistent control over new payables. <u>PCBL</u> These entities have ceased operations and are no longer generating cash inflows, which limits their ability to settle outstanding liabilities. For creditors actively pursuing payment, management will engage directly to communicate the financial position of the affected entities and will take appropriate measures to mitigate potential legal	E				..	..

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.8 Monitoring of Account Payables and Payment Process (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>PCBL</u> risks arising from these claims. In the meantime, management continues to review and assess the financial positions across the group, with the aim of identifying opportunities to facilitate partial settlements where feasible, while maintaining transparency and protecting the interests of all stakeholders. <u>LMT</u> As of 31st January 2025, the outstanding balance owed to creditors that has aged beyond 120 days amounts to RM73,576. Of this total, RM58,435 is being held as a performance retention amount, in accordance with the agreed contractual terms. The performance retention serves as a safeguard to ensure that the creditor fulfils all contractual obligations and completes any outstanding work or defect rectifications within the stipulated warranty or maintenance period. This amount will be released upon satisfactory completion and verification of the agreed terms, as outlined in the contract. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	S	M	W		
Finance Department	4.1.11 Fixed Assets Management	<u>Perak Corp and its subsidiaries</u> Acquisition of Fixed Assets: i) CEO/GM identify fixed assets to purchase. ii) Min 2/ 3 quotations to be sourced by Purchasing/ HR/ Admin for motor vehicles, properties, equipment, and machinery. iii) Purchasing/ HR/ Admin Head issues PO/Resolution ("Reso") once the CEO/BOD has made the decision. iv) After receiving the asset, the Purchasing Department compiles the Invoice, DO, PO and forwards to finance personnel for keying in the accounting system and Fixed Asset Report ("FAR") update. <u>Perak Corp and its subsidiaries</u> Disposal of Fixed Assets: i) FC/GM identify fixed assets to dispose. ii) Finance personnel issues an Invoice once the CEO/BOD has made the decision. iii) Finance personnel would update the accounting System and FAR thereafter.		SI			Management is recommended to practice of Fixed assets receipt forms.	Commented by Management: <u>Perak Corp</u> Consistently, we acknowledge the Invoice or Delivery Order for asset receipt. <u>PCHL</u> Current practice involves the acknowledgment by the receiver on the Invoice or Delivery Order, aligning with the prevailing practices of vendors. While the management recognises the benefits of a Fixed Asset Receipt Form, the management proposes that an evaluation be conducted to assess the feasibility of integrating such a form into existing processes.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.11 Fixed Assets Management (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM</u> Management has established a structured process for the issuance of fixed asset receipt forms, which is integrated through the Material Receipt Note (MRN) function within the WINHMS Hotel Management System. This system is designed to ensure that all materials and fixed assets received are accurately documented and tracked upon delivery. The MRN process provides a systematic method for verifying and recording the receipt of goods, enhancing transparency and accountability in fixed asset management. Currently, the acknowledgment and tracking of fixed asset receipts are managed through the Purchase Module, which facilitates the linkage between Purchase Orders, Delivery Records, and Asset Registration. This setup helps maintain proper asset control and ensures compliance with internal procurement and accounting procedures. <u>PCBL</u> For all fixed asset purchases, vendors provide Invoices and Delivery Orders, which serve as the official documentation confirming asset delivery.	E				---	---

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.1 - FINANCE DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Finance Department	4.1.11 Fixed Assets Management (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>PCBL</u> Upon receipt, the relevant department conducts a thorough inspection to verify the condition of the asset and ensure it meets the specifications outlined in the purchase order. Once verified, the details are recorded through asset tagging and entered into the Fixed Asset Register, ensuring accurate tracking and accountability. <u>PCB</u> Moving forward, Management will require a Delivery Order as mandatory evidence for the receipt of fixed assets. This measure is intended to strengthen the documentation trail and ensure accountability in the asset acquisition process. The Finance Department will be responsible for verifying the completeness and accuracy of all supporting documents before processing any payments. Additionally, Finance must ensure that the GRN is recorded in the system within the same month the DO is signed, to maintain accurate financial reporting and alignment with the asset recognition timeline. No issues to be highlighted.	E				---	---

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.3 – PROCUREMENT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Procurement Department	4.3.2 Pre-qualification assessments of new suppliers	<u>CM, PCBL and Perak Corp</u> <u>Absence Pre-qualification evaluation</u> No Pre-Qualification evaluation before registration of new suppliers, which may lead to not being reliable or capable of meeting the company's requirements. Without a pre-qualification process, there's a risk of engaging with suppliers who may not meet the required quality standards. This can lead to issues with product or service quality, potentially affecting the organisation's operations and reputation. <u>LMT</u> Based on our review, we noted that the Payable team will obtain all the information from the supplier through email. (i.e. financial statements and company details) Then after, post in the accounting system for the approval process of the CEO and FC before registering in the AVL. Issues to be highlighted.		SI			Management is recommended to Document the pre-qualification evaluation of new suppliers.	Commented by Management: <u>Perak Corp, PCBL and CM</u> The management acknowledges the importance of pre-qualification evaluations prior to the registration of new vendors, and will establish guidelines for the pre-qualification evaluation.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.3 – PROCUREMENT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Procurement Department	4.3.2 Pre-qualification assessments of new suppliers (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM, PCBL and Perak Corp</u> CM, PCBL and Perak Corp has implemented Pre-Qualification evaluation process for all new suppliers. This process involves assessing suppliers against a defined set of criteria, including their reliability, capability, and ability to meet the company's quality standards and requirements. By doing so, the organisation ensures that only qualified and dependable suppliers are onboarded. The implementation of this process mitigates the risk of engaging with unreliable or underperforming suppliers. It enhances the overall quality of products and services provided, ensuring alignment with the organisation's operational goals and quality expectations. Furthermore, this step helps safeguard the organisation's reputation by preventing issues related to substandard supplier performance. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.3 – PROCUREMENT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Procurement Department	4.3.3 Periodic evaluation of existing suppliers	Based on our review, we noted the following lapses for <u>CM, PCBL and Perak Corp</u>: <u>Deficiency of Supplier assessment</u> i) No existing Supplier Assessment was performed. ii) No Summary of the Annual Supplier Assessment Analysis will be presented to top management as a decision-making approach. <u>Absence of Approved Supplier List</u> There is no update of the Approved Supplier List with the status of "Active" or "Inactive". <u>LMT</u> We noted that the Purchasing Department assesses the Trade Payable (i.e. Critical Supplier) monthly for all active vendors as per AVL and uploads the outcomes in the accounting system. Other than Trade Payable, the Purchasing Team would assess on a sampling basis due to indirectly related to the company's operations. Issues to be highlighted.			M		Management is recommended to perform a Supplier Assessment annually to meet the company's requirements by documentation in the Summary of Annual Supplier Assessment Analysis.	Commented by Management: <u>Perak Corp, PCBL and CM</u> The management will establish a systematic approach to conducting supplier assessments annually, ensuring thorough documentation in the Summary of Annual Supplier Assessment Analysis.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.3 – PROCUREMENT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
Procurement Department	4.3.3 Periodic evaluation of existing suppliers (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> Management has implemented and documented an Approved Supplier List and an Annual Supplier Assessment process for CM, PCBL, and Perak Corp. These measures ensure that suppliers are regularly evaluated based on their performance, reliability, and ability to meet the organisation's requirements. By maintaining an up-to-date and vetted list of approved suppliers, the company aims to improve procurement efficiency and uphold quality standards across its operations. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.1 Review of IT Department SOP	We have reviewed the following IT Policies and Procedures as below: - <u>Perak Corp and its subsidiaries</u> i) IT General Policy. ii) Incident Management Policy. iii) Change Management Policy. iv) Remote Access Policy. v) Vendor Management Policy. vi) Password Creation and Management Policy. vii) Network Security Policy. viii) Access Authorisation, Modification, and Identity Access Management Policy. ix) Vulnerability Management Procedure. The policies and procedures of IT General and Incident Management were not endorsed by the Board for CM, PCBL and Perak Corp. <u>LMT</u> i) Disaster Recovery Backup Procedure. ii) Technical Support for Hardware and Software. The above policies and procedures of LMT were last revised in 2017 and 2019.		SI			Management is recommended to prepare the following IT Policies and Procedures: - i) Change Management Policy. ii) Remote Access Policy. iii) Vendor Management Policy. iv) Password Creation and Management Policy. v) Network Security Policy. vi) Access Authorisation, Modification, and Identity Access Management Policy. vii) Vulnerability Management. Management to revise the SOP on an annual basis to reflect the current information and to be endorsed by the Board.	Commented by Management: <u>Perak Corp, PCBL and CM</u> The management acknowledges the importance of having comprehensive policies and procedures to govern IT-related matters and processes. The Digital Information and Technology Department is in the midst of preparing the required SOPs. Once ready, an approval is to be obtained from the Board prior to utilisation and implementation. <u>LMT</u> Management had been developing the required IT policies and procedures. The IT Manager was recently appointed to resolve the

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.1 Review of IT Department SOP (Cont'd)	We also noted the following IT Policies and Procedures were absent for CM, PCBL, Perak Corp and LMT: - i) Change Management Policy. ii) Remote Access Policy. iii) Vendor Management Policy. iv) Password Creation and Management Policy. v) Network Security Policy. vi) Access Authorisation, Modification, and Identity Access Management Policy. vii) Vulnerability Management Procedure.		SI			As above	IT policies and procedures.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response									
			E	SI	M	W											
IT Department	4.8.1 Review of IT Department SOP (Cont'd)	<u>Follow Up Status as of 15th January 2026</u>	E				--	--									
		<u>CM, PCB and PCBL</u>															
		Management have submitted the IT General Policy and Incident Management Policy, both of which were approved during the 176 th Board meeting held on 28 th February 2024. These SOPs have been consolidated into one SOP, titled IT General and Requisition Process. Other relevant SOPs are targeted to be finalised and approved as scheduled, as mentioned in the table.															
		<table><tr><th>SOP</th><th>Status</th></tr><tr><td>Remote Access Policy, Password Creation and Management Policy</td><td rowspan="2">Completed</td></tr><tr><td>Network Security Policy.</td></tr><tr><td>Vendor Management Procedures.</td><td>Not Applicable - Vendor Management process is covered under SOP Tender and Procurement Process.</td></tr><tr><td>Access Authorisation, Modification, and Identity Access Management Policy.</td><td>Completed</td></tr></table>	SOP	Status	Remote Access Policy, Password Creation and Management Policy	Completed	Network Security Policy.	Vendor Management Procedures.	Not Applicable - Vendor Management process is covered under SOP Tender and Procurement Process.	Access Authorisation, Modification, and Identity Access Management Policy.	Completed						
		SOP	Status														
Remote Access Policy, Password Creation and Management Policy	Completed																
Network Security Policy.																	
Vendor Management Procedures.	Not Applicable - Vendor Management process is covered under SOP Tender and Procurement Process.																
Access Authorisation, Modification, and Identity Access Management Policy.	Completed																

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response							
			E	SI	M	W									
IT Department	4.8.1 Review of IT Department SOP (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>CM, FCB and PCBL</u> <table><tr><th>SOP</th><th>Status</th></tr><tr><td>Vulnerability Management Procedure</td><td>Completed</td></tr><tr><td>Change Management Policy</td><td>Completed</td></tr></table> <u>LMI</u> Other relevant SOPs are targeted to be finalised and approved as scheduled, as mentioned in the table.	SOP	Status	Vulnerability Management Procedure	Completed	Change Management Policy	Completed	E					--	--
SOP	Status														
Vulnerability Management Procedure	Completed														
Change Management Policy	Completed														

SOP	Status
Password Creation and Management Procedures.	LMI is currently in the process of obtaining ISO 27001 certification, which includes the execution of Vulnerability Assessment and Penetration Testing (VAPT). The development of this SOP will commence upon completion of these activities to ensure full alignment and standardisation. In addition, the Management has proposed the establishment of a governance framework and a dedicated committee to oversee all IT-related processes, supported by the engagement of an ISO 27001 consultant to ensure proper structure and compliance.
Network Security Procedures.	
Vulnerability Management Procedures.	
IT General Policy	
Incident Management Policy	
Access Authorisation, Modification, and Identity Access Management Procedures.	

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response						
			E	SI	M	W								
IT Department	4.8.1 Review of IT Department SOP (Cont'd)	Follow Up Status as of 15 th January 2026 (Cont'd)	E				--	--						
		<u>LMI</u>												
		<table><tr><th>SOP</th><th>Status</th></tr><tr><td>Remote Access Procedures.</td><td>N/A Not Applicable - No remote access to Lumut Port</td></tr><tr><td>Vendor Management Procedures.</td><td>Not Applicable - Vendor Management is governed by Procurement Dept. Vendor Performance - IT Dept can share such detail such as (i) Quality Service -overall quality, (i)Timeliness - Resolving an issue in timely manners, (iii) Communication & Responses (iv) Innovate & Improvements</td></tr></table>	SOP	Status	Remote Access Procedures.	N/A Not Applicable - No remote access to Lumut Port	Vendor Management Procedures.	Not Applicable - Vendor Management is governed by Procurement Dept. Vendor Performance - IT Dept can share such detail such as (i) Quality Service -overall quality, (i)Timeliness - Resolving an issue in timely manners, (iii) Communication & Responses (iv) Innovate & Improvements						
		SOP	Status											
Remote Access Procedures.	N/A Not Applicable - No remote access to Lumut Port													
Vendor Management Procedures.	Not Applicable - Vendor Management is governed by Procurement Dept. Vendor Performance - IT Dept can share such detail such as (i) Quality Service -overall quality, (i)Timeliness - Resolving an issue in timely manners, (iii) Communication & Responses (iv) Innovate & Improvements													

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.1 Review of IT Department SOP (Cont'd)	Follow Up Status as of 15 th January 2026 (Cont'd)	E				--	--
		Perak Corp						
		SOP						
		Change Management Policy						
		Remote Access Policy						
		Password Creation and Management Policy						
		Vendor Management Policy						
		Network Security Policy						
		Access Authorisation, Modification, and Identity Access Management Policy						
		Vulnerability Management Procedure						
		No issues to be highlighted.						

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	S	M	W		
IT Department	4.8.2 Review the IT Service Request	Based on our review, we noted that there is an absence of an IT Requisition Tracking List for which the following information is not available for CM, PCBL and Perak Corp.: - i) Current Status of IT Request. ii) IT Requisition Time. iii) Initial Response Time. iv) Resolution Time. v) User Acceptance and Acknowledgement Time. IT Requisition Tracking List will establish a formal process for submitting, tracking, evaluating, and implementing those requests. Using the tracking list can successfully control the entire end-to-end work request process. IT Requisition Tracking List is important for ensuring that the IT Department responds to the most critical requests as promptly as possible. Issues to be highlighted.		SI			Management is recommended to document and include the following information in the IT Requisition Tracking List: - i) Current Status of IT Request. ii) IT Requisition Time. iii) Initial Response Time. iv) Resolution Time. v) User Acceptance and Acknowledgement Time.	Commented by Management: <u>Perak Corp, PCBL and CM</u> The IT requisition process is governed by the existing SOP IT-IPM-002 IT Incident and Problem Management. This SOP provides guidance in managing incidents and problems related to IT. The Digital Information and Technology Department will review the comprehensiveness of the SOP and incorporate relevant improvements and enhancements. Once amended, approval from the Board is required prior to utilisation and implementation.

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.2 Review the IT Service Request (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM, PCBL and Perak Corp</u> Management has implemented and provided the IT Requisition Tracking List as a tool to streamline the tracking, approval, and management of IT requisitions within the organisation. This list serves as a centralised record for all IT-related requests, ensuring that each requisition is properly documented, monitored, and processed in a timely manner. The tracking list includes key details such as the requisition date, the status of approval, equipment or software requested, and the intended department or user. By utilising this tool, management aims to enhance visibility, accountability, and efficiency in handling IT requisitions, while also ensuring that all necessary approvals are obtained before any IT-related purchases are made. No issues to be highlighted.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response												
			E	SI	M	W														
IT Department	4.8.5 Review the Annual IT Training Awareness	Based on our review, we noted that IT Training and Awareness was being conducted by LMT as below: i) IT Security 2023 + Systems Protection ii) Administering a SQL Database Infrastructure However, we noted the absence of annual IT Training Awareness for CM, PCBL and Perak Corp. The following are examples of IT Awareness Training that may be conducted: - <table><tr><th>Awareness</th><th>Description</th></tr><tr><td>Removable Media</td><td>Unauthorized removable media may invite data security issues, malware infection, hardware failure and copyright infringement.</td></tr><tr><td>Safe Internet Habits</td><td>Security training programs should incorporate safe internet habits that prevent attackers from penetrating your network.</td></tr><tr><td>Physical Security</td><td>Awareness of potential security issues originating in physical aspects of the workplace.</td></tr><tr><td>Social Networking Dangers</td><td>Awareness on social networking and guide employees about the menace of phishing attacks.</td></tr><tr><td>Email Scams</td><td>Awareness of email scams that involve fraudulent and unsolicited emails.</td></tr></table>	Awareness	Description	Removable Media	Unauthorized removable media may invite data security issues, malware infection, hardware failure and copyright infringement.	Safe Internet Habits	Security training programs should incorporate safe internet habits that prevent attackers from penetrating your network.	Physical Security	Awareness of potential security issues originating in physical aspects of the workplace.	Social Networking Dangers	Awareness on social networking and guide employees about the menace of phishing attacks.	Email Scams	Awareness of email scams that involve fraudulent and unsolicited emails.	SI				Management is recommended to conduct IT Training and Awareness, which are important for ensuring that individuals and organisations have the necessary skills and knowledge to effectively use technology. The programs can help improve productivity and efficiency and prevent cybersecurity risks.	Commented by Management: <u>Perak Corp, PCBL and CM</u> The relevant training and awareness programme has been identified for IT personnel as well as other employees.
Awareness	Description																			
Removable Media	Unauthorized removable media may invite data security issues, malware infection, hardware failure and copyright infringement.																			
Safe Internet Habits	Security training programs should incorporate safe internet habits that prevent attackers from penetrating your network.																			
Physical Security	Awareness of potential security issues originating in physical aspects of the workplace.																			
Social Networking Dangers	Awareness on social networking and guide employees about the menace of phishing attacks.																			
Email Scams	Awareness of email scams that involve fraudulent and unsolicited emails.																			

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response	
			E	S	I	M	W		
IT Department	4.8.5 Review the Annual IT Training Awareness (Cont'd)	<u>Follow Up Status as of 15th January 2026</u> <u>CM, PCBL and Perak Corp</u> The primary objective of IT training for IT personnel is to enhance their technical expertise, improve operational efficiency, and ensure they are up to date with the latest industry trends and best practices. To support this goal, the Department of Information Technology and Development (DITD) currently conducts monthly IT awareness sessions via email, keeping employees informed of key developments, tools, and practices that are essential for their roles. These sessions help ensure that IT personnel are continuously equipped with relevant knowledge to meet the evolving demands of their work. In its ongoing effort to further strengthen IT competency, DITD is planning to propose more formal IT training sessions by Q1 2026, which will be offered through either online platforms or physical workshops. These sessions will provide more comprehensive learning opportunities, covering a broader range of technical skills and industry advancements, and will better equip IT personnel to support the organisation's objectives and growth. No issues to be highlighted.	E					--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.7 Review the DRP	We noted there was the absence of DRP for CM, PCBL and Perak Corp. DRP is a documented, structured approach that describes how an organisation can quickly resume work after an unplanned incident. A DRP is an essential part of a business continuity plan. The recovery plan should be applied to the aspects of an organisation, especially the ones that depend on a functioning IT infrastructure; all processes and technology are computer oriented. Nowadays, with cybercrime and security breaches becoming more sophisticated, it is important for an organisation to define their data recovery and protection strategies. The ability to quickly handle incidents can reduce downtime and minimise financial and reputational damages. A DRP aims to help an organisation resolve data loss and recover system functionality so that it can perform in the aftermath of an incident, even if it operates at a minimum level. The step-by-step plan details the precautions needed to minimise the effects of a disaster so the organisation can continue to operate or quickly resume critical functions. Typically, disaster recovery planning involves an analysis of business			M		Disaster recovery plans allow organisations to ensure they meet all compliance requirements while providing a clear roadmap to recovery. Some types of disasters that organisations can plan for include: - Application failure - Communication failure (Internet or power outage, etc) - Data centre disaster - Building disaster (earthquake, fire, etc) - National Disaster A disaster recovery strategy should start at the business operational level and determine which applications are most important to keep the organisation running.	Commented by Management: <u>Perak Corp, PCBL and CM</u> As of now, Perak Corp, PCBL and CM do not have a comprehensive DRP. Every issue and problem related to IT is handled on a case-to-case basis. The management agrees and acknowledges the importance of having a structured and detailed DRP to mitigate risks associated with data loss, and to lay out a clear programme for recovery in the event of potential disasters. The Digital Information and Technology Department has initiated the effort for the establishment of the DRP for Perak Corp, PCBL, and CM. Once ready, approval is to be

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.7 Review the Disaster Recovery Plan (Cont'd)	processes and continuity need. Before generating a detailed plan, an organisation often performs a business impact and risk analysis to establish recovery objectives for all operational areas.			M		The recovery time objective describes the age of files that must be recovered from backup storage for normal operations to be resumed.	obtained from the Board prior to implementation.
		Management approval of recovery strategies is necessary. All strategies should align with the organisation's goals. Once disaster recovery strategies have been developed and approved, they can be translated into disaster recovery plans.					Recovery strategies define an organisation's plans for responding to an incident, while disaster recovery plans describe how the organisation should respond. Recovery plans are derived from recovery strategies.	
		<u>Follow Up Status as of 15th January 2026</u> <u>Perak Corp and PCBL</u> The DFTD has initiated a structured approach to the DRP by incorporating it into the SOP: IT General & Requisition Process (Appendix 2). This inclusion outlines the steps for establishing the DRP for Perak Corp and PCBL.	E				--	--

SECTION 4 – DETAILED INTERNAL CONTROL REVIEW REPORT

SECTION 4.8 – IT DEPARTMENT (CONT'D)

Functions	Activities	Key Observations	Effectiveness of Internal Control				Recommendations	Management Response
			E	SI	M	W		
IT Department	4.8.7 Review the Disaster Recovery Plan (Cont'd)	<u>Follow Up Status as of 15th January 2026 (Cont'd)</u> <u>Perak Corp and PCBL</u> The proposed approach was formally approved during the 176th Board meeting, which was held on 28th February 2024. This approval marks a significant milestone in ensuring that both entities are equipped with a well-defined and actionable DRP, reinforcing their resilience in the event of unforeseen disruptions. DITD has initiated the effort by including the approval-structured approach of the DRP process in the SOP: IT General and Requisition Process (Appendix 2) for the establishment of the DRP for Perak Corp and PCBL, which was approved during the 176th Board meeting held on 28th February 2024. <u>CM</u> DITD is undertaking a comprehensive study to assess the most effective approach for implementing a DRP at Hotel Casuarina @ Meru. Upon completion of this analysis, DITD will initiate a vendor pitching process to identify a suitable vendor responsible for managing and executing the DRP. DITD proceeded with an interim measure, conducting scheduled daily in-house data backups stored securely on the Synology backup server at Hotel Casuarina @	E				--	--

[illegible]

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK

RISK RATING																						
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX															
5.1 Strategic Risk																						
1	Market risk	Business is essentially project based and therefore, there must be always new projects coming on stream for sustainability.	Perak Corporation Berhad ("Perak Corp" or the "Company"), principal activities are property and investment holding, real property development and provision of management services, whilst the Group is principally involved in the provision of ports and logistics, property development, hospitality and tourism and management services. Group financial results are as below: <table><tr><th></th><th>Q1 2023 RM'000</th><th>Q1 2022 RM'000</th></tr><tr><td>Revenue</td><td>40,685</td><td>32,203</td></tr><tr><td>Operating profit</td><td>9,207</td><td>6,659</td></tr><tr><td>Profit Before Taxation</td><td>7,530</td><td>4,253</td></tr><tr><td>Net Profit</td><td>4,330</td><td>2,018</td></tr></table> The Group recorded revenue of RM40.7 million for the 1st Quarter ended 31st March 2023 compared to revenue of RM32.2 million in the corresponding quarter of the previous financial year. This growth is primarily attributed to higher revenue from port and logistics segment, as well as the hospitality and tourism segment. The port and logistics segment has played a vital role in driving the overall revenue growth in the current quarter where the increase in throughput leading to a rise in revenue. Additionally, the hospitality and tourism segment has also contributed to the higher revenue in the current quarter. This growth can be attributed to various factors such as improved customer demand, successful marketing initiatives, and the overall recovery of the tourism sector. <u>Port and Logistics</u> The port and logistics segment revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary		Q1 2023 RM'000	Q1 2022 RM'000	Revenue	40,685	32,203	Operating profit	9,207	6,659	Profit Before Taxation	7,530	4,253	Net Profit	4,330	2,018	—	Mi	L	Moderate
	Q1 2023 RM'000	Q1 2022 RM'000																				
Revenue	40,685	32,203																				
Operating profit	9,207	6,659																				
Profit Before Taxation	7,530	4,253																				
Net Profit	4,330	2,018																				

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

RISK RATING					I		L		MATRIX	
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS						
5.1 Strategic Risk										
1	Market risk (Cont'd)	As above	services at Lumut Maritime Terminal ("LMT"), operation and maintenance of Lekir Bulk Terminal ("LBT") and rental of LMT port related industrial land. For the quarter under review, the revenue reached RM35.4 million, compared to RM27.7 million in the corresponding quarter of the previous financial year. This represents a growth 28% year-on-year. This increase in revenue is mainly attributed to the higher throughput of cargo, which has increased from 3,386,287 metric tonnes to 4,341,192 metric tonnes. Furthermore, the profit before tax has also increased in the current quarter, reaching RM11.7 million compared to RM8.7 million in the corresponding quarter of the previous financial year. <u>Property Development</u> For the 1st Quarter ended 31st March 2023, property development segment recorded no revenue and reported a loss before tax of RM0.5 million. The Group is actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. While the current quarter's performance may not reflect immediate positive results, the exploratory efforts by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network will position the property development segment favourably for future growth. <u>Hospitality and Tourism</u> The hospitality and tourism segment has recorded a revenue of RM5.4 million in the current quarter, representing an increase of RM0.7 million or 16% compared to the corresponding quarter of the previous financial year. Additionally, it has significantly reduced the loss before tax in the current quarter to RM0.04 million, as compared	As above	Mi	L	Moderate			

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

NON FINANCIAL RISK (CONT'D)					RISK RATING																	
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX															
5.1 Strategic Risk																						
1	Market risk (Cont'd)	As above.	to RM0.7 million in the corresponding quarter of the previous financial year. Management Services and others For the 1st Quarter ended 31st March 2023, the management services segment reported revenue of RM0.9 million, compared to RM1.8 million in the corresponding quarter of the previous financial year. This decline in revenue is primarily attributed to cessation of certain management services provided to fellow subsidiaries within the Group. However, despite the decrease in revenue, the segment's loss before tax improved to RM0.4 million in the current quarter, compared to RM3.5 million in the corresponding quarter of the previous financial year. This reduction in losses is primarily attributed to the reversal of impairment loss on receivables during the current quarter. Group financial results are as below: <table><tr><th>RM</th><th>Q1 2023 RM'000</th><th>Q1 2022 RM'000</th></tr><tr><td>Revenue</td><td>39,131</td><td>39,612</td></tr><tr><td>Operating profit</td><td>10,904</td><td>8,393</td></tr><tr><td>Profit Before Taxation</td><td>8,909</td><td>5,782</td></tr><tr><td>Net Profit</td><td>5,136</td><td>3,034</td></tr></table> The Group recorded revenue of RM39.1 million for the 2nd Quarter ended 30th June 2023 compared to revenue of RM39.6 million in the corresponding quarter of the previous financial year. The decrease in revenue for the current quarter is primarily driven by the hospitality and tourism segment, but this impact is offset by increased revenue from the port and logistics segment.	RM	Q1 2023 RM'000	Q1 2022 RM'000	Revenue	39,131	39,612	Operating profit	10,904	8,393	Profit Before Taxation	8,909	5,782	Net Profit	5,136	3,034	As above.	Mi	L	Moderate
RM	Q1 2023 RM'000	Q1 2022 RM'000																				
Revenue	39,131	39,612																				
Operating profit	10,904	8,393																				
Profit Before Taxation	8,909	5,782																				
Net Profit	5,136	3,034																				

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

LUMUT MARITIME TERMINAL (LMT) RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
1	Market risk (Cont'd)	As above	<u>Port and Logistics</u> The port and logistics segment revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal ("LMT"), operation and maintenance of Lekir Bulk Terminal ("LBT") and rental of LMT port related industrial land. For the 2nd Quarter ended 30th June 2023, the revenue amounted to RM33.1 million, compared to RM32.9 million recorded in the corresponding quarter of the previous financial year. Despite a marginal decrease in cargo throughput, there was a modest 1% increase in revenue due to rate increase and other income not related to tonnage e.g. stockpile management charges. In the current quarter, the port and logistics segment achieved a pre-tax profit of RM13.3 million, marking an improvement from the RM10.8 million recorded in the corresponding quarter of the previous financial year. <u>Property Development</u> For the 2nd Quarter ended 30th June 2023, property development segment recorded no revenue and reported a loss before tax of RM0.7 million. The Group is actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. While the current quarter's performance may not reflect immediate positive results, the exploratory efforts by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network will position the property development segment favourably for future growth. <u>Hospitality and Tourism</u> For the 2nd Quarter ended 30th June 2023, the hospitality and tourism segment registered a revenue of RM6.2 million, marking a decline of	As above	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

LUMUT MARITIME RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
1	Market risk (Cont'd)	As above	port and logistics segment and hospitality and tourism segment. <u>Port and Logistics</u> The port and logistics segment revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal ("LMT"), operation and maintenance of Lekir Bulk Terminal ("LBT") and rental of LMT port related industrial land. For the 3rd Quarter ended 30th September 2023, the revenue amounted to RM33.4 million, compared to RM32.5 million recorded in the corresponding quarter of the previous financial year. Despite a marginal decrease in cargo throughput, there was a modest 3% increase in revenue due to rate increase and other income not related to tonnage e.g. stockpile management charges. In the current quarter, the port and logistics segment achieved a pre-tax profit of RM9.2 million compared to RM9.6 million recorded in the corresponding quarter of the previous financial year due to increase in staffs cost and higher maintenance costs for the repair of conveyor and ship unloader. <u>Property Development</u> For the 3rd Quarter ended 30th September 2023, property development segment recorded no revenue and reported a loss before tax of RM0.5 million. The Group is actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. While the current quarter's performance may not reflect immediate positive results, the explanatory efforts by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network will position the property development segment favourably for future growth.	As above	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

RISK RATING					I		L		MATRIX	
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS						
5.1 Strategic Risk										
1	Market risk (Cont'd)	As above	<u>Hospitality and Tourism</u> For the 3rd Quarter ended 30th September 2023, the hospitality and tourism segment registered a revenue of RM6.1 million, marking an improvement of RM0.9 million or 16% when compared to the corresponding quarter of the previous financial year. Furthermore, there has been an enhancement in the profit before tax for the current quarter, reaching RM0.3 million, in contrast to the loss before tax of RM0.4 million reported during the corresponding quarter of the previous financial year. <u>Management Services and Others</u> For the 3rd Quarter ended 30th September 2023, the management services segment reported revenue of RM0.9 million, compared to RM1.7 million in the corresponding quarter of the previous financial year. This decline in revenue is primarily attributed to cessation of certain management services provided to fellow subsidiaries within the Group. The segment's loss before tax is RM2.6 million in the current quarter, compared to RM0.2 million in the corresponding quarter of the previous financial year. This is primarily attributed to the reversal of impairment loss on receivables in the corresponding quarter of the previous financial year.	As above	Mi	L	Moderate			

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

RISK RATING																						
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX															
5.1 Strategic Risk																						
1	Market risk (Cont'd)	As above	<u>Follow Up Status as of 15th January 2026</u> Group financial results are as below: <table><tr><th></th><th>Q3 2024 RM'000</th><th>Q3 2023 RM'000</th></tr><tr><td>Revenue</td><td>114,014</td><td>119,170</td></tr><tr><td>Operating profit</td><td>21,426</td><td>26,968</td></tr><tr><td>Profit Before Taxation</td><td>16,935</td><td>22,755</td></tr><tr><td>Net Profit</td><td>9,330</td><td>13,048</td></tr></table> For the financial period ended 30th September 2024, the Group reported revenue of RM114.0 million, down from RM119.2 million in the same period of the previous financial year. This decrease was mainly due to lower revenue in the port and logistics segment, which was affected by the M4 disruption. Consequently, profit before tax fell to RM16.9 million in the current period, compared to RM22.8 million in the corresponding period of the previous year, and partly due to the absence of a one-time waiver of interest expenses that benefited the previous year. <u>Port and Logistics</u> The port and logistics segment remains the largest contributor to the Group's revenue amounting to RM96.3 million for the current financial period. This represents a decline from RM101.9 million in the corresponding period of the previous financial year, attributed to the M4 disruption. Consequently, profit before tax for the current period decreased to RM24.8 million, down from RM34.2 million reported in the corresponding period of the previous financial year.		Q3 2024 RM'000	Q3 2023 RM'000	Revenue	114,014	119,170	Operating profit	21,426	26,968	Profit Before Taxation	16,935	22,755	Net Profit	9,330	13,048	As above	Mi	L	Moderate
	Q3 2024 RM'000	Q3 2023 RM'000																				
Revenue	114,014	119,170																				
Operating profit	21,426	26,968																				
Profit Before Taxation	16,935	22,755																				
Net Profit	9,330	13,048																				

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

NON-FINANCIAL STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
1	Market risk (Cont'd)	As above	<u>Property Development</u> For the financial period under review, property development segment recorded no revenue and reported a loss before tax of RM3.3 million, compared to RM1.7 million loss before tax in the corresponding period of the previous financial year. The increased loss was due to the provision for a financial guarantee contract in PCB Development. The Group is actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. While the current quarter's performance may not reflect immediate positive results, the exploratory efforts by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network will position the property development segment favourably for future growth. <u>Hospitality and Tourism</u> The hospitality and tourism segment recorded revenue of RM18.2 million for the current financial period compared to RM17.7 million in the corresponding period of the previous financial year. This segment posted a profit before tax of RM0.4 million for the current financial period compared to profit before tax of RM1.4 million in the corresponding period of previous financial year. The pre-tax profit in the same quarter last year was primarily driven by a one-time waiver of interest expenses. <u>Management Services and Others</u> This segment recorded a revenue of RM2.7 million in the current financial period compared to RM2.8 million in the corresponding	As above	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

ELECTIONS AND POLITICAL RISK (CONT'D)							
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.1 Strategic Risk							
1	Market risk (Cont'd)	As above.	<u>Management Services and Others (Cont'd)</u> period of previous financial year. This segment recorded a pre-tax loss of RM7.9 million for the current financial period compared to loss before tax of RM5.0 million in the corresponding period of previous financial year. The lower pre-tax loss in the corresponding period of the previous financial year was mainly due to the reversal of impairment losses on receivables.	As above	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks	Overall, the economic environment is not favourable and challenging.	The prospects and future growth of the Group are largely dependent on the developments in the political, economic, and regulatory conditions in Malaysia. Any adverse development in political, economic, and regulatory conditions in Malaysia could unfavourably affect the financial position and business prospects of the Group. These risks include, amongst others, changes in political leadership, risk of war, riots and commotions, changes in economic conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, duties, and tariffs. Although the Group will undertake a prudent approach in managing such risks internally, there can be no assurance that any adverse economic, political, and regulatory changes will materially affect the Group's business prospects as these risks are beyond the control of the Group. The Group is dependent on the market conditions of the property market in Perak, for the sales performance of its properties and the development planning of its future projects. The performance of the property market and value of properties are affected by, amongst others, the supply and demand of properties, rate of economic growth, interest rates, inflation, as well as introduction of regulatory measures to curb speculative investments in the property market in Malaysia. Other factors affecting the property market include uncertainty of the employment market as well as cautious spending and investment from consumers. Further, any increase the overnight policy rate by the Bank Negara is expected to dampen the market sentiment, as well as the demand in the property market amidst the higher borrowing cost.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

FROM RISK IDENTIFICATION RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favorable and challenging.	Notwithstanding that the Group monitors the market sentiment and conditions in Malaysia, as well as the property market demand, there can be no assurance that the Group will be able to successfully mitigate the impacts caused by external factors. Further, there can be no assurance that the Malaysian economy and value of properties will continue to grow in an upward trend. In addition, changes in interest rates and inflation may not necessarily contribute positively to the property market. Any changes to the regulatory measures which may dampen the Malaysian economy may affect the business operations of the Group, which in turn may adversely affect its financial performance and prospects.	--	Mi	L	Moderate
			<u>Follow Up Status as of 15th January 2026</u> <u>Port and Logistic</u> The 2024 outlook for port terminal operations appears cautiously optimistic, with potential for cost optimisation. Although pre-tax profit is currently below target, there are several opportunities to improve performance. By maintaining throughput levels, reducing overhead, and leveraging growth in marine services, the port terminal may still have the potential to meet or even approach its budgeted financial targets for the year. <u>Property Development</u> As of Q3 2024, Malaysia's property market is navigating a landscape shaped by post-pandemic recovery, economic adjustments, and evolving consumer preferences. While challenges such as rising interest rates, inflationary pressures, and affordability issues persist, certain market segments show signs of stabilisation.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favorable and challenging.	Property Development (Cont'd) The property market's performance varies across residential, commercial, and industrial sectors, influenced by location, product type, and target demographics. According to the National Property Information Centre's (Npic) Property Market H2024 Report, total property transaction value reached RM105.65 billion, with 198,906 transactions recorded in the first half of the year. This represents an 8.0% increase in transaction volume and a 23.8% surge in transaction value compared to the same period in 2023. The industrial sub-sector recorded an increase in market activity, with 3,822 transactions worth RM13.50 billion recorded in the first half of 2024. Selangor continued to dominate the market, with 34.1% (1,302 transactions) of the national transaction volume, followed by Johor (19.2%), Sarawak (7.4%), and Perak (7.1%). It showed a growth in demand which is in line with industrial forecast of demand increasing by 3.5% in year 2024. Perak Real Estate and Housing Developers' Association of Malaysia (Rehda) chairman, Loh Ban Ho, noted in the New Straits Times article (2nd September 2024) that the overhang property situation in Perak is not alarming, as the majority of these properties are priced at RM300,000 and below. Loh added that Rehda, along with the Perak Housing and Property Board, has also observed that the overhang properties, particularly high-rise buildings, are priced between RM500,000 and RM600,000 which the public could not afford. However, the property in Ipoh is very affordable compared to Penang and Kuala Lumpur.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

ECONOMIC ENVIRONMENTAL RISKS (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favourable and challenging.	Property Development (Cont'd) Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3% since its last adjustment in May 2023. Economists are projecting that BNM will keep the OPR at this level for the whole of 2024. This is positive for businesses and supportive of economic growth and will be beneficial for the property market. Premised on the above, the Company remains positive on the prospects of the SVTP Industrial Hub, which offers a range of options for investors, including industrial plots with ready infrastructure, as well as ready-built factories and warehouses. The Company is also optimistic on the viability and projected performance of other proposed developments, such as high-end housing projects in Bandar Meru Raya. Hospitality and Tourism The State Government remains confident that the target of attracting 8 million domestic tourists and 350,000 international visitors to Perak under the Visit Perak 2024 (TMP24) campaign is well within reach, thanks to the diverse and compelling programmes offered at key tourist destinations across the state. Additionally, Perak is on track to establish a sustainable tourism ecosystem by 2025, supported by various initiatives outlined under the 12th Malaysia Plan (12MP), and implemented through the Northern Corridor Economic Region (NCER). The two key completed projects—the redevelopment of the Lata Kinjang Eco-Forest Park Tourism Centre and the Ipoh Heritage Tourism Infrastructure Project—have significantly contributed to the	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favorable and challenging.	<u>Hospitality and Tourism (Cont'd)</u> goals of TMF24. These initiatives not only enhance the state's tourism infrastructure but also provide a positive boost to the local economy by creating new opportunities for the community. Building on these ongoing efforts, the hospitality and tourism sector is confident in its continued growth and long-term success and remains optimistic about driving better revenue for the Group as the industry expands. <u>Corporate Restructuring</u> On 7th February 2025, the Company submitted a further extension of time application to Bursa Malaysia of six (6) months i.e. up to 9th August 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. On 20th February 2025, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 9th August 2025 to submit its regularisation plan to the relevant regulatory authorities for approval. The Group's future prospect is dependent on its efforts to formulating a suitable regularisation plan with all other stakeholders and boost its existing business activities as well as venture into new businesses, if it deems fit and proper, in order to uplift the Company from being an Affected Listed Issuer under the PN17 Listing Requirements. In January 2024, the Group has initiated its 5 Years Strategic Development Plan (2024 – 2028) to strengthen its position in each segment and brand visibility. The Group is optimistic that the plan will propel the organisation to achieve sustainable growth and secure a leading position in its industry.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favourable and challenging.	Corporate Restructuring (Cont'd) The Group will continue to explore new opportunities and review its capital and business structure to gear itself towards the exit of being an Affected Listed Issuer. At this juncture, the Group is in the midst of finalising the proposed regularisation plan to regularise the Company's Affected Listed Issuer status. Proposed Regularisation Plan The Proposed Regularisation Plan comprises the following: (a) Proposed reduction of the issued share capital of Perak Corp pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction"). (b) Proposed disposal of four parcels of leasehold lands, all located at Mukim Hulu Bemam Timor, Daerah Muallim, Negeri Perak, comprising the following: i) 73.14 acres of land held under PN394964, Lot 20570 and PN394965, Lot 20571 ("Parcel 1 Lands") to Makmur Impian Property Sdn Bhd ("MIP") for a total cash consideration of RM21.13 million ("Proposed Disposal of Parcel 1 Lands"); ii) 247.85 acres of land held under PN394961, Lot 20402 ("Parcel 2 Land") to TG Malim Hi-Tech Park Sdn Bhd (formerly known as ARX-YSC Sdn Bhd) ("TMHTP") for a total cash consideration of RM49.50 million ("Proposed Disposal of Parcel 2 Land"); and iii) 103.71 acres of land held under PN394962, Lot 20403 ("Parcel 3 Land") to TMHTP for a total cash consideration of RM18.94 million ("Proposed Disposal of Parcel 3 Land");	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
2	Economic environmental risks (Cont'd)	Overall, the economic environment is not favorable and challenging.	Proposed Regularisation Plan (Cont'd) (The Proposed Disposals of Parcel 1 Lands, Parcel 2 Land, and Parcel 3 Land are collectively referred to as the "Proposed Disposals of Hulu Berman Lands".) (c) Proposed disposal of three pieces of land located at Wilayah Batu Undan, Mukim of Lumat, District of Manjung ("Hinterland") to LMTSB for a total cash consideration of RM8.53 million ("Proposed Disposal of Hinterland"). (d) Proposed settlement of the Company's entitlement pursuant to the joint venture agreement entered into with PKNP and Uni-Poh Construction Works Sdn Bhd ("Unipoh") for a parcel of state land located at Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("Zone 1 Bandar Meru Raya") for a total cash consideration of RM40.38 million ("Proposed Settlement"), and (e) Proposed issuance of Redeemable Preference Shares Series B ("RPS-B") for the settlement of the outstanding liabilities and debt obligations owing to scheme creditors amounting to RM39.73 million pursuant to the Scheme of Arrangement under Section 366 and other provisions of the Companies Act 2016 between Perak Corp, PCB Development Sdn Bhd, a former subsidiary, and its scheme creditors ("Proposed Issuance of RPS-B").	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.1 Strategic Risk							
3	Concentration risk	Dependency on the ports and logistics industry.	We noted that the Group is dependent on the port and logistics industry, specifically in Perak. The Group's port and logistics operations are conducted in three ports, namely the Lumut Maritime Terminal, Lumut Port Industrial Park, and Lekir Bulk Terminal, all located in Perak. The Group's port and logistics segment accounted for 87.79%, 49.63%, and 85.76% of the Group's total revenue for FYE 2020, FYE 2021, and FYE 2022, respectively. Based on the information above, in the event of a material change in the demand for the usage of the ports in Perak, non-renewal of the Group's contracts to operate the ports, or a material adverse development affecting the ports and logistics industry in Perak, the financial performance and future outlook of the Group may be adversely affected. Furthermore, the closure of any of the ports in which the Group operates without first securing contracts to replace expiring ones, and/or securing additional contracts to operate additional ports in a timely manner could also contribute to these adverse effects. The Group is also dependent on joint developers and subcontractors for the expansion of its port and logistics business and its property development business. The Group engages in these parties for the construction and development of the infrastructures of its port facilities, as well as the development of its property development projects. Hence, the Group is exposed to certain risks, which include, amongst others, joint developers and subcontractors may fail to achieve the work quality requirements, experience delays in the construction works and unable to find suitable subcontractors at a reasonable fee.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.1: STRATEGIC RISK (CONT'D)

SECTION 5.1 STRATEGIC RISK (CONT'D)					RISK RATING		
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	I	L	MATRIX
5.1 Strategic Risk							
3	Concentration risk (Cont'd)	Dependency on the ports and logistics industry.	In the event that the joint developer or subcontractor is unable to perform their roles and carry out their responsibilities effectively, timely and efficiently, the Group may experience delays and cost overruns that could arise from amongst other, quality issues concerning substandard works and/or non-performance. This could incur additional time and resources to carry out rectification works and potentially affect the financial performance and future plans of the Group. Notwithstanding that the Group would be entitled to claim against such subcontractors for liquidated ascertained damages, costs and expenses incurred by the Group to complete the construction works, and/or liquidate the subcontractor's performance bond, there can be no assurance that the claims against the subcontractors will be sufficient to cover the rectification works.	--	Mi	L	Moderate
			<u>Follow Up Status as of 15th January 2026</u> There are no changes in observations above and the risk rating remains the same as the previous year.	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.2: HUMAN RESOURCES RISK

MAIN RISK GROUP		ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING																						
NO					I	L	MATRIX																				
5.2 Human Resources Risk																											
4	Continuity risk	Loss of key personnel without succession planning in place.	The Group's diverse business operations require an experienced management team to ensure that operations and business strategies run efficiently. Hence, the Group is dependent on the experience, skills, industry knowledge, and network of its key senior management and workforce. The Group is led by its Group Chief Executive Officer, Rosmin Bin Mohamed, and supported by a group of experienced key senior management as per below: - <table><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Dato Hj. Mubarak Ali Bin Gulam Rasol</td><td>Chief Executive Officer of Lumut Maritime Terminal Sdn Bhd</td></tr><tr><td>Eriz Dyanu Binti Herman</td><td>Head of Business Performance Management</td></tr><tr><td>Mukhriz Bin Che Muzad</td><td>Head of Legal and Corporate Secretariat</td></tr><tr><td>Salmah Binti Mohamed Ismail</td><td>Head of Human Capital Development</td></tr><tr><td>Wan Mahathir Bin Mohamed Esa</td><td>Head of Hospitality and Tourism</td></tr><tr><td>Amos Asqalanee Bin Ab Ghafar</td><td>Head of Internal Audit and Risk Management</td></tr><tr><td>Sabrina Binti Ahmad Tah</td><td>General Manager Casuarina Meru Sdn Bhd</td></tr><tr><td>Chew Jia Yeng</td><td>Financial Controller for PCB Leisure Group</td></tr><tr><td>Fardah binti Abd Hamid</td><td>Acting Head of Strategic Planning and Implementation</td></tr></tbody></table>	Name	Designation	Dato Hj. Mubarak Ali Bin Gulam Rasol	Chief Executive Officer of Lumut Maritime Terminal Sdn Bhd	Eriz Dyanu Binti Herman	Head of Business Performance Management	Mukhriz Bin Che Muzad	Head of Legal and Corporate Secretariat	Salmah Binti Mohamed Ismail	Head of Human Capital Development	Wan Mahathir Bin Mohamed Esa	Head of Hospitality and Tourism	Amos Asqalanee Bin Ab Ghafar	Head of Internal Audit and Risk Management	Sabrina Binti Ahmad Tah	General Manager Casuarina Meru Sdn Bhd	Chew Jia Yeng	Financial Controller for PCB Leisure Group	Fardah binti Abd Hamid	Acting Head of Strategic Planning and Implementation	--	Mi	Ps	Modestly Low
Name	Designation																										
Dato Hj. Mubarak Ali Bin Gulam Rasol	Chief Executive Officer of Lumut Maritime Terminal Sdn Bhd																										
Eriz Dyanu Binti Herman	Head of Business Performance Management																										
Mukhriz Bin Che Muzad	Head of Legal and Corporate Secretariat																										
Salmah Binti Mohamed Ismail	Head of Human Capital Development																										
Wan Mahathir Bin Mohamed Esa	Head of Hospitality and Tourism																										
Amos Asqalanee Bin Ab Ghafar	Head of Internal Audit and Risk Management																										
Sabrina Binti Ahmad Tah	General Manager Casuarina Meru Sdn Bhd																										
Chew Jia Yeng	Financial Controller for PCB Leisure Group																										
Fardah binti Abd Hamid	Acting Head of Strategic Planning and Implementation																										

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.2: HUMAN RESOURCES RISK (CONT'D)

RISK RATING					I		L		MATRIX	
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS						
5.2 Human Resources Risk										
4	Continuity risk (Cont'd)	Loss of key personnel without succession planning in place.	The continued success of the Group is dependent on the continued service of its key senior management as they possess in-depth knowledge and experience of the Group's operations and their respective fields. The loss of any of the above-mentioned personnel without any suitable and prompt replacement may adversely impact the Group's business operations and financial performance. Further, the Group have established a succession planning procedure and practice succession planning as a development process to ensure when critical openings occur, the Company are ready to fill the positions with skilled and experienced internal candidates. Succession Plan for identified positions has been developed and implemented. It is also linked to other talent management processes and practices, including job titling, training, compensation, learning and development and rewards and recognition.	—	Mi	Ps	Moderately Low			
			<u>Follow Up Status as of 15th January 2026</u> There are no changes in observations above and the risk rating remains the same as the previous year.	—	Mi	Ps	Moderately Low			

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.2: HUMAN RESOURCES RISK (CONT'D)

RISK RATING					I		L		MATRIX																							
NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS																												
5.2 Human Resources Risk																																
5	Retention risk	Loss of talent in key areas.	Staff Turnover Rate <table><tr><th>As of Nov 2023</th><th>Perak Corp</th><th>Cusuma @Mera</th><th>PCBL</th><th>LMT</th></tr><tr><td>New Joiner</td><td>11</td><td>29</td><td>6</td><td>16</td></tr><tr><td>Resigned Staff</td><td>15</td><td>19</td><td>7</td><td>15</td></tr><tr><td>Total Headcount</td><td>84</td><td>121</td><td>52</td><td>284</td></tr><tr><td>Staff Turnover Rate</td><td>17.9%</td><td>15.7%</td><td>13.5%</td><td>5.3%</td></tr></table> We noted the staff turnover rate has recorded less than 20% as of November 2023 and there are 541 workers for the whole group. Besides, the Human Resource Department also monitoring the actual manpower with the Headcount Budget to ensure the sufficiency of working capital in the Group.	As of Nov 2023	Perak Corp	Cusuma @Mera	PCBL	LMT	New Joiner	11	29	6	16	Resigned Staff	15	19	7	15	Total Headcount	84	121	52	284	Staff Turnover Rate	17.9%	15.7%	13.5%	5.3%	—	Mi	Ps	Modestly Low
As of Nov 2023	Perak Corp	Cusuma @Mera	PCBL	LMT																												
New Joiner	11	29	6	16																												
Resigned Staff	15	19	7	15																												
Total Headcount	84	121	52	284																												
Staff Turnover Rate	17.9%	15.7%	13.5%	5.3%																												
			Follow Up Status as of 15th January 2026 Staff Turnover Rate <table><tr><th>As of 31st December 2024</th><th>Perak Corp</th><th>Cusuma @Mera</th><th>PCBL</th><th>LMT</th></tr><tr><td>New Joiner</td><td>13</td><td>29</td><td>15</td><td>30</td></tr><tr><td>Resigned Staff</td><td>9</td><td>21</td><td>18</td><td>22</td></tr><tr><td>Total Headcount</td><td>93</td><td>118</td><td>45</td><td>282</td></tr><tr><td>Staff Turnover Rate</td><td>9.7%</td><td>17.8%</td><td>40%</td><td>7.8%</td></tr></table> We noted the staff turnover rate has recorded less than 20% except for PCBL which recorded 40% staff turnover rate as of 31st December 2024 and there are 538 workers for the whole group. Besides, the Human Resource Department also monitoring the actual manpower with the Headcount Budget to ensure the sufficiency of working capital in the Group.	As of 31 st December 2024	Perak Corp	Cusuma @Mera	PCBL	LMT	New Joiner	13	29	15	30	Resigned Staff	9	21	18	22	Total Headcount	93	118	45	282	Staff Turnover Rate	9.7%	17.8%	40%	7.8%	—	Mi	Ps	Modestly Low
As of 31 st December 2024	Perak Corp	Cusuma @Mera	PCBL	LMT																												
New Joiner	13	29	15	30																												
Resigned Staff	9	21	18	22																												
Total Headcount	93	118	45	282																												
Staff Turnover Rate	9.7%	17.8%	40%	7.8%																												

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
6	Internal Process Risk	Gaps in the internal processes due to lack of dedicated internal procedures, policies, and framework to govern Perak Corp business activities and operational processes.	We noted there were gaps in the internal processes due to lack of dedicated internal procedures, policies, and framework to govern Perak Corp business activities and operational processes. Prior to this, Perak Corp, except for Casuarina@Meru and Lumut Maritime Terminal, are referring to PKNP's SOP as guidelines. Since the restructuring of PKNP in 2018, most of the business unit/division of Perak Corp (except for Casuarina@Meru and Lumut Maritime Terminal) have yet to establish its own SOP and are still using PKNP's SOP as guidelines. With the establishment of Section 17A MACC Act 2009, which requires adequate procedures to be in place, it is crucial for Perak Corp to have a dedicated SOP and policy in place. In order to have better governance and more structured business and operational processes, Perak Corp took the initiative to establish its own procedures and policies. All relevant SOPs for Perak Corp and its subsidiaries have been established except for the newly established departments.	With the establishment of the SOPs, the management will ensure that each employee undergoes training on the SOPs. Management to continuously review the adequacy of existing SOP. Management also to do enhancement on the Whistleblowing Policy and to establish relevant SOP for the newly established departments.	Mi	Ps	Moderately Low
			<u>Follow Up Status as of 15th January 2026</u> Management have documented the internal procedures and policies for all department to govern Perak Corp business activities and operational processes. There are no changes in the risk rating, and it remains the same as previous year.	As above	Mi	Ps	Moderately Low

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
7	Corruption risk	Lack of proper and structured monitoring on corruption risk.	According to the Malaysian Anti-Corruption Commission's ("MACC") letter dated 20 May 2020, through the assessment carried out by the MACC, Perak Corp is a high-risk entity. In addition to that, the requirement to establish "adequate procedures" to prevent the occurrence of corrupt practices under Section 17A of the MACC Act 2009 has made it necessary for Perak Corp to establish an effective anti- corruption structure and policies. The Organisational Anti-Corruption Plan ("OACP") for Perak Corp had been presented and approved during the 161st Perak Corp Board Meeting. The OACP initiatives are now being carried out via a structured plan, where the anticipated completion time will be tracked and monitored. Perak Corp had completed the Corporate Integrity System Malaysia Programme ("CISM Programme") on 3rd November 2023.	Half-yearly reporting to MACC on Perak Corp's initiative and effort in combating corruption and strengthening integrity. The update / report will be made to the 'Badan Pengurusan Integriti Agensi' ("BPIA") of the MACC. Further, to conduct the Corporate Integrity Pledge Ceremony and continuous monitoring on the implementation of the OACP initiatives. On-going integrity-strengthening effort through the issuance of half yearly bulletin as well as conducting seminars or workshops to create awareness on anti-corruption and integrity.	Mi	Ps	Moderately Low

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
7	Corruption risk	Lack of proper and structured monitoring on corruption risk.	<u>Follow Up Status as of 15th January 2026</u> Integrity and Governance Unit ("IGU") ensures all matters relating to anti-corruption, integrity and governance are integrated under one specific unit so that any plan, module, program, and strategy can be implemented in a focused and organised manner to ensure that institutionalisation of integrity, preventive measure, compliance and detection of misconduct can be enforced in an efficient and effective way. As of 31st December 2024, IGU diligently conducted comprehensive training sessions, fostering employee compliance with procedures and policies throughout the Group. These sessions included refresher courses specifically focusing on the implementation of anti-corruption policies within the Group. As part of the anti-corruption initiative, a significant number of employees across the Group underwent relevant anti-corruption training, whereby Penak Corporation Berhad and its subsidiary demonstrated high levels of engagement across all employee categories which executives demonstrated a participation rate of 58%, followed by management at 45%, and non-executive staff at 29%. These initiatives not only enhance the Group's resilience against corruption but also reinforce its reputation as a responsible corporate entity committed to ethical conduct and governance standards. In assessing the corruption related risk of the Group, the Group's Organisational Anti-Corruption Plan ("OACP") focused on corruption risk across the Group, while at the same time identifying initiatives or action plans to manage exposure to corruption or integrity-related matters. The total percentage of operations assessed for corruption-related risks is 86%.	As above	M	P	Moderately Low

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
8	Infection risk	The emergence of COVID-19 and its variants.	The Endemic Phase is expected to be a recovery year for businesses despite the ongoing challenging environment with the possible emergence of new COVID-19 variants. Malaysia had entered into the COVID-19 endemic phase on 1st April 2022. All economic activities were resumed, and Malaysia has reopened its borders to international tourists on 1st April 2022. Reopening the country's borders is part of the country's move into the endemic phase. For the year 2022, a total of 114 positive cases (fully recovered) has been recorded at Perak Corp. Risk relating to concerns on the readiness of Perak Corp to manage the impact of pandemic outbreak that may adversely affect the business operations. Recently, the World Health Organisation expressed concern there could be a pandemic of Disease X in five years, but the disease remains uncertain at this moment. Management had established COVID-19 Crisis Management to monitor and handle COVID-19 matters. Reference to the latest on KKM's SOP for COVID19 to be applied at workplace and MBKN's SOP called Reopening Safely for COVID-19 to be applied at the workplace effectively on 5th July 2023. The party responsible for the Premises, Employee and Individual must always comply with the SOP when carrying out or participating in activities on premises, including outdoor areas, indoor spaces, or in vehicles.	Constant monitoring on the cases of COVID-19 / other infectious disease among staffs to prevent an outbreak from happening.	Mi	Ps	Moderately Low

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
8	Infection risk	The emergence of COVID-19 and its variants.	<u>Follow Up Status as of 15th January 2026</u> Management constantly monitoring the cases of COVID-19 / other infectious disease among staffs to prevent an outbreak from happening. There are no changes in the risk rating, and it remains the same as previous year.	As above	Mi	Ps	Moderately Low
9	Safety, health and operational risks	Safety, fire, and other hazards at site.	We noted Perak Corp Safety and Health Committees were established on 24 th March 2022 and Emergency Response Team were established on 27 th October 2023. There were also Safety and Health Committees and Emergency Response Team for Casuarina Hotels and Houseboat. Life jackets at Casuarina Houseboat@Temenggor 1 were replaced in July 2023 and First aider competency training was conducted on 3-4 October 2023 with a total of 10 participants from Casuarina hotels attended. Selected personnel from Perak Corp had enrolled in the OSH-C training on 7-9 November 2023. Currently, there is no OSH-C competent person at Casuarina Hotels. The condition of the life-saving equipment at Casuarina Houseboat@Temenggor 1 such as lifebuoys and inflatable life-rfts are in poor condition. This may jeopardise the safety of passengers and crews. There are no emergency racks available at Perak Corp and Casuarina Hotels, except for Casuarina@Meru.	Management is recommended to continuously monitor the conformance and compliance with Occupational Safety and Health Act (OSHA) 1994.	Mi	Ps	Moderately Low

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.3: OPERATIONAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.3 Operational Risk							
9	Safety, health and operational risks	Safety, fire, and other hazards at site.	<u>Follow Up Status as of 15th January 2026</u> There were no major incidents that happened from January 2024 to December 2024. There are no changes in the risk rating, and it remains the same as previous year.	As above	Mi	Ps	Moderately Low
10	Business Continuity Risk	Disruption of operations in the event of non-accessibility of office/ facilities.	We noted there were absence of BCP or DRP for the Group. BCP or DRP allow organisation to ensure they meet all compliance requirements, while also providing a clear roadmap to recovery. DRP is a documented, structured approach that describes how an organisation can quickly resume work after an unplanned incident. A DRP is an essential part of a business continuity plan. The recovery plan should be applied to the aspects of an organisation, especially the ones that depend on a functioning IT infrastructure; all processes and technology or computer oriented.	Management is recommended to implement the BCP or DRP and to be endorsed by the Board. The BCP or DRP should be reviewed periodically to ensure effectiveness and relevancy.	Ma	L	Moderately High
			<u>Follow Up Status as of 15th January 2026</u> Management have documented the DRP for the Group. They have identified the following functions in the DRP: - i) Roles and responsibilities of Disaster Recovery Team ii) Contact Information iii) Dealing with authorities, employees, vendors or service providers iv) Dealing with disaster	--	Mi	L	Moderate

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING												
					I	L	MATRIX										
5.4 Financial Risk																	
11	Costs overrun risk	Costs overrun due to inaccurate estimates of costs / man days.	We noted there was a Projection Cash Flow Statement to monitor the sufficiency of cash flow for long term plan. Following is the period of Cash Flow Projection being forecasted for the following companies: <table><tr><th>Companies</th><th>Years</th></tr><tr><td>CM</td><td>2023 to 2026</td></tr><tr><td>PCBL</td><td>2023 to 2026</td></tr><tr><td>Perak Corp</td><td>2023 to 2026</td></tr><tr><td>LMT</td><td>2023 to 2028</td></tr></table> Based on the above table, we noted there were comparison and tracking of forecasted and actual cost of the Company monthly have been prepared to monitor and manage the sufficiency of cash flow movement. The Cash Flow Projections enable the top management to acquire cash flow balances. The surplus and deficit of the cash flow will enable the top management to make critical decision in investment for the Group and to ensure on the going concern of the Group. The Group's business operations are capital intensive that requires substantial investment and cash flow for its working capital and to replenish and/or increase its landbank for future property development projects, as well as its hospitality and tourism facilities. Hence, the Group is dependent on its ability to secure adequate financing, such as bridging loans, bank overdrafts and term loans for its business operations. Moreover, the Group may be exposed to call back on its callable credit facilities, such as bank overdrafts, that would require sufficient cash flow and financing for repayment of the credit facilities, in addition to repayment of other secured credit facilities, specifically short-term credit facilities.	Companies	Years	CM	2023 to 2026	PCBL	2023 to 2026	Perak Corp	2023 to 2026	LMT	2023 to 2028	--	Mi	L	Moderate
Companies	Years																
CM	2023 to 2026																
PCBL	2023 to 2026																
Perak Corp	2023 to 2026																
LMT	2023 to 2028																

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING												
					I	L	MATRIX										
5.4 Financial Risk																	
11	Costs overrun risk	Costs overrun due to inaccurate estimates of costs / man days.	<u>Follow Up Status as of 15th January 2026</u> We noted there was a Projection Cash Flow Statement to monitor the sufficiency of cash flow for long term plan. Following is the period of Cash Flow Projection being forecasted for the following companies: <table><tr><th>Companies</th><th>Years</th></tr><tr><td>CM</td><td>2024 to 2026</td></tr><tr><td>PCBL</td><td>2024 to 2026</td></tr><tr><td>Penak Corp</td><td>2024 to 2026</td></tr><tr><td>LMT</td><td>2024 to 2028</td></tr></table> Based on the above table, we noted there were comparison and tracking of forecasted and actual cost of the Company on a monthly basis have been prepared to monitor and manage the sufficiency of cash flow movement. The Cash Flow Projections enable the top management to acquire cash flow balances. The surplus and deficit of the cash flow will enable the top management to make critical decision in investment for the Group and to ensure on the going concern of the Group. There are no changes in the risk rating, and it remains the same as previous year.	Companies	Years	CM	2024 to 2026	PCBL	2024 to 2026	Penak Corp	2024 to 2026	LMT	2024 to 2028	--	Mi	L	Moderate
Companies	Years																
CM	2024 to 2026																
PCBL	2024 to 2026																
Penak Corp	2024 to 2026																
LMT	2024 to 2028																

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING																																																		
					I	L	MATRIX																																																
5.4 Financial Risk																																																							
12	Liquidity risk	Inadequate capital for operations due to delayed payments received.	We noted the net current liabilities position indicated that the Group do not have sufficient liquidity to meet its obligations and commitments as and when they fall due and when they become repayable over the next 12 months. <table><thead><tr><th colspan="3">With LMT</th></tr><tr><th></th><th>As at 31/12/2022 RM'000</th><th>As at 30/9/2023 RM'000</th></tr></thead><tbody><tr><td>Current Assets</td><td>174,495</td><td>195,261</td></tr><tr><td>Current Liabilities</td><td>(236,837)</td><td>(236,092)</td></tr><tr><td>Net Current Liabilities</td><td>(62,342)</td><td>(39,831)</td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td>Deposit, Bank and Cash Balances</td><td>51,381</td><td>61,797</td></tr><tr><td>Borrowings due for repayment over the next 12 months</td><td>94,186</td><td>93,315</td></tr></tbody></table> <table><thead><tr><th colspan="3">Without LMT</th></tr><tr><th></th><th>As at 31/12/2022 RM'000</th><th>As at 30/9/2023 RM'000</th></tr></thead><tbody><tr><td>Current Assets</td><td>84,154</td><td>85,228</td></tr><tr><td>Current Liabilities</td><td>(216,155)</td><td>(226,006)</td></tr><tr><td>Net Current Liabilities</td><td>(132,001)</td><td>(140,778)</td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td>Deposit, Bank and Cash Balances</td><td>4,803</td><td>3,429</td></tr><tr><td>Borrowings due for repayment over the next 12 months</td><td>88,397</td><td>91,814</td></tr></tbody></table>	With LMT				As at 31/12/2022 RM'000	As at 30/9/2023 RM'000	Current Assets	174,495	195,261	Current Liabilities	(236,837)	(236,092)	Net Current Liabilities	(62,342)	(39,831)				Deposit, Bank and Cash Balances	51,381	61,797	Borrowings due for repayment over the next 12 months	94,186	93,315	Without LMT				As at 31/12/2022 RM'000	As at 30/9/2023 RM'000	Current Assets	84,154	85,228	Current Liabilities	(216,155)	(226,006)	Net Current Liabilities	(132,001)	(140,778)				Deposit, Bank and Cash Balances	4,803	3,429	Borrowings due for repayment over the next 12 months	88,397	91,814	Disposal of Landbanks Perak Corp Group has finalised negotiations with potential purchasers of its landbank assets to raise the necessary funds for its existing business activities. Regularisation Plan The Regularisation Plan shall be formulated and finalised together with its advisers in due course to address the distressing financial situation of Perak Corp with the main objective of returning Perak Corp to a better financial standing after relieving the financial position on Perak Corp Group's debt settlement obligations and cash flows. Commitment for Casuarina @ Kuala Kangsar For Post Monitoring COVID-19 Pandemic, Bank Islam has reviewed Lantai Casuarina's Facility and agreed to reschedule the outstanding balance to extend the tenor for	Ma	L	Moderately High
With LMT																																																							
	As at 31/12/2022 RM'000	As at 30/9/2023 RM'000																																																					
Current Assets	174,495	195,261																																																					
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SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.4 Financial Risk							
12	Liquidity risk (Cont'd)	As above.	<u>Private Debt Settlement Arrangement between Perak Corp with CIMB and Affin Islamic</u> The proposed debt settlement and proposed amendments to the Constitution of the Company to facilitate the issuance of redeemable cumulative preference shares ("RCPS") under the proposed private debt settlement were approved by the shareholders of the Company during the Extraordinary General Meeting held on 31st January 2022. The RPS to Affin Islamic and CIMB had been allotted on 31st January 2022. <u>CIMB Debt Settlement Agreement</u> The Government Acquisition was completed on 4th October 2022 and the compensation received from the Government Acquisition has been utilised as payment for the CIMB Cash Settlement Amount on 3rd October 2022. Certain conditions precedent were not able to be fulfilled in view that the charge over the freehold land held under PN 394961, Lot 20402, Mukim Hulu Bernam Tiner, Daerah Muallim, Perak Darul Ridzuan ("Land H") could not be effected due to a caveat placed by ARX-YSC Sdn Bhd.	another 35 months subject to the following terms and conditions as per their letter dated 19th February 2021. The rescheduling of the Facility with a step-up instalment basis starting from monthly instalment of RM30,000 as compared to existing instalments of RM177,325.69 will ease the financial woes of Lanai Casuarina especially hospitality and tourism segment gradually recover from the slowdown caused by the global outbreak of COVID-19. Management has initiated discussion with Bank Islam to examine the potential rescheduling of the Business Financing-i Facility and currently in the process of actively preparing a cash flow projection, which is expected to be submitted to the bank by the fourth quarter of 2023.	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.4 Financial Risk							
12	Liquidity risk (Cont'd)	As above.	Perak Corp had on 10 January 2023 proposed for Land H to be substituted with a piece of land belonging to Perak Corp held under Geran 178754 Lot 516683, Mukim of Huhu Kinta, District of Kinta, Perak as a replacement security for the Proposed Debt Settlement I ("Replacement Security Proposal"). On 1st March 2023, CIMB is agreeable in principle to the Replacement Security Proposal subject always to the execution of supplemental agreement. The Company has on 11th September 2023 entered into a supplemental agreement with CIMB to amend, modify, substitute, vary and alter the terms and conditions of the CIMB debt settlement agreement dated 8th November 2021. The supplemental agreement is not subject to the approval of the shareholders of Perak Corp. However, the proposed amendment to the provisions of the Constitution of the Company to facilitate the substitution of the security documents provided under the supplemental agreement to secure the redeemable cumulative preference shares, RPS- A1, issued to CIMB will require the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened. Perak Corp did not exercise its option to redeem the RCPS for the 1st anniversary and did not pay dividends for the RCPS for the 1st anniversary in view that Perak Corp is currently still in the midst of formulating its regularisation plan for submission to Bursa Malaysia. The amount of RCPS to be redeemed for the 1st anniversary amounting to RM6,966,769.00 and the dividend of 5% per annum on the full amount of the unredeemed RCPS shall be carried forward to the next anniversary or to the maturity date for redemption and payment, whichever is latest.	Management is in the midst of preparing a proposal to look for the required funds for the proposed facilities enhancement including marquee tent that can accommodate 300 pax at one time. Management is also reviewing the current room rates in view of the opening of the infinity pool. Concurrently, the management is looking for ways to strengthen the brand reputation through aggressive marketing and sales efforts. <u>Commitment for Casuarina @Teluk Intan</u> Casuarina Teluk Intan was granted Moratorium COVID-19 Pandemic for Non-SME Customers by Bank Islam for deferment of monthly instalment for a period of 6 months commencing from April 2020 until September 2020. Bank Islam has reviewed Casuarina Teluk	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING			
						I	L	MATRIX
5.4 Financial Risk								
12	Liquidity risk (Cont'd)	As above.	<u>Affin Islamic Debt Settlement Agreement</u> All conditions precedent has been fulfilled pursuant to the Affin Islamic Debt Settlement Agreement. Perak Corp did not exercise its option to redeem the RCPS for the 1st anniversary and did not pay dividends for the RCPS for the 1st anniversary in view that Perak Corp is currently still in the midst of formulating its regularisation plan for submission to Bursa Malaysia. The amount of RCPS to be redeemed for the 1st anniversary amounting to RM4,971,557.00 and the dividend of 5% per annum on the full amount of the unredeemed RCP shall be carried forward to the next anniversary or Maturity Date for redemption and payment, whichever is the latest. <u>Private Debt Settlement Arrangement between PCB Taipan with CIMB</u> On 15th 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 23rd July 2012 ("Facility Agreement") from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB. <u>Creditors Voluntary Winding Up of PCB Development</u> 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 assets of PCB Development to be realised by the Liquidators will be utilised to settle all the unsecured creditors not	Infan's Facility and agreed to reschedule the outstanding balance to extend the tenor for another 34 months subject to the following terms and conditions as per their letter dated 5th November 2020. Management has initiated discussion with Bank Islam to examine the potential rescheduling of the Business Financing-3 Facility and currently in the process of actively preparing a cash flow projection, which is expected to be submitted to the bank by the fourth quarter of 2023. At this juncture, the monthly instalment is paid on behalf via advances/ funding from its fellow subsidiaries. Management is in the midst of preparing a proposal to look for the required funds for the proposed facilities enhancement including revamp on the interior design and fixtures and fittings concept, swimming pool and	Ma	L	Moderately High	

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.4: FINANCIAL RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING											
					I	L	MATRIX									
5.4 Financial Risk																
12	Liquidity risk (Cont'd)	As above.	settled under the approved and sanction Scheme of Arrangement, including the syndicated term loan lenders. The Company derecognised the assets and liabilities of PCB Development and ATP from the consolidated statement of financial position as at 20th December 2021 and recognised the gain associated with the loss of control attributable to the former controlling interest. <u>Follow Up Status as of 15th January 2026</u> There are no changes in the risk rating and remain same as previous year.	water play area, marquee tent that can accommodate 300 pax at one time, wedding place. Concurrently, the management is looking for ways to strengthen the brand reputation through aggressive marketing and sales efforts.	Ma	L	Moderately High									
				As above	Ma	L	Moderately High									
5.5 Legal and Regulatory Risk																
13	Financial Regulatory risk	Inability to meet the regulatory payments and contributions requirements due to Perak Corp's financial position.	We noted there were outstanding regulatory payments and contributions from Casusrina@Menu which were completely settled by the Group on 31st October 2023 as per EPF approved structured repayment scheme: - <table><tr><th colspan="3">EPF approved structured repayment scheme</th></tr><tr><th>Total Outstanding Regulatory Payment (RM)</th><th>Total Payment made (RM)</th><th>Outstanding Balance</th></tr><tr><td>761,443</td><td>761,443</td><td>-</td></tr></table> Currently, there are no outstanding balances of regulatory payment from the Group.	EPF approved structured repayment scheme			Total Outstanding Regulatory Payment (RM)	Total Payment made (RM)	Outstanding Balance	761,443	761,443	-	-	Mi	Ps	Moderately Low
EPF approved structured repayment scheme																
Total Outstanding Regulatory Payment (RM)	Total Payment made (RM)	Outstanding Balance														
761,443	761,443	-														

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
13	Financial Regulatory risk (Cont'd)	Inability to meet the regulatory payments and contributions requirements due to Perak Corp's financial position	<u>Follow Up Status as of 15th January 2026</u> The above issues have been resolved. There are no changes in the risk rating and remain same as previous year.	--	Mi	Ps	Moderately Low
		Inability to comply with Bursa regulations leading to penalties / fines / Affected Listed Issuer status.	The Group has announced on 11 th February 2020 that it has triggered the prescribed criteria pursuant to paragraph 8.04 and paragraph 2.1(i) of the Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is now regarded a PN17 Company. On 6 th 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 st 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. On 6 th November 2023, Bursa Malaysia granted a further extension of time up to 10 th February 2024 for the Company to submit its regularisation plan to the relevant regulatory authorities.	Management is working on formulating the regularisation plan to address the Company's financial condition.	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
13	Financial Regulatory risk (Cont'd)	Inability to comply with Bursa regulations leading to penalties / fines / Affected Listed Issuer status.	<u>Follow Up Status as of 15th January 2026</u> On 9th February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9th February 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. On 9th May 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 10th August 2024 to submit its regularisation plan to the relevant regulatory authorities for approval. On 9th August 2024, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 10th June 2025 to submit the Company's Regularisation Plan to the relevant regulatory authorities. On 17th September 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 9th February 2025 to submit its regularisation plan to the relevant regulatory authorities for approval. On 7th February 2025, the Company submitted a further extension of time application to Bursa Malaysia of six (6) months i.e. up to 9th August 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. On 20th February 2025, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 9th August 2025 to submit its regularisation plan to the relevant regulatory authorities for approval.	As above	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					1	L	MATRIX
5.5 Legal and Regulatory Risk							
14	Contract risk	Breach of contractual terms.	Lams Casuarina Sdn. Bhd. ("the Company") failed to make payment to the contractor pursuant to the construction contract entered into with Solar Alert Sdn. Bhd. ("the Claimant") for construction/renovation works at Casuarina@Kuala Kangsar. The Claimant had successfully obtained a CIPAA award on 7th July 2022 for a total sum of RM2,029,879.36 (excluding interest), the breakdown of which is as follow: i) Certified claims amounting RM1,950,310.87, for interim payment certificate no. 23, 24 and 25; ii) Interim payment certificate no. 26 was excluded and not adjudicated; iii) Cost of Adjudication awarded to the Claimant amounting to RM79,568.49; and iv) Interest of 5% p.a. On 2nd May 2023, the parties' solicitors informed the court that the parties have agreed to a settlement and a settlement agreement dated 9th May 2023 has been signed. The Plaintiff will file a discontinuance notice. According to the settlement agreement, the amount of RM2,029,879.36 will be paid by 25 monthly instalments with last instalment in November 2024. In relation to Claim No.26, vide a letter dated 9th August 2023 from QS Associates, the Company's appointed quantity surveyor verified that the final amount of Claim No.26 is amounting RM 4,375,888.59 and the Company requested for a 40% discount with the Claimant on the final amount in a letter dated 9th August 2023. The parties are in the midst of negotiating to reach for a settlement agreement on Claim No.26.	The Company must oblige the settlement agreements if, in the event of default of the settlement agreement by the Company, the Claimant will initiate legal proceeding against the Company.	Ma	VL	High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
14	Contract risk (Cont'd)	Breach of contractual terms	Vide an email dated 1 st September 2023, the Claimant agreed to extend the instalment period to 36 months. Claim No. 26, amounting to RM4,375,888.59, will be paid in 36 monthly instalments. However, the Company will pay the instalment in 27 months, and the remaining 9 months will be considered the discounted amount by the Claimant, thus the total settlement after discount is RM3,281,916.45, with the last instalment in March 2026. The settlement agreement has been signed by both parties and to be dated on 10 th November 2023.	As above	Ma	VL	High
			<u>Follow Up Status as of 15th January 2026</u> The above issues have been resolved since the Company will pay the instalment in 27 months, and the remaining 9 months will be considered the discounted amount by the Claimant, thus the total settlement after discount is RM3,281,916.45, with the last instalment in March 2026.	As above	Mi	L	Moderate
15	Legislative risk	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	Originating Summons No. AA-24NCC-2-02/2023 at Ipoh High Court, En Mohamed Shafeii bin Abdul Gaffar ("the Plaintiff"), the then of Perak Corp, filed an Originating Summmon to set aside the sanctioned scheme in his capacity as the scheme creditor by naming Perak Corp, PCB Development Sdn Bhd (in creditors voluntary winding up), Ferrier Hodgson MH Sdn Bhd, Tan Sri Rashid Abdul Manaf, (former Board Chairman), Tan Sri Kunasingam (former Director), Datuk Redza Rafiq, Zainal Iskandar (former GCEO and Director), Tan Chee Hau and Andy Liew Hock Sim as defendants. Among the prayers sought are as follows: i) To allow the applicant to object the scheme of arrangement on the ground that there were elements of criminal, mala fide and concealment of facts by the respondents.	Management to ensure that the originating summons will not disrupt and jeopardise the submission of the Regularisation Plan to Bursa.	Ma	VL	High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					1	L	MATRIX
5.5 Legal and Regulatory Risk							
15	Legislative risk (Cont'd)	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	ii) To set aside the scheme of arrangement on the ground that is not valid and accordingly, to appoint a receiver and manager to manage Perak Corp; and iii) All other reliefs that the Court deems fit and just. The Court fixed the case management on 8th May 2023, for the Perak Corp and all related directors to file affidavit of reply to the applicant's supporting affidavits. Perak Corp and directors averred that the whole Originating Summons is frivolous, vexatious, abuse of court process and scandalous. The Plaintiff had 30 days from the date of court sanction (7th May 2021) but he slept on his rights to appeal or contest the scheme, but did not do so, thereto it was contended that he is estopped from going back on his conduct now. Perak Corp and the involved directors have filed striking out applications against the Plaintiff's Originating Summons and SJE Engineering Sdn Bhd (One of our scheme creditors) filed Proposed Intervener Application on 27th July 2023. However, on 7th November 2023, the Ipoh High Court ruled to strike out against the Plaintiff's Originating Summons as the Court found no merits in his allegations. Following that, the Proposed Intervener Application filed by SJE Engineering Sdn Bhd has been rendered academic as the striking out applications are allowed.	As above	Ma	VL	High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
15	Legislative risk (Cont'd)	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	<u>Follow Up Status as of 15th January 2026</u> Legislative risk in the context of the Proposed Regularisation Plan of Perak Corporation Berhad refers to the potential adverse impact arising from changes in laws, regulations, or government policies that could affect the implementation, enforceability, or financial outcome of the Company's restructuring efforts. This includes the risk that amendments to the Companies Act 2016, particularly those governing schemes of arrangement (Section 366), capital reduction (Section 116), or corporate debt restructuring, may impose new compliance requirements, delay regulatory approvals, or invalidate parts of the plan. Additionally, since the plan involves the development and disposal of state land, there is a significant reliance on approvals from state authorities, where legislative or policy shifts such as changes to land use regulations, state consent procedures, or environmental laws could hinder the execution of land transactions or joint developments. On 13th February 2025, Perak Corporation Berhad entered into a supplemental agreement to the JVA III with PKNP and Unipoh. This agreement aimed to modify and formalise the terms of settlement for Perak Corp's entitlement from the joint development of Zone 1 Bandar Meru Raya. The supplemental agreement determined a liquidated value of RM40.38 million for Perak Corp's entitlement and revised the mode of payment accordingly. Key Legislative Risks Associated with the Supplemental Agreement: i) Validity and Enforceability under the Companies Act 2016. The execution of this supplemental agreement must comply with	As above	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
15	Legislative risk (Cont'd)	Once the sanctioned scheme of arrangement being set aside, the debt towards all scheme creditors will fall due.	provisions under the Companies Act 2016, especially in the context of the ongoing Scheme of Arrangement (SOA) under Section 366. If the terms in the supplemental agreement are inconsistent with the SOA as sanctioned by the High Court, or if any stakeholder contests the revised entitlement, it could result in legal challenges or delays. ii) Court Sanction Implications Since the original entitlement and its settlement were part of a court-sanctioned SOA, any material variation including a change in value or payment structure could trigger the need for additional court confirmation or stakeholder approval. Failing to meet these requirements may expose the Company to non-compliance or legal disputes. iii) Government Land and Title Transfer Restrictions Zone 1 Bandar Meru Raya comprises government land, and any financial or beneficial entitlement related to it is subject to state authority oversight. The transfer or realisation of this entitlement might be delayed or obstructed by: • Changes in land use policy • Revised approval thresholds from the Perak State Government • Administrative reinterpretations of "beneficial ownership" This could impact the execution of the supplemental agreement or delay monetisation of the entitlement. iv) Risk of Policy Shifts Affecting Joint Ventures The collaboration between Perak Corp, PKNP (a government-linked entity), and Unipoh is sensitive to shifts in public policy, especially those related to state land development, housing policies, and infrastructure strategy. A new regulatory stance or political priority might override the current terms, requiring renegotiation.	As above	Ma	L	Moderately High

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.5: LEGAL AND REGULATORY RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.5 Legal and Regulatory Risk							
16	Compliance risk	May hamper the operation and cause a bad reputation to the hotel.	Casuarina@Kuala Kangsar has been in operation since 1st July 2020. However, there is no Certificate of Completion and Compliance ("CCC") obtained thus far due to non- payment of fees to the consultants and Claimant. Thus, a non-compliance with the statutory requirement i.e. Street, Drainage and Building (Amendment) Act 2007. As of now, the Casuarina@Kuala Kangsar is currently operated under the Certificate of Practical Completion ("CPC"). Relevant insurance policies for the hotel have been renewed on 16th August 2022.	Management to look for ways to resolve the issue of the outstanding payments to the contractors and consultants so that the process of the CCC issuance could be initiated.	Ma	L	Moderately High
			<u>Follow Up Status as of 15th January 2026</u> <u>Lantai Casuarina Sdn Bhd (Kuala Kangsar)</u> On 25th April 2025, Lantai Casuarina Sdn Bhd submitted an application to the Majlis Perbandaran Kuala Kangsar for the required license pertaining to the hotel's operations. The license was successfully obtained in June 2025, and is valid from 16th June 2025 to 15th June 2026, in compliance with local council regulations. Further, the insurance policies of the hotel still within the validity period and Management aiming to resolve the issue and secure the CCC by the second quarter of 2026. <u>CM</u> On 25th April 2025, CM submitted the renewal application less than three months before the expiry date of 31st May 2025. This delay was primarily due to the redesign of the 3-in-1 white coffee sachet. Nevertheless, the successful renewal of the Halal certificate indicates that JAKIM has no objections or compliance concerns regarding the	As above	Ma	L	Moderately High



SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

			Company. <u>Perak Corp</u> Further, Perak Corp operating without a valid license for trade, business, and industry at No. 1-A, Block B, Menara PKNP, Jalan Meru Cemerlang, Bandar Meru Raya, 30020 Ipoh, Perak since 2018. On 23rd April 2025, the company submitted an application to the relevant local authority for the necessary license. The license was subsequently approved and obtained in May 2025 and is valid from 26th May 2025 to 25th May 2026. There are no changes in the risk rating, and it remains the same as previous year.				

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.6: IT RISK

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					I	L	MATRIX
5.6 IT Risk							
17	IT Security	Loss of critical data leading to disruption in operations/ business.	The Group has a comprehensive IT Policy which covers security, which also covers control and usage over internet usage, computer operations, data processing and password confidentiality. Besides, installation of firewall and security had been performed by the company to prevent virus attacks. In order to secure the IT system from fire outbreak, the company had installed firefighting equipment and server room installed with firefighting equipment.	--	Mi	R	Low
			<u>Follow Up Status as of 15th January 2026</u> We noted there are no critical or major IT incidents that lead to disruptions in operations during the review period. There are controls in place to mitigate any major IT disruptions. There are no changes in the risk rating, and it remains the same as previous year.	--	Mi	R	Low
18	Loss of data risk	Inadequate back-up of critical data.	We noted that internet stability for Casuarina@Meru as the hotel is currently relying on Unifi 300Mbps for both operations needs and guest internet facility after the termination of the dedicated internet access with VC Telecoms.	<u>Appointment of TM as DIA service provider for Casuarina@Meru.</u>	Ma	VL	High
19	Disaster recovery risk	Disruption in the event of disaster/ denial of access to premises/system	The Boss net system (Human resources' system used in Perak Corp) exists as the employees' confidential and sensitive information can be viewed by PKNP and some of its subsidiaries (sharing of database).	The management is in the midst of finalising the appointment of TM. Once the appointment is finalised, this will significantly improve the hotel's internet stability.			

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.6: IT RISK (CONT'D)

NO		MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
						1	L. MATRIX	
5.6 IT Risk								
18	Loss of data risk (Cont'd)	Inadequate back-up of critical data.	Obsolete accounting OBM system is still in use without any support for the hardware and system, which may cause data loss and disrupt system functionality. The absence of system backup and recovery for the system and server at Casuarina@Meru might lead to system downtime. The absence of an official agreement with Microlab Technologies Sdn. Bhd. ("MTSB") as a managed service vendor might lead to delays in support and the consistency of payment to the vendor.	DITD Purchased a new web camera and 360° microphone for usage at the Board Room and Business Centre at Casuarina@Meru. New HR system (Infotech Systems Integrators) has been subscribed and migration exercise in progress.	Ma	VL	High	
19	Disaster recovery risk (Cont'd)	Disruption in event of disaster/ denial of access to premises /System.	 Illum Solutions Sdn. Bhd. has presented Dynamic Finance and Accounting system Demo to PERAK CORP's finance team and in the process of finalising the quotation based on the user's requirements. DITD to discuss with MTSB on the 3rd week of November 2023 on the new service agreement for year 2024. DITD to identify the best Backup and Recovery system that well suited with the existing infrastructure at the server room.					

SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.6: IT RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					1	L	MATRIX
5.6 IT Risk							
18	Loss of data risk (Cont'd)	Inadequate back-up of critical data.	As above.	Several vendors are identified for the project to purchase the Property Management System (PMS) for Casuarina@Meru and Casuarina@Kuala Kangsar with the goal of integrating the system used for F&B, Finance, and Front Office Department. IT department has successfully obtained three (3) quotations. Project proposal and deployment is subject to budget approval.	Ma	VL	High
19	Disaster recovery risk (Cont'd)	Disruption in the event of disaster/denial of access to premises/system.		As for the proposed purchase of the Property Management System (PMS) for Casuarina Hotels, the Management of the hotel is of the view that this exercise will require more time, especially to have a comprehensive study on the needs, requirements, integration, and compatibility of the PMS prior to its implementation. On top of that, it is anticipated that this exercise will require a lot of investment; hence, the management of Casuarina			



SECTION 5: DETAILED ENTERPRISE RISK MANAGEMENT FRAMEWORK

SECTION 5.6: IT RISK (CONT'D)

NO	MAIN RISK GROUP	ISSUES OF CONCERNS	OBSERVATIONS	MITIGATION PROCESS	RISK RATING		
					1	L	MATRIX
5.6 IT Risk							
18	Loss of data risk (Cont'd)	Inadequate back-up of critical data.	As above.	hotels is of the view that the hotels do not have the required funds to purchase the PMS at this point in time.	Ma	VL	High
19	Disaster recovery risk (Cont'd)	Disruption in the event of disaster/ denial of access to premises/system.	<u>Follow Up Status as of 15th January 2026</u> We noted the following mitigation process are in place: - i) Appointment of TM as DIA service provider for Casuarina@Meru. ii) New web-camera and 360° microphone for usage at the Board Room and Business Centre at Casuarina@Meru. iii) New HR system (Infotech Systems Integrators) has been subscribed and migrated. iv) DRP have been documented if there are any issues related to data backup and disaster recovery. Other IT controls are in place to mitigate any major incident to the business operations.	As above	Mi	L	Moderate

SECTION 6 - APPENDIX

APPENDIX 1 - LIST OF SOPS

No.	SOP	Group			
		CM	PCBL	Perak Corp	LMT
1.	Discretionary Authority Limits ("DAL")	Y	Y	Y	Y
2.	Borrowings/ Loan procedure	Y	Y	Y	LMT is not always applying for loans or borrowing. The last borrowing was in 2017 to purchase LMT2 land. The management is of the opinion that the procedure for borrowings or loans is not necessary as it will be handled on a case-by-case basis. SOP is meant for regular transactions that are performed regularly.
3.	Bank Account Signatories	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	Y
4.	Bank Reconciliation	Y	Y	Y	Y
5.	Related Party Transactions	N CM does not have a specific SOP for this. The management will	Y Refer enclosed draft SOP "PCBL-FIN-ACC-008 Related	N Perak Corp does not have a specific SOP for this. The	Y

SECTION 6 - APPENDIX

No.	SOP	Group			
		CM	PCBL	Perak Corp	LMT
		establish the SOP accordingly.	Party Transactions" for management review and BOD's approval by Q1 2024.	management will establish the SOP accordingly.	
6.	Budgetary Process	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.
7.	Adjustment Entries (Internal for opening journals and audit adjustments)	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.
8.	Fixed Assets (Fixed asset acquisition and disposal, tagging and sighting)	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	Y
9.	Petty Cash (claims/ reimbursement of floats)	Y	Y	Y	Y

SECTION 6 - APPENDIX

No.	SOP	Group			
		CM	PCBL	Perak Corp	LMT
10.	Finalising of Management account	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.
11.	Income Tax	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.
12.	Vendor (New Vendor sourcing and assessment of existing vendor)	Y	Y	Y	Y
13.	Procurement (Trade and non-trade)	Y	Y	Y	Y
14.	Payment and payable monitoring	Y	Y	Y	Y
15.	Investment	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	N Refer enclosed draft SOP "PCBL-FIN-TRE-003_Investment" for management review	Y	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.

SECTION 6 - APPENDIX

No.	SOP	Group			
		CM	PCBL and BOD's approval by Q1 2024.	Perak Corp	LMT
16.	Customer registration and credit assessments	Y	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	Y
17.	Invoicing/ Billing Preparation	Y	Y	Y	Y
18.	Good receiving SOP	Y	Y	Y	Y
19.	Collection and Debt Monitoring	Y	Y	Y	Y
20.	Expected credit loss provisioning	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N Perak Corp does not have a specific SOP for this. The management will establish the SOP accordingly.	N LMT does not have a specific SOP for this. The management will establish the SOP accordingly.
21.	Inventory (Receiving)	Y	Y	N/A	Y
22.	Inventory (Stock Take)	Y	Y	N/A	Y
23.	Inventory (Obsolescence)	N CM does not have a specific SOP for this. The management will establish the SOP accordingly.	Y	N/A	N LMT does not have a specific SOP for this. Can be established accordingly.

SECTION 6 - APPENDIX

No.	SOP	Group			
		CM	PCBL	Perak Corp	LMT
24.	Inventory (Issuance)	Y	Y Refer enclosed draft SOP "PCBL-FIN-INV-004 Inventory Issuance" for management review and BOD's approval by Q1 2024.	N/A	Y

ABBREVIATIONS

N / No SOP available/ documented
Y / SOP available/ documented
N/A / Not Applicable

SECTION 6 - APPENDIX

APPENDIX II - LIST OUTSTANDING DEBTOR BALANCES

CASUARINA MERU SDN BHD

DEBTORS	>180 DAYS RM
CORPORATE	
A/R REFUND	(1,589.00)
CARSEM (M) SDN BHD	(2,682.25)
D EDGE COMMUNICATION SDN BHD	14,623.00
DR. MENON MENASA A/L GEORGE	53,882.40
EXCESS ACCOUNT	(3,560.00)
II-VI MALAYSIA ADVANCED MANUFACTURING CENTER SDN BHD	(6,692.00)
MATTA FAIR 2022 (VALIDITY 2 SEPT 2022 - 28 FEB 2023)	(1,592.60)
MATTA FAIR 2023	(2,428.00)
MAYBANK IPOH	300.00
MAYBANK BERHAD	53.40
MOOD GREAT IDEAS SDN BHD	15,210.00
MURATA ELECTRONICS (M) SDN BHD	(11,135.10)
PERSATUAN KEBANGSAAN KANSER MALAYSIA	59,400.00
PETRONAS DAGANGAN BERHAD	9,179.60
PKNP FC	87,324.35
PROJEK LEBUHRAYA USAHASAMA BERHAD	(220.00)
PUSAT PEMBERIAN VAKSIN	759.60
REUNION ISKANDAR SHAH	6,000.00
SUNDRIES ACCOUNT	11,827.06
TEMPORARY ACCOUNT	67,556.35
USAHANITA NEGERI PERAK	4,768.00
ZIKAY GROUP TAMU HOTEL AND SUITES	(750.00)
CREDIT CARD COMPANY	
AMERICAN EXPRESS CREDIT CARD	(740.00)

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SECTION 6 - APPENDIX

MASTER CARD	(73.90)
VISA CARD	(1,780.20)
GOVERNMENT	
IBU PEJABAT JABATAN KERJA RAYA PERAK	(1,732.48)
JABATAN IMIGRESEN MALAYSIA	(540.00)
JABATAN UKUR DAN PEMETAAN MALAYSIA	(417.40)
KEMENTERIAN TENAGA DAN SUMBER ASLI	450.00
LEMBAGA PERTUBUHAN PELADANG NEGERI PERAK	(39.60)
MB INC. PERAK PERBADANAN MENTERI BESAR	0.60
PEJABAT DYMM PADUKA SERI SULTAN PERAK	2,050.00
PEJABAT MENTERI BESAR PERAK	2,500.00
PEJABAT SETIAUSAHA KERAJAAN NEGI. PERAK	9,000.00
PEJABAT SETIAUSAHA KERAJAAN NEGERI PERAK	480.00
PERBADANAN KEMAJUAN EKONOMI ISLAM NEGERI PERAK	300.00
PERBADANAN PEMBANGUNAN PERTANIAN NEGERI PERAK	(1,050.00)
PUSAT PEMBANGUNAN USAHAWAN AND KEMAHIRAN PERAK	(160.00)
TRAVEL AGENTS	
AGODA INTERNATIONAL (M) SDN BHD	3,853.08
BOOST BUSINESS	(40.00)
GRABFOOD	(20.01)
QRPAY	(0.41)
TRAVELOKA SERVICES PTELTD	(510.00)
INTERCO	
A/R - CASH COMPLEX SDN BHD	162,639.61
A/R - LANAI CASUARINA TELUK INTAN	848.69
A/R - RUMAH REHAT KERAJAAN NEGERI PANGKOR	4,280.96
A/R - SILVERITAGE CORPORATION SDN BHD	203,126.87
ANIMATION THEME PARK SDN BHD	(4,888.23)

SECTION 6 - APPENDIX

ARGENTUM SDN BHD	1,950.00
CASUARINA BOATHOUSE SDN BHD	26.50
DESTINATION PERAK SDN BHD	131,539.72
LANAI CASUARINA SDN BHD	51,113.22
LUMUT MARITIME TERMINAL SDN BHD	6,361.60
MAJUPERAK HOLDINGS BERHAD	68,973.60
MERU RAYA PARK SDN BHD	559.10
MICROLAB TECHNOLOGY SDN BHD	1,090.30
PCB DEVELOPMENT SDN BHD	762,901.82
PERAK CORPORATION BERHAD	49,674.02
PERAK TEAMWORK SDN BHD	15.32
PERBADANAN KEMAJUAN NEGERI PERAK	(7,455.41)
VC TELECOMS SDN BHD	2,220.00
EMPLOYEE LEDGER	
MOHAMMAD ADI AFIF BIN MUHAMMAD RASHID	(5.20)
MS JUANI BT JAMALLUDIN	555.95
SANUSI BIN ISMAIL	1,477.30
RENTAL	
RENTAL - DESTINATION PERAK SDN BHD	57,547.94
RENTAL - PERBADANAN KEMAJUAN NEGERI PERAK	26,120.19
RENTAL - SHASHA MART ENTERPRISE	2,235.41
RENTAL - UNISSEAN SKINCARE	31,249.72
RENTAL - VC TELECOMS	31,027.50
RENTAL- KOLEKSI KIFFTUNN	5,002.32
RENTAL-TAIPAN MERIT SDN BHD	13,216,129.15
Total	15,118,082.46

SECTION 6 - APPENDIX

APPENDIX II - LIST OUTSTANDING DEBTOR BALANCES

PCBL – CASUARINA BOATHOUSE SDN BHD

DEBTORS	>366 DAYS RM
TRADE DEBTORS - RELATED	
CASUARINA MERU SDN BHD	46,517.63
MAJUPERAK HOLDINGS BERHAD	4,800.00
OTHER DEBTORS - RELATED	
LABU SAYONG CAFE SDN BHD	10,726.17
Total	62,043.80

PCBL – LANAI CASUARINA SDN BHD

DEBTORS	>366 DAYS
TRADE DEBTORS - RELATED	
DESTINATION PERAK SDN BHD	2,000.00
MAJUPERAK HOLDINGS BERHAD	405.00
TRADE DEBTORS - NON-RELATED	
FELDA WILAYAH TROLAK	424.00
HONGKONG TUYI BUSINESS TRAVEL LIMITED	200.00
HOSPITAL AR-RIDZUAN	243.80
JABATAN AGAMA ISLAM WILAYAH PERSEKUTUAN	19,799.40
JABATAN PERDANA MENTERI	4,270.00
JABATAN PERTAHANAN AWAM KUALA KANGSAR	3,800.10
LEMBAGA PEMASARAN PERTANIAN PERSEKUTUAN	10,918.00
KOLEJ KOMUNITI BATU GAJAH	250.00
KEMENTERIAN PELAJARAN MALAYSIA	1,272.00

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KEMENTERIAN SAINS, TEKNOLOGI DAN INOVASI	1,060.00
PEJABAT DAERAH KUALA KANGSAR	561.50
PEJABAT DAERAH DAN TANAH KUALA KANGSAR	2,462.65
PEJABAT DYMM PADUKA SERI SULTAN PERAK	14,842.65
PEJABAT DYTM RAJA MUDA	6,931.90
PEJABAT MENTERI BESAR DAN SETIAUSAHA	7,900.70
PERTUBUHAN PELADANG KEBANGSAAN (NAFAS)	1,696.00
PKPI TNB KUALA KANGSAR	800.00
RISDA PLANTATION SDN BHD	180.00
SMK SIMPANG BELURU	5,252.30
SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA	1,590.00
TENAGA NASIONAL BERHAD	1,356.80
UNIVERSITI SULTAN AZLAN SHAH (USAS)	400.00
YB EN. MASLIN SHAM BIN RAZMAN	1,200.00
ANAQI JITU ENTERPRISE	85,000.00
MOHD FARIDZUL BIN YOP	910.00
LEMBAGA PERTUBUHAN PELADANG KEDAH	380.00
PERTUBUHAN PELADANG KEBANGSAAN (NAFAS)	420.00
AGODA	1,874.21
EXPEDIA	7,471.78
PERBADANAN KEMAJUAN FILEM NASIONAL MALAYSIA	(8,095.00)
PEJABAT SETIAUSAHA KERAJAAN NEGERI PERAK	6,842.00
TRAVELOKA	78.01
OTHER DEBTORS - RELATED	
CASUARINA TELUK INTAN SDN BHD	269,147.84
CASUARINA TAIPING SDN BHD	4,043.84
LABU SAYONG CAFE SDN BHD	22,173.40
CASUARINA BOATHOUSE SDN BHD	50,117.00
PCB TAIPAN SDN BHD	(1,125.35)
PCB LAND SDN BHD (FKA CPSB)	550.00

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CASUARINA TAIPING SDN BHD	724.16
CASUARINA TELUK INTAN SDN BHD	145,743.87
CASUARINA BOATHOUSE SDN BHD	66,026.00
LABU SAYONG CAFE SDN BHD	20,598.05
PCB TAIPAN SDN BHD	25,928.07
Total	788,624.68

PERAK CORP

DEBTORS	>366 DAYS RM
PERAK CORP NATURE FOUNDATION	9,872.25
EL IDA BINTI MOHD IDRIS	798
FAZIAH BINTI BAKAR	100
MUHAMMAD BIN SAFFIAN	101.25
NOOR ZALUZZI BIN MOHD NOOR	0.01
Total	10,871.51

LMT

DEBTORS	120 DAYS + RM
LEE WENG KEE/WONG SEW LING	70.00
ORIENTAL GRANDEUR SDN BHD (D15/N)	4,719.51
YAU HING CHONG/YEOH WOON	70.00
YEW CHENG GUAN	910.50
AALBORG PORTLAND MALAYSIA SDN BHD	36,066.65
ACE VISION SDN BHD	387.20
BRIGHT INTEGRITY SDN BHD	7,647.50
BRILLIANT MINERALS SDN BHD	(1,430.00)
CAO RESOURCES SDN BHD	(4,705.00)

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COMINEX MINING SDN BHD	(4,290.00)
FAST GLOBAL LINK SERVICES SDN BHD	(122.50)
GOH TEIK LIM QUARRY SDN BHD	(3,312.00)
GCCP GRIDLAND SDN BHD	76,088.12
GCCP GRIDLAND SDN BHD (LEVY)	7,479.69
GAC FREIGHT SERVICES SDN BHD	(356.75)
GOLDEN NATURAL RESOURCES SDN BHD	(146,800.00)
HUME CEMENT SDN BHD	35,291.95
GCCP MARBLE SDN BHD	27,099.49
HAAS MARITIME SDN BHD	(10,000.00)
INO SERVICES ENTERPRISE	(93.50)
KUDRAT MARITIME (LUMUT) SDN BHD	62,887.50
KAYAN LOGISTICS SDN BHD	(199.50)
KAYAN SHIPPING & FORWARDING AGENCY (M) S/B	4,500.00
KIARA DESA ENTERPRISE	(17,154.58)
LUMUT VENTURE SDN BHD (MISC)	99,557.25
LEE TENG HOOI & SON SDN BHD	880.00
MULTI-LINK SDN BHD	2,112.50
MAJU TANAH LIAT SDN BHD	75,000.00
MALAVIET CORPORATION SDN BHD	(4,651.00)
MA GUO YOU HAIWI SDN BHD	33,132.50
MALNIAGA MAKMUR SDN BHD (LEVY)	(4,458.00)
MK & K RESOURCES SDN BHD	(44.00)
MODKHA MARINE SDN BHD	(13,300.00)
MERU RAYA PARK SDN BHD	(19,751.31)
NEPTUNE MARITIME SDN BHD	(5,000.00)
OSCARCORP SHIPPING PTE LTD	(12.22)
PERAK- HANJOONG SIMEN SDN BHD (LEVY)	(209,932.00)
PERNIAGAAN INTAN	1,911.50

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QS SYSTEM SDN BHD	1,146.75
Q SILICA INDUSTRIAL SDN.BHD.	(0.25)
RCI LIME SDN BHD (EXPORT)	9,600.00
SAPURAKENCANA HL SDN BHD (CARGO ACCROSS)	25,272.50
SYK RESOURCES SDN BHD	997.25
SAPURAKENCANA HL SDN BHD (SHO)	187.12
SILVER BASE MARITIME SDN BHD	41,303.81
SUPPORT SPARKLE SDN BHD	(1,075.00)
SEATEAM SHIPPING AGENCIES SDN. BHD.	(327.00)
SYARIKAT CHEANG FONG	(5,878.52)
SUDHES ENTERPRISE	(184.00)
SAPURA OFFSHORE SDN.BHD.	5,580.00
UNITED MALAYA PRODUCTS TRADING CORP SDN. BHD.	(805.25)
UNICHAMP RESOURCES SDN BHD (EXPORT)	(17,850.00)
VINNARE RESOURCES SDN BHD	(4,500.00)
MYNORES SDN BHD	(6,570.00)
ZEN NATURAL MINERAL RESOURCES	(1.73)
LBH SHIPPING SERVICES (M) SDN BHD	47,100.00
MALAYSIAN PHOSPHATE ADDITIVES SDN BHD	182,400.00
ALSTOM SERVICES SDN BHD	(158,500.00)
LEKIR BULK TERMINAL SDN BHD	1,048,755.20
LBH SHIPPING SERVICES (M) SDN BHD	76,500.00
Total	1,286,490.38

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APPENDIX III - LIST OUTSTANDING CREDITOR BALANCES

CASUARINA MERU

CREDITORS	>180 DAYS RM
LOCAL SUPPLIER	
BGS TRADING SDN BHD	0.48
G R ENTERPRISE	(20,390.00)
GRIK GREEN CHILLI	(65,709.46)
HO KONG ENGINEERING WORKS	(1,100.00)
HUP YAU HARDWARE CO SDN BHD	(100.00)
INTRICO SDN BHD	(1,770.00)
IPOH KUEH TEOW AND NOODLES SDN BHD	(2,850.45)
JORAS ENTERPRISE	420.00
JUNX MAC EQUIPMENT ENTERPRISE	(1,340.00)
KAARTHIGASU ENTERPRISE	236.00
KILANG KICAP SUN WENG CHUN SDN BHD	(2,020.20)
KIM TUCK SENG ENTERPRISE	(12.00)
KINSON HOMES SDN BHD	(510.00)
MERIDIAN CHEM SDN BHD	(3,704.60)
MIRASTECH POWER SYSTEMS SDN BHD	(200.00)
Q INDUSTRIES & ENTERPRISE (M) SDN BHD	(4,668.40)
SALIZA ABDULLAH THANI	(151.99)
SPIRIT MEDIA & PAPER MARKETING SDN BHD	(299.08)
SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA	(2,500.00)
THE FLOWER PLACE	(460.00)
FEROZ ELNA ENTERPRISE	(600.00)
HIGH ZIEL RESOURCES	(391.00)
SIMATIK ENGINEERING SDN BHD	(8,480.00)
TOURISM PUBLICATIONS CORPORATION SDN BHD	(3,000.00)
CASH	(2,589.40)

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KAH GUAN TRADING SDN BHD	(382.50)
LANAI CASUARINA KUALA KANGSAR	(91,039.15)
HOTELWARE CONCEPT SDN BHD	(1,955.00)
ISCADA NET SDN BHD	(2,798.40)
SANTAN SEGAR SAMIR	(2,255.00)
AZHAR BIN SHUHUD	(9,750.00)
AREO SDN BHD	(35,050.00)
MEKAR SUBUR AV SDN BHD	(53,000.00)
FIMA SOLUTIONS	(1,500.00)
ZEN HOSPITALITY SUPPLIES SDN BHD	(30,732.39)
PERAK INDUSTRIAL RESOURCES SDN BHD	(4,124.70)
LIVE EVENT MANAGEMENT	(1,400.00)
CSME CONSORTIUM	(1,205.00)
RECORDING PERFORMERS MALAYSIA BERHAD	(6,568.00)
MUSIC AUTHORS COPYRIGHT PROTECTION (MACP) BERHAD	(26,332.00)
NEW GENERATION FORCE (M) SDN BHD	(3,251.230)
MM AMBULANCE SERVICES	(2,000.00)
BEST MARKETING & DISTRIBUTION (IPOH) S/B	57.60
PERAK AGRO MARKETING SDN BHD	(211,104.04)
PERAK AGRO MANAGEMENT SERVICES SDN BHD	(1,070,683.38)
STAFF	
JUANI JAMALLUDIN	(494.52)
ERFAN SYAZANI BIN ISMAIL RANI	(2,269.06)
MAIN SUPPLIER	
HOCK JOO ENTERPRISE CO	(249,706.20)
CHOP SWEE CHEONG	(2,514.15)
SUN TONG SENG ENTERPRISE	(27,646.40)
WAH SENG (1986) SDN BHD	(103.00)
POPAH ENTERPRISE	(68,727.15)

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AH NAM	(1,325.50)
CONTRACT SUPPLIER	
EC HYGIENE	599.00
EC PEST CONTROL	(6,550.00)
INFINITIUM HOLDINGS SDN BHD	(2,120.00)
SHARED SERVICES & RESOURCES SDN BHD	(5,025.50)
MERIT GAS SDN BHD	90.00
BONCAFE (M) SDN BHD	(8,420.00)
PERANGSANG SINAR MAJU SDN BHD	(75,439.30)
KAWALAN KESELAMATAN BG SDN BHD	(12,688.84)
LAUNDRY	
CLASSICAL LAUNDRY	(481.65)
DCS WASH LAUNDRY	(9,132.00)
DOBI D SUCI	(24,058.95)
MAIN CONTRACTOR & NSC	
CHS ALUMINIUM & GLASS SDN BHD	(8,374.40)
DKLS CONSTRUCTION SDN BHD	(33,868.27)
HUF COR MAROSHUMI SDN BHD	(12,889.25)
PERUNDING ATUR CEKAP	(7,066.70)
STATUTORY	
BENDAHARI NEGERI PERAK	(9,865.87)
MAJLIS BANDARAYA IPOH	(158,490.00)
KETUA PENGARAH HASIL DALAM NEGERI	(15,407.95)
KETUA PENGARAH KASTAM MALAYSIA	(1,512,861.50)
UTILITIES	
ASTRO	(9,345.30)

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LEMBAGA AIR PERAK	(9,179.90)
TENAGA NASIONAL BERHAD	(854,284.00)
INDAH WATER KONSORTIUM SDN BHD	(139,126.27)
PAYROLL	
KUMPULAN WANG SIMPANAN PEKERJA	(96,049.00)
INTERCO PAYABLES	
CASUARINA BOATHOUSE SDN BHD	(46,544.13)
LANAI CASUARINA SDN BHD	(38,324.85)
MERU RAYA PARK SDN BHD	(432,600.00)
PCB DEVELOPMENT SDN BHD	(27,495.00)
PERAK CORPORATION BERHAD	235,988.13
VC TELECOMS SDN BHD	(531,718.50)
OTHER PAYABLES	
MUHAMMAD YASIR	(56.00)
PERKASA WPKL	(450.00)
Total	(5,881,285.27)

PCBL – CASUARINA BOATHOUSE SDN BHD

CREDITORS	>366 DAYS RM
OTHER CREDITORS – NON-RELATED	
NYTAS RISK & MANAGEMENT SDN BHD	1,048.36
SHARED SERVICES AND RESOURCES SDN BHD	2,476.50
OTHER CREDITORS - RELATED	
LANAI CASUARINA SDN BHD	116,143.00
MERU RAYA PARK SDN BHD	71,940.00

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PCB TAIPAN SDN BHD	5,352,571.46
PERAK CORPORATION BERHAD	207,233.30
PERAK CORPORATION BERHAD (PKNP)	18,825.08
PCB LEISURE SDN BHD	120,921.56
Total	5,891,159.26

PCBL – LANAI CASUARINA SDN BHD

CREDITORS	>366 DAYS RM
TRADE CREDITORS - NON-RELATED	
LODGING PARTNER TRAVEL SDN BHD	(285.03)
SERVAL INTEGRATED PEST MANAGEMENT SDN BHD	250.00
ALJEFRI CONSULTING SDN BHD	795.00
SERVAL INTEGRATED PEST MANAGEMENT SDN BHD	850.00
OTHER CREDITORS - NON-RELATED	
ADP DESIGN SDN BHD	47,500.00
ALLIED FOODSERVICE EQUIPMENT SDN BHD	600.00
BANK ISLAM MALAYSIA BERHAD	149,841.78
BENDAHARI NEGERI PERAK	(1,722.29)
CHOP SWEE CHEONG	144.00
DIGI PLANNERS SDN BHD	8,268.00
INCHSCAPE SDN BHD	307,100.00
JURUTERA PERUNDING JBI (M&E) SDN BHD	98,936.90
MAJLIS PERBANDARAN KUALA KANGSAR	13,110.00
SOLAR ALERT SDN BHD	1,574,035.14
SOLUTION ZONE SDN BHD	62,553.24
TOTAL PROJECT SOLUTION CONSULTANTS	151,957.69
TIME GUARDS SDN BHD	5,121.07
TENAGA NASIONAL BERHAD	334.45
TM TECHNOLOGY SERVICES SDN BHD	9,018.35

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TERRA IMPACT SDN BHD	310,439.10
EC HYGIENE (M) SDN BHD	240.00
HBH MEGAH SDN BHD	33,145.58
OTHER CREDITORS - RELATED	
BIOD LEISURE & RECREATION SDN BHD	(9,590.06)
PERAK CORPORATION BERHAD	8,642,195.82
PERAK CORPORATION BERHAD (PKNP)	1,062,606.23
PERBADANAN KEMAJUAN NEGERI PERAK	917,949.87
CASUARINA MERU SDN BHD	(783,610.05)
MERU RAYA PARK SDN BHD	218,626.42
PCB LEISURE SDN BHD	2,240,815.04
PCB DEVELOPMENT SDN BHD	1,025,707.94
PCB EQUITY SDN BHD	192,179.22
PERAK CORPORATION BERHAD	2,714,500.82
PERAK CORPORATION BERHAD (PKNP)	167,922.17
PERBADANAN KEMAJUAN NEGERI PERAK	280,971.49
CASUARINA MERU SDN BHD	525,219.46
PCB LEISURE SDN BHD	138,100.29
PERAK CORPORATION BERHAD	59,471.13
CASUARINA MERU SDN BHD	596,315.52
PCB LEISURE SDN BHD	201,840.48
BIOD LEISURE & RECREATION SDN BHD	1,296.70
MERU RAYA PARK SDN BHD	120,000.00
PERAK CORPORATION BERHAD	2,850,914.05
PERAK CORPORATION BERHAD (PKNP)	(7,921.23)
CASUARINA MERU SDN BHD	517,978.98
PCB DEVELOPMENT SDN BHD	10,000.00
PCB LEISURE SDN BHD	567,202.51
Total	25,022,925.78

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PERAK CORP

CREDITORS	>366 DAYS RM
ARX-YSC SDN BHD	2,500,000.00
ARX HOLDINGS SDN BHD	800,000.00
MAKMUR IMPIAN PROPERTY SDN BHD	2,306,602.37
PALM VOLTS SDN BHD	500,000.00
SELAT MENTARI SDN BHD	500,000.00
Total	6,606,602.37

LMT

CREDITORS	120 DAYS + RM
PISB HEAVY EQUIPMENT SDN BHD	(412.00)
AREA CONSULTING ENGINEERS SDN BHD	11.30
JOPANI TRADING SDN BHD	436.80
MTECHTECHNICAL SUPPORT(M) SDN BHD	(2,345.00)
PERMATA KOMPOSIT INDUSTRI SDN BHD	(9,912.00)
PRIMA PENCHALA SDN BHD	(21,550.07)
SL INFORMATION SOLUTIONS SDN BHD	(25,000.00)
MADARSAH EHSANIAH	(1,550.00)
ZARL - MAN ENGINEERING SDN BHD	(320.00)
TAN KOK CHENG	(5,357.88)
Total	(65,998.85)

–END OF REPORT–

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



Chartered Surveyors, Registered Valuers & Estate Agents, Project & Property Managers, Development Consultants

8th Floor, Campbell Complex,
86 Jalan Dang Wangi,
50100 Kuala Lumpur, Malaysia.
Tel : (603) 2692 3236
E-mail: admin@ppc.com.my
Website: www.ppc.com.my

27 January 2026

Board of Directors
PERAK CORPORATION BERHAD
No. 1-A, Block B, Menara PKNP
Jalan Meru Casuarina, Bandar Meru Raya
30020 Ipoh, Perak Darul Ridzuan
Malaysia

Dear Sir/Madam,

REPORT AND VALUATION TO ASCERTAIN THE MARKET VALUE OF AN INTEREST HELD BY PERAK CORPORATION BERHAD ("PERAK CORP") IN HSD 214675, HSD 214685, HSD 214687 TO HSD 214719, HSD 214726 AND HSD 214727, LOT NOS. PT 253408, PT 253416, PT 253418 TO PT 253450, PT 253457 AND PT 253458 (NOW KNOWN AS LOT NOS. 550959, 550969, 550971 TO 551003, 551010 AND 551011) RESPECTIVELY, MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK DARUL RIDZUAN (THE PROPERTY), WHICH FORMS PART OF THE ONGOING DEVELOPMENT KNOWN AS THE SILVER VALLEY TECHNOLOGY PARK INDUSTRIAL HUB ("SVTP INDUSTRIAL HUB"), PURSUANT TO THE MASTER DEVELOPMENT AGREEMENT ("MDA") BETWEEN PERBADANAN KEMAJUAN NEGERI PERAK ("PKNP") AND PERAK CORP DATED 31 MARCH 2023, THE JOINT VENTURE AGREEMENT ("JVA II") BETWEEN PKNP AND PERAK CORP DATED 8 JANUARY 2024 AND THE JOINT DEVELOPMENT AGREEMENT ("JDA") BETWEEN PERAK CORP AND ADVANCECON DEVELOPMENT SDN BHD ("JOINT DEVELOPER") DATED 8 JANUARY 2024

We refer to your instructions and our Report and Valuation and Certificate of Valuation prepared by us under Reference No. PPC/25/V0674 dated 25 August 2025 of the abovementioned Property in relation to the material changes to the Property from the last valuation date and as at 15 January 2026. Based on the information provided, the material changes are as follows:-

- Sale status – HSD 214708, PT 253439 (Lot No. 32, Silver Valley Technology Park) has been sold vide a Sale and Purchase Agreement dated 25 November 2025, Appendix "A" with an option to buy another seven (7) lots within the timeframe stipulated in the said agreement;
- Development progress – A total of RM300,000 has been billed to the purchaser of Lot No. 32 and works amounting to RM34,212.975 (approximately 8.7%) have been certified. The relevant details are attached. A copy of the Letter of Certification of Payment for Completed Works as at 25 November 2025 is attached as Appendix "B"; and
- The pig farm has been fully vacated on 18 October 2025.

Witness

Sr SAMARUDDIN SAAD, MAM
B. Sc. (Hons) Land Mgt,
MRICS, FRSA, MRPS, MRPPM, CVR
ENTER S. SUNDARASOTTAMPALAM, (SCRP)
B. Sc. (Hons) L.A., MRN, FRSA, MRPS, MRPPM, CVR,
FRICS, FRSA, FRPS, FRPPL, CVR
Sr THIRUGELVAN ARUNDEEN, (FRICS)
B. Com. (Hons) Property Mgt,
MRICS, FRSA, FRPS, FRPPL, CVR

Associate Directors / Registered Valuers

Sr RAHAYUDIN MAROH
B. Sc. (Hons) Urban Estate Surveying (L.A.)
MRICS, FRSA, MRPS, MRPPM, CVR
Sr NORHAFIZAH MOHD SALLER @ ELIAS
B. Sc. (Hons) in Prop Mgt & Valuation, MRPS



Offices in Malaysia:- Kuala Lumpur, Shah Alam, Penang, Alor Setar & Johor Bahru



APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



We have undertaken to assess the effect of the above-mentioned material changes and upon our due diligence and analysis, we have noted the followings: -

a) Market Conditions

The current market conditions of industrial land within the vicinity remains stable compared to our previous valuation conducted on 25 August 2025. As such, we are of the opinion that the Property Market remain unchanged.

b) Physical Conditions

The amount certified by the architect, Messrs. Perunding ZKR Sdn Bhd as at 25 November 2025 and issued on 14 January 2026 is RM34,212,975.28 (approximately 8.7%) compared to amount certified previously as at 14 May 2025 which was at RM15,046,058.46 (approximately 3.6%). The amount of work completed since the date of valuation is estimated around RM19,166,916.54 which is relatively small compared to the total development cost of RM417,863,855.00 i.e. which is only equivalent to about 4.6%. As such we are of the opinion that there is no significant or adverse impact in term of the physical conditions.

c) Legal Conditions

Legally only one lot has been sold with an option to purchase another seven (7) lots. The amount billed to-date is only at RM200,000 for Lot 32 whilst a total sum of RM100,000 was billed for seven other lots. The amount paid for Lot 32 is relatively small compared to the total purchase price of RM23,682,912 which represents about 0.84% whilst the amount paid for seven (7) other lots are only the booking fees. And as informed by the Perak Corporation Berhad there are no other approvals have been obtained for the property thereafter. As such there is no adverse change to the legal conditions of the property.

We are of the opinion that the above-mentioned material changes do not give any adverse effect to the overall market value of the Property and if at all, the only changes that could be is that the market value of the Property will increase due to the development progress whereby the amount billed and work certified has increased from our date of valuation.

For and on behalf of
PPC INTERNATIONAL SDN BHD

Sr. THIRUSELVAM ARUMUGAM
Executive Director
B. Surv. (Hons) Property Mgt.
MRICS, PPRISM, ICVS, FPEPS, FMIPFM, MMIEA
Registered Valuer (V-606)

APPENDIX “A”

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



ADVANCECON

DATED THIS 25TH DAY OF NOVEMBER 2025

SALE & PURCHASE AGREEMENT

BETWEEN

PERAK CORPORATION BERHAD
(Registration No.: 199101000605/2109150-U)

&

ADVANCECON DEVELOPMENT SDN. BHD.
(Registration No.: 202301041384/1535303-V)

("The Vendor")

AND

CAHYA SURIA SERVICES SDN. BHD.
(Registration No.: 201701040810/1254983-T)

("The Purchaser")

AND

PERBADANAN KEMAJUAN NEGERI PERAK

("The Proprietor")

LOT NO. 32
SILVER VALLEY TECHNOLOGY PARK

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)

OS. 1 SP (Rev 1/2017)



KERAJAAN MALAYSIA

**IBU PEJABAT
LEMBAGA HASIL DALAM NEGERI MALAYSIA
MENARA HASIL
PERSIARAN RIMBA PERMAI
CYBER 8, 63000 CYBERJAYA
SELANGOR DARUL EHSAN**



LHDN
MALAYSIA

SIJIL SETEM
STAMP CERTIFICATE

(Silalahkatkan sijil setem ini ke atas surat cara sebagai bukti penysetaman)
Please attach this stamp certificate to the instrument as evidence of stamping

Cara Bayaran / Payment Method FFX TRANSACTIONS

No. Adjudikasi / Adjudication No. G01H0B0653XW012

Jenis Surat Cara / Type Of Instrument PERJANJIAN JUAL BELI

Tarikh Surat Cara / Date Of Instrument SURAT CARA UTAMA

Balasan / Consideration 25/11/2025

Balasan / Consideration RM 23,682,912.00

Maklumat Pihak Pertama / Penjual / Pemberi / First Party / Vendor / Transferee / Assignor
PERAK CORPORATION BERHAD, (2109150-U, 199101000805), ADVANCEDON DEVELOPMENT SDN BHD
(1535303-V, 202301041364)

Maklumat Pihak Kedua / Pembeli / Penerima / Second Party / Purchaser / Transferee / Assignee
CAHYA SURIA SERVICES SDN. BHD., (1254883-T, 201701040810), PERBADANAN KEMAJUAN NEGERI PERAK

Budiran Harta / Suratcara / Property / Instrument Description

ASAL



LHDN
MALAYSIA

Dengan ini disahkan surat cara ini disetem dan didenda seperti maklumat di bawah
This is to certify this instrument is stamped and endorsed as below:

No. Sijil Setem / Stamp Certificate No.	011214257597897
Tarikh Penysetaman / Date of Stamping	25/11/2025
Duit Setem Disetemen / Stamp of Stamp Duty	RM 10.00
Pemilik / Owner	RM 0.00
Petudang / Adjudicator	RM 0.00
Jumlah Dibayar / Total Amount Paid	RM 10.00
Notas/Nota (Nota Setem / RM)	Sekelompok 20




Penungsa Duit Setem

No. Kelulusan Perlesenan / License Approval No. : KK0000010400-0110003

Tarikh / Date / Printed Date : 20100228 01:38:48

Pengesahan Kelulusan Sijil Setem ini boleh dipastikan di stampi.gov.my atau melalui aplikasi telefon pintar
The authenticity of the Stamp Certificate can be verified at stampi.gov.my or by mobile app
Ini adalah cetakan komputer dan tidak perlu ditandatangani
This is a computer generated printout and no signature is required

— tamat —

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

SALE AND PURCHASE AGREEMENT

AN AGREEMENT made the day and year stated in Section 1 of the First Schedule.

BETWEEN

PERAK CORPORATION BERHAD (Registration No. 199101000605/2109150-U), a company incorporated in Malaysia and having its business address at No. 1-A, Block B, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak (“PCB”) and **ADVANCECON DEVELOPMENT SDN. BHD.** (Registration No. 202301041384/1535303-V), a company incorporated in Malaysia and having its business address at No. 16, 18 & 20, Jalan Pekaka 8/3, Seksyen 8, Kota Damansara, 47810 Petaling Jaya, Selangor (“ADSB”) of the first part;

(“PCB” and “ADSB” shall hereinafter collectively be referred to as “the Vendor”)

AND

The party whose name, description and address are stated in Section 2 of the First Schedule (“Purchaser”) of the second part;

AND

PERBADANAN KEMAJUAN NEGERI PERAK, a corporate body established under the Perak State Development Corporation Enactment 1967 (Revised 2019) (Enactment 14) and having its principal place of business at No. 1-A, Blok A, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak (“Proprietor”) of the third part.

(Each of the Vendor, the Purchaser and the Proprietor shall be referred to individually as the “Party” and collectively as the “Parties”).

WHEREAS

- (A) The Proprietor is the registered proprietor and beneficial owner of all that piece of leasehold land described in Section 3 of the First Schedule (“Land”), on which the Vendor is developing as part of an industrial development known as “Silver Valley Technology Park Industrial Hub” or such other name as may be approved by the Appropriate Authorities (“Project”).
- (B) The Land is subject to the category of land use (Kategori Penggunaan Tanah) of “*Perusahaan*”, the English translation of which means “Industrial”.
- (C) The express condition (Syarat-Syarat Nyata) of the Land is “*Perusahaan Lot Industri*”, the English translation of which means “Industrial Lot”.
- (D) The title to the Land is subject to the following restrictions in interest (Sekatan-Sekatan Kepentingan):

“Tanah ini hanya boleh dipindahmilik, dipajak atau digadai kepada orang yang diberi kebenaran bertulis oleh Pihak Berkuasa Negeri”, the English translation of which means “The land may be transferred, leased or charged to any person who has obtained written consent from the State Authority”.
- (E) The Land is presently free from any encumbrances.

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- (F) The Proprietor being the majority shareholder of PCB has entered into a master development agreement (“MDA”) with PCB on 31 March 2023 for the proposed collaboration between PCB and the Proprietor in relation to the development of the Project.
- (G) On 8 January 2024, the Proprietor and PCB entered into a joint venture agreement (“JVA”) spelling out the terms and conditions on the collaboration between the Proprietor and PCB for the development of the Project subject to the terms and conditions contained therein including the obligation of PCB to appoint a strategic partner for the implementation and carrying out the development works relating to the Project.
- (H) PCB has issued a Letter of Award dated 27 November 2023 to ADSB confirming the appointment of ADSB as joint venture partner for the development of the Project and the sale of the industrial lots to the end-purchasers and ADSB has accepted the said appointment. The Proprietor has approved the appointment of ADSB as the strategic partner for the development of the Project.
- (I) PCB and ADSB have entered into a Joint Development Agreement (“JDA”) on 8 January 2024 to put into effect the arrangements as agreed between themselves as joint developers of the development of the Project subject to and upon the terms and conditions therein contained.
- (J) The Vendor will, at its own cost and expense, apply for the approval of the master plan in relation to the Project from the Appropriate Authority.
- (K) The Vendor has agreed to sell, with the consent of the Proprietor, and the Purchaser has agreed to purchase the Land which is within the Project and is delineated and shaded in RED in the Site Plan annexed hereto as the **Second Schedule** free from encumbrances and with vacant possession but subject to all conditions of title and restrictions-in-interests, express and/or implied in the document of title to the Land.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS/ INTERPRETATION

- 1.1 In this Agreement, the following words and expressions shall, where the context so admits, have the following meanings:

Agreed Rate	means the rate of ten per centum (10%) per annum;
Agreement	means this Sale and Purchase Agreement and all annexures and schedules hereto;
Appropriate Authorities	means any Federal, State or Local Government, semi-government, quasi-Government or other body or authority, statutory, agency or otherwise including but not limited to all privatised corporations or bodies and persons authorised to act on its behalf, land authorities, utility and service providers, municipal council, local authority, including in its capacity as approving authority under any written law in force in West Malaysia to exercise its rights, jurisdiction and/or responsibility in respect of all matters arising from or relating to the Land,

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

	the Building and the Project and any matters arising out of the terms of this Agreement;
Basic Infrastructure	has the meaning provided in Clause 12.1 ;
Building	means the industrial building and other ancillary structure to be erected or cause to be erected by the Purchaser at its sole cost and expense on the Land;
Business Day	means a day (excluding Saturdays, Sundays and public holidays) on which banks and government offices are open for business in Perak, Kuala Lumpur and Selangor;
Charges	shall have the meaning set forth in Clause 13.2(i) ;
Consultants	means any person employed, contracted or retained by the Vendor for the purposes of, including but not limited to, reviewing any plan, drawing and other document, informing and providing advice to the Vendor and includes any architect, engineer, planner, designer, solicitor, surveyor or any other professional consultants;
EPU	Economic Planning Unit of the Ministry of Economy;
EPU Approval	has the meaning provided in Clause 3A.1 ;
EPU Approval Period	has the meaning provided in Clause 3A.1 ;
EPU Extended Approval Period	has the meaning provided in Clause 3A.1 ;
EPU Guidelines	Guidelines on the Acquisition of Property (effective 1 March 2014) (<i>Garis Panduan Perolehan Hartanah (berkuat kuasa mulai 1 Mac 2014)</i>) issued by the Economic Planning Unit of the Ministry of Economy;
Foreigner Consent	means the consent to be obtained from the State Authority and referred to in Clause 37 ;
Land	shall have the meaning set forth in Recital A ;
Loan	means the loan obtained by the Purchaser referred to in Clause 6.1 ;
NLC	means the National Land Code (Act 528) Revised 2020;
Other Properties	means all the other properties comprised in the Project but excludes the Land;
Other Purchasers	means the purchasers/owners of the Other Properties and includes, where the context so permits, their family members, employees, servants, agents, lessees, tenants, licensees, invitees, visitors, guests, assigns, representatives, consultants and/or contractors, but excludes the Purchaser;

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

Outgoings	has the meaning provided in Clause 13.7 ;
Permitted Use	shall have the meaning set forth in Clause 10.1 ;
Project	shall have the meaning set forth in Recital A ;
Purchase Price	means the amount stated in Section 4 of the First Schedule to be paid by the Purchaser to the Vendor for the purchase of the Land;
Purchaser	means the party more particularly described in Section 2 of the First Schedule and includes the Purchaser’s heirs, personal representatives, successors-in-title and permitted assigns;
Purchaser’s Financier	means the Purchaser’s financier referred to in Clause 6.1 ;
Purchaser’s Solicitors	means such legal firm as may be appointed by the Purchaser to act for and on its behalf in respect of the sale and purchase of the Land as contemplated in this Agreement;
Services	shall have the meaning set forth in Clause 13.1 ;
Sinking Fund	shall have the meaning set forth in Clause 13.2(ii) ;
Site Plan	means the plan showing the location and boundary of the Land annexed hereto in the Second Schedule and includes such amendments as may from time to time be made by the Vendor and/or required by the Consultants and/or required by the Appropriate Authorities;
State Authority	means the State Authority of Perak;
State Consent	means the consent to be obtained from the State Authority and referred to in Clause 3B.1 which shall include the consent to be obtained by foreigner pursuant to Section 433B of the NLC (if applicable);
State Consent Approval Period	has the meaning provided in Clause 3B.1 ;
Taxes	has the meaning provided in Clause 31.1 ;
Vendor’s Solicitors	Messrs Teh Kim Teh, Salina & Co., Advocates & Solicitors, Unit 13A-3, Levels 3-5, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam, 40170 Shah Alam, Selangor; and
VP Notice	has the meaning provided in Clause 15.1 .

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- 1.2 The clause and paragraph headings in this Agreement are for ease of reference only and shall not be taken into account in the construction of any term, condition, covenant or proviso to which they refer.
- 1.3 Words importing the singular meaning shall where the context so admits include the plural meaning and vice versa.
- 1.4 References to any statutes or statutory instruments shall include and refer to any statutes or statutory instrument amending, consolidating or replacing them respectively from time to time being in force.
- 1.5 Words of the masculine gender shall include the feminine gender and vice versa and words denoting natural persons shall include corporations and firms and all such words shall be construed interchangeably in that manner.
- 1.6 The expression "Ringgit" and symbol "RM" shall mean the lawful currency of Malaysia.
- 1.7 References to Recitals, Clauses and Schedules are to be construed as references to Recitals, Clauses of and Schedules to this Agreement.
- 1.8 No rule of construction applies to the disadvantage of a Party because that Party was responsible for the preparation of this Agreement or any part thereof.
- 1.9 Where an act is required to be done within a specified time, the period is exclusive of and commences immediately after that date. A period of days commencing on the happening of an event or the doing of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, the period shall include the immediately succeeding day which is a Business Day.
- 1.10 References to "consent of the Vendor" or words to similar effect means a consent in writing signed by or on behalf of the Vendor and "approval" and "authorisation" or words to similar effect means, as the case may be, approved or authorised in writing signed by or on behalf of the Vendor and "consent of the Vendor" may be subject to such terms and conditions stipulated by the Vendor at its sole discretion.
- 1.11 The expression the "person" includes:
- (a) in the case of a natural person, his heirs, estate, personal representatives, successors-in-title and permitted assigns; and
 - (b) in the case of a corporation or company, its successors-in-title and permitted assigns.
- 1.12 Words denoting an obligation on a Party to do any act, matter or thing includes an obligation to procure that it be done and words placing a Party under a restriction includes an obligation not to permit infringement of the restriction.
- 1.13 Where two (2) or more persons or parties are included or comprised in any expression, agreements, covenants, terms, stipulations and undertakings expressed to be made to such persons or parties shall, unless expressly stated to the contrary, be enforceable by or against them jointly and severally and agreements, covenants, terms, stipulations and undertakings expressed to be

made by or on the part of such person or parties shall be deemed to be made by and binding upon such persons or parties jointly and severally.

2. AGREEMENT TO SELL AND PURCHASE

2.1 In consideration of the covenants, undertakings, terms and conditions herein contained, the Vendor with the consent of the Proprietor, hereby agrees to sell and the Purchaser hereby agrees to purchase the Land –

- (a) with the Basic Infrastructure pursuant to Clause 12 and in vacant condition;
- (b) free from encumbrances;
- (c) against the Purchaser's undertaking to commence or cause to be commenced the construction of the Building on the Land in accordance with the terms of this Agreement and all guidelines, rules, regulations, circular, approvals and the like that may be issued/imposed or to be issued/imposed by the Appropriate Authorities and/or the Vendor from time to time;
- (d) subject to all conditions of title and restrictions-in-interests, express and/or implied in the document of title to the Land; and
- (e) at the Purchase Price and subject to and upon the terms and conditions hereinafter contained.

3. CONDITION(S) PRECEDENT

3A. EPU APPROVAL (WHERE APPLICABLE)

3A.1 In the case where the Purchase Price is more than Ringgit Malaysia Twenty Million (RM20,000,000.00) only or any other sum as may be stated/revised pursuant to the EPU Guidelines, this provisions of Clause 3A shall apply wherein the sale and purchase of the Land shall be subject to and conditional upon the Purchaser having obtained, at its own cost and expense, the approval of the EPU pursuant to the EPU Guidelines for purchase of the Land by the Purchaser from the Vendor ("EPU Approval") within seven (7) months from the date of this Agreement ("EPU Approval Period"). In the event that the EPU Approval is not obtained within the EPU Approval Period, the Vendor shall grant an automatic extension of three (3) months from the date immediately after the expiry of the EPU Approval Period ("EPU Extended Approval Period") for the Purchaser to obtain the EPU Approval provided that the Purchaser or the Purchaser's Solicitors has/have submitted the application for EPU Approval within one (1) month from the date of receipt by the Purchaser or the Purchaser's Solicitors of all the Vendor's details and documents as required by the EPU and has provided to the Vendor documentary evidence of the submission of the application to EPU.

3A.2 The Purchaser shall submit the EPU Approval application as soon as practicable from the date of the Purchaser having received all necessary information and/or documents from the Vendor. The Purchaser shall obtain a copy of the valuation report at its own cost in respect of the Land from the Valuation and Property Services Department of the Ministry of Finance (*Jabatan Penilaian dan Perkhidmatan Harta*).

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- 3A.3 In the event the EPU Approval is granted subject to standard conditions set in the Section 3 of EPU Guidelines, namely (i) the equity condition of the Purchaser, being a local company owned by local interest (*syarikat tempatan milik kepentingan tempatan*), having at least thirty per centum (30%) Bumiputera interest shareholding and (ii) the minimum paid up capital condition of Ringgit Malaysia One Hundred Thousand (RM100,000.00) only, such conditions set out in the Section 3 of EPU Guidelines shall be deemed acceptable by the Purchaser (“**Acceptable Approval Conditions**”) and they shall not be grounds for appeal. The Purchaser shall at all times maintain and ensure that the Purchaser continues to comply in full with the Acceptable Approval Conditions (including the Bumiputera equity and minimum paid-up capital requirements) and all other terms and conditions as may be required or imposed by the relevant authority in connection with the approval(s) stated herein from the date of the EPU Approval until the date the issue document of title to the Land is transferred to the Purchaser.
- 3A.4 However, if the EPU Approval is granted with other condition(s) which is/are not the standard conditions as set out in the EPU Guidelines and are of such nature that they will materially and adversely affect the Purchaser and not acceptable to the Purchaser (“**Unacceptable Approval Conditions**”):
- (a) the Purchaser shall be entitled to appeal against the Unacceptable Approval Conditions to the extent not acceptable by the Purchaser within thirty (30) days from the date of the Purchaser’s receipt of EPU Approval or notification in writing from the EPU and to obtain the approval for a waiver or acceptable variation of the Unacceptable Approval Conditions from the EPU on or before the expiry of the EPU Approval Period or the EPU Extended Approval Period, as the case may be and the Vendor shall provide such necessary information and/or documents as required for the Purchaser’s appeal against the Unacceptable Approval Conditions (if any);
 - (b) if the Purchaser’s Appeal to the EPU is rejected either entirely or partially, then the Purchaser shall be entitled to elect to accept the Unacceptable Approval Conditions (which have not been waived or varied) or to terminate this Agreement PROVIDED THAT the Purchaser shall notify the Vendor of such election within thirty (30) days of receipt of the said rejection of appeal; and
 - (c) in the event the Purchaser elects to terminate this Agreement after the outcome of the appeal the consequences provided in Clause 3A.5 below shall apply PROVIDED FURTHER THAT if the Purchaser fails to notify the Vendor of its election within twenty-one (21) days of receipt of the said rejection of appeal, the Purchaser shall be deemed to have accepted any conditions imposed by the EPU, including the Unacceptable Approval Conditions.
- 3A.5 In the event that within the EPU Approval Period or the EPU Extended Approval Period, as the case may be:
- (a) the EPU objects to, refuses, rejects, or disallows the Purchaser’s application for the EPU Approval or the Purchaser’s appeal to the imposition of the Unacceptable Approval Conditions, for any reasons whatsoever; or
 - (b) the EPU fails to notify, reply, or respond to the Purchaser’s application for the EPU Approval or the Purchaser’s appeal to the imposition of the Unacceptable Approval Conditions;

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

then the EPU Approval is deemed to be not obtained and either Party shall be entitled to terminate this Agreement by giving a notice in writing to the other Party and within thirty (30) days upon such termination, the Vendor shall refund the Deposit or such other monies free of interest to the Purchaser in exchange for the return to the Vendor of all documents delivered by the Vendor or the Vendor's Solicitors to the Purchaser and/or the Purchaser's Solicitors with the Vendor's rights, title and interest in the Land remaining intact save for those documents which had been submitted to the Appropriate Authorities. Thereafter, this Agreement shall terminate, and all obligations and liabilities of the Parties hereunder shall cease to be of any further effect save for any antecedent breaches. Thereupon, the Vendor shall be free to sell or otherwise deal with the Land in whatsoever manner as it may as the absolute and unencumbered owner deems fit, and the Purchaser shall have no claim whatsoever against the Vendor.

3A.6 Notwithstanding anything contained in **Clauses 3A.3 and 3A.4** above, for the purpose of **Clause 3A.1** above, the EPU Approval shall be deemed to have been obtained if the EPU Approval is:

- (a) granted without any conditions or with any of the Acceptable Approval Conditions;
- (b) not appealed by the Purchaser in accordance with **Clause 3A.4(a)** above; or
- (c) the Purchaser's appeal against the Unacceptable Approval Conditions is allowed, waived or varied by the EPU to the extent acceptable to the Purchaser, within the EPU Approval Period or the EPU Extended Approval Period.

3B. STATE CONSENT

3B.1 The Vendor and/or the Purchaser, as the case may be, shall at its own costs and expenses apply and obtain the State Consent for the transfer of the Land to the Purchaser (including the consent to transfer pursuant to **Clause 3B** hereof, where applicable) within seven (7) months from the date of this Agreement or any further extension of time as may be granted at the sole discretion of the Vendor ("State Consent Period"). After execution of this Agreement and as soon as practicable, the Vendor and/or the Purchaser shall submit the relevant application to the State Authority. For this purpose, the Purchaser and/or the Vendor shall render his full co-operation by furnishing to the other Party or its solicitors, as the case may be respectively, within fourteen (14) days of request, all the necessary or relevant information, documents and sign such forms or affirmation as shall be required by the State Authority to support such application(s).

3B.2 In the event the Purchaser shall obtain the Loan to finance the purchase of the Land, it shall be the sole responsibility of the Purchaser to apply and obtain promptly and at the Purchaser's own costs and expenses the consent of the State Authority to charge or encumber the Land in favour of the Purchaser's Financier as security for the Loan.

3B.3 The obligation of the Parties to complete the sale and purchase of the Land under this Agreement shall become unconditional on the date which the Vendor's Solicitors is in receipt of documentary evidence(s) or written proof(s) that the EPU Approval has been obtained in the manner stated in **Clause 3A.6** above (if

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

applicable) and/or the State Consent has been obtained, whichever is later (“the Unconditional Date”).

- 3B.4 The Parties agree that pending approval of the EPU Approval and/or the State Consent being obtained by the Vendor and/or the Purchaser (as the case may be), the Purchaser shall continue to pay all instalments at the time and in the manner prescribed in the **Third Schedule** hereto. In the event the State Consent is rejected or not obtained upon the expiry of the EPU Approval Period, State Consent Period or Foreigner Consent Approval Period as defined under **Clause 38.1** hereto (if applicable), whichever shall be later, the Vendor shall refund any payments received by the Vendor (if any) as part of the Purchase Price, free of interest, within thirty (30) days in exchange for the withdrawal of private caveat, if any, whereupon this Agreement shall then terminate and be null and void and of no effect and neither Party hereto shall have any claim against the other save and except for any antecedent breach and the Vendor shall be entitled to deal with or dispose of the Land in any manner as the Vendor shall deem fit.

4. LAND FREE FROM ENCUMBRANCES UPON DELIVERY OF VACANT POSSESSION

- 4.1 The Purchaser hereby irrevocably consents and agrees that the Proprietor/Vendor shall be entitled at any time including after the date of this Agreement, to further charge, assign, encumber or create any interest(s) over the Land in favour of any financial institution(s) as security or additional security for such sums and upon such terms and conditions as the Vendor shall deem fit for the development and construction of the Project Provided That upon the Purchaser having paid to the Vendor the full Purchase Price and all monies payable under this Agreement and the Purchaser having performed and observed all the terms and covenants on his part to be performed under this Agreement, the Vendor shall ensure that the Land shall be free from such encumbrances immediately prior to the delivery of vacant possession of the Land to the Purchaser pursuant to **Clause 15** hereof.

5. PURCHASE PRICE

- 5.1 The Purchase Price shall be payable by the Purchaser to the Vendor by instalments at the time and in the manner set out in the **Third Schedule**.
- 5.2 Every notice referred to in the **Third Schedule** requesting for payment shall be accepted by the Purchaser without objection or inquiry as conclusive proof of the fact that the stage therein referred to have commenced or have been completed, as the case may be.
- 5.3 The Vendor is not bound to commence or complete the stage in the order or the manner referred to in the **Third Schedule** and the notice to be given to the Purchaser under the **Third Schedule** may be given in any sequence or order.
- 5.4 Without prejudice to the Vendor's rights under **Clause 9**, if any of the payments required to be paid hereunder shall remain unpaid by the Purchaser at the expiry of fourteen (14) days from the date of the Vendor's notice requesting for payment, late payment interest on such unpaid sums pursuant to **Clause 28** shall commence immediately thereafter and be payable by the Purchaser from the due date of payment to the actual date of the Vendor's receipt of full payment, such interest to be calculated from day to day at the Agreed Rate (before as well as after judgment).

5A. PURCHASER’S OPTION TO PURCHASE THE REMAINING PLOTS

- 5A.1 The Vendor hereby grants to the Purchaser and/or its nominated subsidiary and/or associated or related company or company with related business with the Purchaser, an option to purchase the remaining plots of land more particularly described in the **Fourth Schedule** hereto (“**Remaining Plots**”) at the fixed price per square foot as stipulated therein (“**Purchaser’s Option Price**”). Such option is to be exercised and the sale and purchase of each respective plot shall be completed within four (4) years from the date of this Agreement (“**Purchaser’s Initial Option Period**”).
- 5A.2 During the Purchaser’s Initial Option Period, the Purchaser shall be required to exercise the option in respect of at least one (1) plot per year (“**Minimum Required Plot**”). The Purchaser shall exercise the option in the sequence set out in the **Fourth Schedule**, commencing with Plot 1, followed by Plot 2, and so on, unless otherwise agreed in writing by the Vendor. The Purchaser may exercise the option for more than the Minimum Required Plot in any given year, provided that the Minimum Required Plot is fulfilled in the sequence provided in the **Fourth Schedule**.
- 5A.3 If, at the end of any year within the Purchaser’s Initial Option Period, the Purchaser has not exercised the option for the Minimum Required Plot for that year:
- (a) the Vendor shall be entitled to impose on the Purchaser an monthly charge of three per centum (3%) per annum calculated on daily basis on the Purchaser’s Option Price of the unexercised plots for that year or the cumulative Minimum Required Plot, as the case may be, payable to the Vendor on monthly basis commencing from the first month after the end of such year for a consecutive period of six (6) months (“**Monthly Charge**”) failing which the option granted under this Clause shall automatically lapse, and the Vendor shall be at liberty to sell or otherwise deal with all Remaining Plots without any reference to the Purchaser. The Monthly Charge shall be paid on the first (1st) day of each calendar month failing which an interest at the Agreed Rate shall be imposed on the Purchaser on the outstanding amount until the actual date of full payment of the Monthly Charge is settled;
 - (b) if the Monthly Charge is paid by the Purchaser within the six (6) months period stipulated under Clause 5A.3(a), the Vendor shall grant the Purchaser an extension of six (6) months from the end of that year such right to exercise the option for the unexercised plot(s). Any Monthly Charge so paid in respect of such plot(s) shall be credited against the Purchaser’s Option Price payable upon completion of the sale of those plot(s);
 - (c) if the Purchaser fails to exercise the option within the said six (6) months extension period provided under Clause 5A.3(b), the Monthly Charge shall be forfeited to the Vendor. The option for the unexercised plots shall however remain valid, but the Purchaser shall be required to exercise an equivalent number of such unexercised plot(s) in addition to the Minimum Required Plot for and in the following year, so that the cumulative minimum requirement is satisfied. For the avoidance of any doubt, the Purchaser shall pay the full Purchaser’s Option Price for the unexercised plot(s) when exercising them in the following year, and the forfeited Monthly Charge shall not be applied as a credit against the Purchaser’s Option Price for that particular plot(s).

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- (d) if, by the end of the third (3rd) year of the Purchaser’s Initial Option Period, the Purchaser still fails to meet the total cumulative minimum requirement for three (3) years, the entire option granted under this Clause shall automatically lapse, and the Vendor shall be at liberty to sell or otherwise deal with all Remaining Plots without any reference to the Purchaser. All payments made by the Purchaser in respect of any unexercised plot, including any Monthly Charges or extension charges, shall be absolutely forfeited to the Vendor.
- 5A.4 Each subsequent sale and purchase agreement to be executed pursuant to the exercise of the option under this Clause shall adopt the same payment milestones and structure as set out in the **Third Schedule**, with the necessary adjustments to be made to reflect the total Purchaser’s Option Price of the respective plot, including any Monthly Charge previously paid that are to be credited against the Purchaser’s Option Price pursuant to **Clause 5A.3(b)** herein, if any.
- 5A.5 In the event the Purchaser fails to complete the sale and purchase of any of the Remaining Plots within the Purchaser’s Initial Option Period but has fulfilled the cumulative minimum requirement up to the third (3rd) year, the Vendor may grant an extension of two (2) years (**Purchaser’s Extended Option Period**) commencing immediately upon the expiry of the Purchaser’s Initial Option Period. During the Purchaser’s Extended Option Period, the Purchaser shall remain entitled to exercise the option and/or complete the purchase of any of the Remaining Plots, subject to the payment of an additional charge of three (3) per centum per annum on the Purchaser’s Option Price of each plot (**Additional Charge**) so exercised or pending completion, the Additional Charge shall be calculated from the day immediately following the expiry of the Purchaser’s Initial Option Period until the date of full settlement of the Purchaser’s Option Price.
- 5A.6 Upon the expiry of the Purchaser’s Extended Option Period, the Vendor may grant further extension for a period and price (based on the prevailing market price) to be decided at the sole discretion of the Vendor (**Purchaser’s Further Extended Option Period**), to the Purchaser for any Remaining Plot in respect of which the Purchaser has not exercised the option during the Purchaser’s Extended Option Period. Failure by the Purchaser to accept the Vendor’s offer within thirty (30) days from its due date shall entitle the Vendor to deem the option for the relevant Remaining Plot to have lapsed, whereupon all monies paid by the Purchaser shall be forfeited to the Vendor.
- 5A.7 Any option not exercised and/or any sale not completed by the Purchaser upon the expiry of the Purchaser’s Further Extended Option Period shall automatically lapse without the need for further notice, and the Vendor shall thereafter be at full liberty to sell or otherwise deal with the relevant Remaining Plots without reference to the Purchaser. All payments (including Monthly Charge, Additional Charge and/or late payment interest, where applicable) made by the Purchaser in respect of any unexercised or uncompleted option shall be absolutely forfeited to the Vendor, and the Purchaser shall have no further rights, interest or claim whatsoever in respect thereof.
- 5A.8 Notwithstanding any other provision in this Agreement, in the event that the Sale and Purchase Agreement for any one (1) plot of land (including the Land or any of the Remaining Plots) is terminated due to default by the Purchaser, whether by breach, repudiation, or failure to perform any material obligation under such agreement, then the option to purchase the Remaining Plots granted under Clause 5A shall be deemed automatically revoked and of no further effect. The Vendor

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shall thereupon be at liberty to sell or otherwise deal with all Remaining Plots without any reference to the Purchaser, and the Purchaser shall have no claim whatsoever against the Vendor in respect of such option.

- 5A.9 The Vendor hereby acknowledges and agrees that the Purchaser may nominate its nominated subsidiary and/or associated or related company or company with related business with the Purchaser to enter into the relevant agreements with the Vendor in relation to the Remaining Plot.

6. LOAN

- 6.1 If the Purchaser is desirous of obtaining financing in respect of the purchase of the Land, the Purchaser shall within sixty (60) days from the date of this Agreement apply for a loan ("Loan") from any licensed financier ("Purchaser's Financier"). The Purchaser is solely responsible for the application and obtaining of the Loan. If the Loan is obtained, the Purchaser shall within seven (7) days from the date of accepting the offer letter for the Loan, furnish the Vendor a copy of the offer letter.
- 6.2 The Purchaser shall within sixty (60) days from the date of this Agreement or such other time as stipulated by the Purchaser's Financier, execute all necessary forms and documents, do all acts required for the disbursement of the Loan and pay all fees, legal costs, charges, and stamp duty in respect thereof.
- 6.3 Notwithstanding that the Purchaser:
- (a) fails to accept the Loan; or
 - (b) defaults in complying with any of the requirements in respect of:
 - (i) the application for the Loan; or
 - (ii) the disbursement of the Loan,

as a result of which the Loan is rejected or withdrawn by the Purchaser's Financier, the Purchaser shall remain liable to pay to the Vendor the whole of the Purchase Price or such part thereof as shall then remain outstanding. Failure by the Purchaser to obtain the Loan shall not be a ground for any delay in the payment or for any non-payment on the due dates of any of the instalments of the Purchase Price.

7. TRANSFER

- 7.1 Subject to the Purchaser shall have paid all moneys due under this Agreement or in the event the Purchaser's Financier shall have granted the Loan to the Purchaser, the Vendor shall have received the difference between the balance Purchase Price and the Loan and a written undertaking from the Purchaser's Financier to the Vendor by which the Purchaser's Financier undertakes to release the Loan to the Vendor to settle the outstanding balance of the Purchase Price, and that the Purchaser shall have performed and observed all other terms and conditions of this Agreement to be performed and observed by the Purchaser, the Vendor shall deliver to the Purchaser's Solicitors or the Purchaser's Financier, as the case may be, the original individual title and a valid registrable memorandum of transfer in

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favour of the Purchaser and other relevant documents to enable the transfer of the Land to the Purchaser.

- 7.2 All costs, expenses, stamp duty and fees payable for the transfer of the Land from the Vendor to the Purchaser shall be borne by the Purchaser.

8. RESTRICTION AGAINST DEALING

- 8.1 The Purchaser hereby expressly agrees that the Purchaser shall not sell, dispose, transfer, nominate or assign in any manner or under any guise whatsoever the Land and the rights, title, interests, benefits, duties and obligations under this Agreement to any third party from the date of this Agreement until the full payment of the Purchase Price and all monies payable by the Purchaser to the Vendor hereunder AND until the delivery of vacant possession of the Land to the Purchaser without the prior written consent of the Vendor.

- 8.2 Without prejudice to the generality of the foregoing, the Vendor shall be absolutely entitled to withhold consent if there shall remain any sums due and owing by the Purchaser for any part of the Purchase Price or other charges payable by the Purchaser under this Agreement or if there shall be any breach of any covenants stipulated on the part of the Purchaser under this Agreement.

- 8.3 In the event the consent is granted, the Vendor shall be entitled to charge the Purchaser an administrative fee equivalent to one per centum (1%) of the Purchase Price or the selling price at which the Purchaser is transacting with the third party in the subsequent sale, whichever is higher, in consideration of the Vendor granting its consent to such sale, transfer, assignment or disposal of the Land AND the Purchaser shall pay the costs and expenses of and incidental to such sale transfer assignment disposal or dealing including any solicitor's costs incurred or payable by the Vendor in connection therewith.

9. EVENTS OF DEFAULT

- 9.1 Notwithstanding any provisions to the contrary in this Agreement, if the Purchaser:

- (a) fails, refuses and/or neglects to pay any instalment payable under Clause 5.1 hereof in accordance with the Third Schedule hereto or any part thereof and/or any late payment interest payable under Clause 5.4 hereof; or
- (b) fails, refuses and/or neglects to pay any sum or sums payable under the terms of this Agreement or any part thereof within the time stipulated for such payment and/or any interest; or
- (c) commits or threatens to commit any breach of the terms or conditions in this Agreement or fails, refuses and/or neglects to comply with, perform or observe all or any of the Purchaser's covenants herein contained and such failure or breach is not remedied within twenty-one (21) days after a written notice is given to the Purchaser to remedy such failure or breach; or
- (d) before payment of all monies and late payment interest due and payable to the Vendor pursuant to this Agreement including but not limited to the full Purchase Price, commits an act of bankruptcy or enters into any composition or arrangement with his creditors or being a company, enters

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into liquidation or an order is made or resolution is effectively passed for winding up, whether compulsory or voluntary, or commits an act of insolvency or makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or has a receiver appointed;

then in any such event the Vendor shall, without prejudice to the Vendor's rights at law or in equity, be at liberty to terminate this Agreement by notice in writing to the Purchaser whereupon:

- (i) the Purchase Price or such part thereof previously paid by the Purchaser to the Vendor excluding any late payment interest paid, shall be applied by the Vendor in the following manner:
 - (aa) a sum equivalent to ten per centum (10%) of the Purchase Price shall be forfeited absolutely and retained for the Vendor's own benefit as agreed liquidated damages, and if the total sum paid by the Purchaser towards the Purchase Price at the time of termination or default is less than the aforesaid agreed liquidated damages, the Purchaser shall be liable to pay the shortfall to the Vendor forthwith upon demand, so as to make up the full amount of the agreed liquidated damages;
 - (bb) lastly, the residue thereof shall be refunded to the Purchaser or the Purchaser's Financier, as the case may be, free of any interest; and
- (ii) the Vendor shall be entitled to sell, transfer or dispose of the Land to any person or persons or deal with the Land in whatsoever manner as the Vendor deems fit at its absolute discretion as if this Agreement had not been entered into, without being liable to account to the Purchaser. For the avoidance of doubt, all the interest paid by the Purchaser to the Vendor shall be forfeited to the Vendor absolutely. Upon the determination of this Agreement pursuant to this Clause 9.1, neither the Purchaser, his personal representatives, assigns nor all those claiming title under the Purchaser shall have any claim or claims whatsoever against the Vendor in respect of the Land or this Agreement.

9.2 If the Purchase Price or such part thereof paid by the Purchaser to the Vendor is insufficient to pay the sums provided in Clause 9.1(d)(i) hereof, the sum outstanding shall become a debt due forthwith from the Purchaser to the Vendor and the Purchaser shall be liable to pay the Vendor late payment interest at the Agreed Rate (before as well as after judgment) calculated on a day to day basis from the date of termination of this Agreement until the date of full settlement of the outstanding sum.

9.3 Notwithstanding anything to the contrary herein contained, the Vendor shall be entitled to specific performance of this Agreement.

9.4 In the event that the Notwithstanding any provisions to the contrary in this Agreement, if the Vendor:

- (a) fails, refuses and/or neglects to execute the necessary documents for the transfer of the Land pursuant to the terms of this Agreement; or
- (b) fails to complete the building of Basic Infrastructure pursuant to the terms of this Agreement; or

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- (c) commits or threatens to commit any breach of the terms or conditions in this Agreement or fails, refuses and/or neglects to comply with, perform or observe all or any of the Purchaser’s covenants herein contained and such failure or breach is not remedied within twenty-one (21) days after a written notice is given to the Purchaser to remedy such failure or breach; or
- (d) commits an act of bankruptcy or enters into any composition or arrangement with his creditors or being a company, enters into liquidation or an order is made or resolution is effectively passed for winding up, whether compulsory or voluntary, or commits an act of insolvency or makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or has a receiver appointed; or
- (e) fails to ensure that the Land is free from encumbrances on the date of vacant possession or where the Land is unable to be transferred to the Purchaser due to any default or breach by the Vendor,
- (f) fails to execute the necessary documentations in relation to the exercising of any of the Options by the Purchaser in relation to the Additional Lands,

then in any such event the Purchaser shall, without prejudice to the Purchaser’s rights at law or in equity, be at liberty to terminate this Agreement by notice in writing to the Vendor whereupon:

- (i) the Purchase Price shall be refunded in full to the Purchaser within thirty (30) days from termination of this Agreement failing which interest shall be chargeable on the outstanding sum at the Agreed Rate until such time that the full outstanding payment has been repaid to the Purchaser;
- (ii) the Vendor shall pay a sum equivalent to ten per centum (10%) of the Purchase Price to the Purchaser as agreed liquidated damages; and
- (iii) Upon full payment of all the sums stated under Clause 9.4 above, the Vendor shall be entitled to sell, transfer or dispose of the Land to any person or persons or deal with the Land in whatsoever manner as the Vendor deems fit at its absolute discretion as if this Agreement had not been entered into, without being liable to account to the Purchaser. Upon the determination of this Agreement pursuant to this Clause 9.4, neither the Vendor, his personal representatives, assigns nor all those claiming title under the Vendor/Proprietor shall have any claim or claims whatsoever against the Purchaser in respect of the Land or this Agreement.

9.5 Notwithstanding anything to the contrary herein contained, the Purchaser shall be entitled to specific performance of this Agreement.

10. PURCHASER’S COVENANT ON USE OF THE LAND

10.1 The Purchaser hereby covenants with the Vendor that:

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- (a) the Purchaser shall use the Land solely to build and operate thereon the building which shall be compatible with the development concept of the Project as an industrial park subject to and as may be approved by the Appropriate Authorities and which shall not contravene the prohibited businesses or activities as listed in Clause 10.2 ("Permitted Use"). The Purchaser shall promptly furnish the Vendor with the details of the Building, the construction and business operation thereof and such other information as the Vendor may require at its discretion to determine compliance with the Permitted Use,
- (b) if the Purchaser shall use the Land or let out or permit or cause the Land to be used for any purpose(s) other than the Permitted Use as aforesaid, then in such event without prejudice to the Vendor's rights and remedies under this Agreement, the Vendor shall be entitled to take whatever action the Vendor considers appropriate or necessary to relief in respect of the breach by the Purchaser of the provisions of this Agreement, including but not limited to:
 - (i) injunctive relief,
 - (ii) declaratory relief; and/or
 - (iii) recovery of damagesand the Vendor shall be entitled to seek such relief concurrently. The Purchaser further agrees to indemnify the Vendor and the Proprietor against all claims, losses or expenses howsoever incurred by reason of such breach.

10.2 The Purchaser shall not use, or cause or permit or let to be used the Land (or any part thereof) for the carrying on of any of the following business or activities:

- (a) as a funeral parlour and all services related to the provision of funeral services, funeral rites or related activities including but not limited to the sale, storage or the supply of items or services for funeral, the dead and other funeral related occasions or religious paraphernalia such as paper, stone masonry, wood items or caskets, coffins or such products used in funeral or burial ceremonies and services;
- (b) for any business or trade dealing with substances and chemicals of an inflammable, explosive or dangerous nature or environmentally hazardous substances beyond the permissible industrial sector specific limit value, industrial technical standards or prescribed conditions as approved by the Appropriate Authorities;
- (c) for the setting up of places of worship or prayer in respect of any cult, religion or beliefs;
- (d) for any immoral improper offensive or unlawful activities including without limitation the operation of brothels; and/or
- (e) for any other business operation which at any time in the opinion of the Vendor is:

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- (i) incompatible with or detrimental to the image that is intended by the Vendor for the Project;
- (ii) injurious to the reputation of the Project; or
- (iii) affect the overall value of the Project or the value of the Other Properties.

10.3 Subject to provision herein in respect of the sale and transfer and letting by the Purchaser of the Land, the Purchaser hereby agree that in the event there is any sale or transfer or letting of the Land, the Purchaser shall ensure that as a condition of such sale or transfer or tenancy to a subsequent purchaser/tenant that the subsequent purchaser/tenant shall be bound by the covenants and conditions contained herein in respect of the Permitted Use of the Land. The Purchaser shall procure the subsequent transferee/ purchaser/ tenant to execute such documents as may be required by the Vendor to give effect to the foregoing provisions. In the event of any breach hereof the Vendor shall be entitled to all such remedies as may be available pursuant to this Agreement, in law and in equity including claiming such damages, cost and expenses suffered or incurred from the Purchaser and prohibiting the Purchaser and/or subsequent transferee/purchaser/tenant from commencing or continuing business operation on the Land or from using the Land in contravention of the provisions herein. The Purchaser further agrees to indemnify the Vendor and the Proprietor against all claims, losses or expenses howsoever incurred by reason of such breach by the Purchaser.

10.4 The Purchaser further acknowledges and accepts that in the event that the Appropriate Authorities has categorized the business conducted at the Land as light, medium or heavy industry or any other categorization whatsoever (if any) and the said categorization is different from the categorization given by the Vendor (if any), it shall have no claims whatsoever or howsoever arising against the Vendor in the event of any such differences.

10.5 The Purchaser acknowledges and agrees that the enforcement of any provisions in this Agreement against any of the Other Purchasers and/or any other persons who may be bound by provisions similar to those contained in this Agreement shall be at the sole and absolute discretion of the Vendor. The Vendor is not obliged or required to compel performance of the provisions of this Agreement by any of the Other Purchasers or to institute any action or proceedings against any of the Other Purchasers who are in breach. Any incident will be viewed on a case to case basis and the Vendor is not required to give any reason or explanation for its decision and no precedent shall be created as a result of such decision. The Vendor and the Proprietor shall not be liable to the Purchaser in any manner whatsoever for any loss or damage caused by any enforcement, failure, omission or refusal on the part of the Vendor to enforce any provisions of this Agreement or under the law against any of the Other Purchasers and/or any other persons who may be bound by provisions similar to those contained in this Agreement and the Purchaser shall have no claim whatsoever or howsoever arising against the Vendor and the Proprietor for non-enforcement by the Vendor of any of the provisions in this Agreement or under the law against any of the Other Purchasers and/or any other persons who may be bound thereof.

11. THE LAND TO FORM PART OF THE OVERALL PROJECT

11.1 The Purchaser hereby acknowledges and agrees:

- (a) that the Land forms part of the overall Project as the Vendor may at its own discretion absolutely determine and by reason whereof the condition, state, nature and character of the overall development of the Project may be altered from time to time;
- (b) that the development plans for the Project may be subject to change at the Vendor's sole and absolute discretion and the Vendor has the sole, full and unencumbered and absolute right, interest and liberty to determine the commencement and completion and make such changes including changing the components of the Project, demarcation, boundaries, staging, quality or design as the Vendor in its sole and absolute discretion may determine; without charge, conditions, interruption, objections, claims and interference by the Purchaser whatsoever; and
- (c) that no such change or alteration of the overall Project shall annul this Agreement or be subject to any claim for damages or compensation by the Purchaser.

12. BASIC INFRASTRUCTURE

12.1 The Vendor shall at its own cost and expense construct or cause to be constructed in accordance with the standards of the Appropriate Authorities the basic infrastructure which shall mean the followings and be collectively referred to as the "Basic Infrastructure" –

- (a) the external roads, external drains, streetlights;
- (b) electricity mains made available up to the nearest tapping point (which may not necessarily be at the boundary of the Land) as may be identified and approved by the Appropriate Authorities;
- (c) sewerage mains, water mains and external telephone ducting fronting the Land as may be identified and/or approved by the Appropriate Authorities; and
- (d) sewerage manhole and telephone ducting manhole to be made available within the Land as may be identified and/or approved by the Appropriate Authorities.

The Purchaser shall be liable for and pay all deposits, stamp duty, and turning on fees, costs of meters and all other costs for the supply of utilities to the Land within fourteen (14) days from the notice from the Vendor.

12.2 In the event that a charge or fee shall be levied by the Appropriate Authorities or such other persons on the connection, tapping and/or use of the utilities facilities for the Project, the Purchaser shall pay to the Vendor or the Appropriate Authorities, as the case may be, upon demand such charge or fee at a rate chargeable by the Appropriate Authorities or such other person for such connection or use.

12.3 Until the Basic Infrastructure are taken over and maintained by the Appropriate Authorities, the Purchaser shall be liable as from the date of the Vendor's notice to take vacant possession of the Land and shall contribute to the Vendor, from time to time the cost and expense stipulated by the Vendor for the maintenance, upkeep

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and repair the said Basic Infrastructure including but not limited to areas reserved for roads, open spaces, electricity, substations, septic tanks, sewerage plant and other communal amenities which amount shall be as determined by the Vendor PROVIDED ALWAYS that the Vendor reserves the right from time to time to increase such charges by notice in writing to the Purchaser in the event of an increase in the Vendor's costs.

- 12.4 The Purchaser acknowledges that the Basic Infrastructure may not be fit or meet any or all the requirements for the Purchaser's business, purpose or trade. The Purchaser further agrees and acknowledges that no warranties or representations expressed or implied are given by the Vendor as to the suitability of the Basic Infrastructure for the Purchaser's intended or actual use of the Land.
- 12.5 The Vendor shall be responsible to level the platform of the Land based on the Vendor's proposed platform level as approved by the Appropriate Authorities. The Purchaser shall be solely responsible at its own cost and expense to carry out any excavation or earth filling or such other works as are necessary for erecting the Building. The Purchaser further acknowledges that the Land may be on a different level from the neighbouring or adjoining lands.
- 12.6 In the event that the Vendor fails to complete the Basic Infrastructure within the timeframe specified in Clause 15.1, the Purchaser shall first notify the Vendor in writing of such failure and grant the Vendor a reasonable period of not less than thirty (30) days from the date of such notice to remedy the delay. Should the Vendor fail to complete the Basic Infrastructure within such additional period, the Purchaser may, but shall not be obliged to, undertake and complete the Basic Infrastructure on behalf of the Vendor and the Purchaser shall only entitle to claim from the Vendor all sums actually and properly incurred for the completion of the Basic Infrastructure, provided that:
- (a) the Purchaser shall furnish the Vendor with a detailed breakdown of the actual costs properly and reasonably incurred in completing the Basic Infrastructure, supported by all relevant invoices and receipts; and
 - (b) and that all cost incurred shall be in accordance to market rates and competitive Malaysian construction pricing and rates.

Any reimbursement payable by the Vendor shall be made within sixty (60) days after the submission of the Purchaser's claim;

Or

to claim for any and all expenses, damages, losses and/or liabilities (excluding loss of profits) incurred by the Purchaser for the Vendor's failure to complete the Basic Infrastructure for such time from the Basic Infrastructure handover date until such time that the Basic Infrastructure is completed.

12A. LIMITATION OF BASIC INFRASTRUCTURE PROVISION AND ADDITIONAL UTILITY SUPPLY

- 12A.1 The Vendor shall provide and deliver to the Purchaser only the basic infrastructure services for the Land as defined under Clause 12.1, as approved by the Appropriate Authorities and in accordance with the master development plan of the Project.

12A.2 The Purchaser acknowledges and agrees that any requirement for additional or enhanced infrastructure capacity, including but not limited to increased electricity supply, water supply, or other utilities arising from the Purchaser's specific business operations or activities on the Land, shall be the sole responsibility of the Purchaser. The Purchaser shall, at its own cost and expense, apply to the relevant utility providers and/or Appropriate Authorities for such additional supply, and shall bear all charges, deposits, contributions, and costs imposed in connection therewith.

12A.3 The Vendor shall, upon written request by the Purchaser, provide reasonable assistance to the Purchaser in facilitating such applications to the relevant utility providers and/or Appropriate Authorities, provided always that the Vendor shall not be liable for any refusal, delay, or conditions imposed by such utility providers and/or Appropriate Authorities in granting the additional supply.

13. SERVICES AND OUTGOINGS

13.1 The Vendor may, subject to the approval of the Appropriate Authorities (if required) and at the Vendor's absolute discretion, whether by itself or through a third party or the Vendor's related or associated company, arrange for the provision of services within the Project which may include security related services, refuse collection (limited to collection of domestic solid waste only), lighting, cleaning of public drains and grass cutting on the road reserves (collectively, "Services") as from the date of the Vendor's notice to the Purchaser to take vacant possession of the Land until the same are taken over by the Appropriate Authorities.

13.2 The Purchaser shall from the date of the Vendor's notice for the Purchaser to take vacant possession of the Land by the Vendor to the Purchaser, be liable to make the following periodic contribution:

(i) charges towards defraying the costs and expenses:

- (a) for the provision of the Services;
- (b) for the maintenance, upkeep and repair of all items and equipment used in connection with the Services;
- (c) incidentally or necessarily incurred for the provision of the Services and/or any ancillary services;
- (d) for any other services to be provided by the Vendor to the Purchaser and the Other Purchasers (if any);

at such rate as shall be determined by the Vendor from time to time ("Charges") which shall only be proportionate to the Land taken by the Purchaser; and

(ii) sinking fund, which amount shall be equivalent to ten per centum (10%) of the Charges ("Sinking Fund") for, inter alia, for the renewal, replacement or maintenance of the fixtures and fittings in the common area of the Project and any other expenditure deemed necessary by the Vendor under the circumstances.

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13.3 As regards the Charges, the Purchaser hereby unreservedly agrees that:

- (a) the determination by the Vendor as to the basis of computation and apportionment as between the purchasers as well as the amount to be paid by the Purchaser shall be final, conclusive and binding and it shall be based on a reasonable market rate;
- (b) the Vendor shall be at liberty to vary from time to time the basis of computation and apportionment as well as the amount of the Charges payable subject to reasonable market rates; and
- (c) no purchaser may be exempted from liability for the payment of the Charges for any reason including but not limited to any waiver of the use or enjoyment of any of the Services or any non-use or abandonment of the Land in respect of which the Purchaser is beneficial or registered owner.

13.4 The Purchaser shall pay to the Vendor the Charges from the date of the notice to the Purchaser to take vacant possession of the Land. The Purchaser shall pay three (3) months in advance and payment thereafter shall be on quarterly basis in advance or such other manner as the Vendor may determine whether formally demanded or not without prejudice to the Vendor's right to change the basis of computation for the Charges and the time of payment thereto. Without prejudice to the Vendor's rights under Clause 9 hereof and/or any other rights and remedies of the Vendor hereunder, at law and/or in equity, if such Charges shall remain unpaid by the Purchaser at the expiration of the said period of fourteen (14) days, interest on such unpaid sum shall be charged immediately thereafter and be payable by the Purchaser, such interest to be calculated from day to day from the date of expiry of the said period of fourteen (14) days to the date of receipt of full payment, at the Agreed Rate (before as well as after judgement).

13.5 For as long as the Vendor shall provide the Services and until the same are handed over to the Appropriate Authority, the Purchaser shall:

- (a) not erect or construct any building structure, fence, road, drain, culvert, bridge, pipe, cable or wire or anything or do or cause or suffer to be done on or in or about the Land anything which may infringe any statutory provisions, by-laws, regulations or rules for the time being in force or which may be or become a nuisance or annoyance to the Other Purchasers and/or occupiers of the Other Properties or in any way interfere with the Other Properties or occupiers of the Other Lands in the Project;
- (b) in all respects comply with all provisions of Acts of Parliament and of all regulations thereunder and with any other obligations imposed by law relating to the Land and the carrying on of the trade or business for the time being carried on upon the Land;
- (c) not store explosive, highly inflammable or toxic substances or any other material that will endanger or put to any risk the lives or safety of others and the surrounding properties;
- (d) in addition to and not in derogation with Clause 10.2 hereof, not cause or permit any smoke, grit or noxious or offensive effluvia to be emitted from any part of the Land without using the best practicable means for preventing or counter-acting such emission and in all respects to comply with the provisions of any Act, order, regulations, permission or direction and

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to comply with the requirements of any notice of the Appropriate Authorities served thereunder;

- (e) take such measures as may be necessary to ensure that any effluent discharged into the drains or sewers which belong to or are used for the Land in common with other adjoining properties will not be corrosive or in any way harmful to the said drains or sewers or cause any obstruction or deposit therein;
- (f) not discharge or allow to be discharged any solid matter from the Land into the drains or sewers nor discharge or allow to be discharged therein any fluid of a poisonous or noxious nature or of a kind calculated to or that does in fact destroy or contaminate the water or any stream or river and will not do or omit or allow or suffer to be done or omitted any act or thing whereby the water of any stream or river may be polluted or contaminated or the composition thereof so changed as to render the Vendor liable to any action or proceedings by any person or authority whatsoever.

13.6 In addition to and notwithstanding Clauses 13.5(a) to (f) hereof, the Purchaser shall not do, cause to be done or by any omission in relation to the Permitted Use of the Land under Clause 10 hereof cause any infringement of any laws, rules or regulations or violation of any conditions as may be imposed on the Vendor or the Proprietor by the Appropriate Authorities and hereby expressly undertakes to keep the Vendor and the Proprietor indemnified from all or any liability arising therefrom.

13.7 As from the date of the Vendor's notice to the Purchaser to take vacant possession of the Land, the Purchaser shall be liable to pay to the Vendor and/or the Appropriate Authorities (as the case may be) all outgoings including quit rent, taxes, assessment and other charges in respect of the Land (collectively, "Outgoings"), as determined by the Vendor and/or the Appropriate Authorities (as the case may be) within the time period as stated in the notice from the Vendor and/or the Appropriate Authorities (as the case may be). Without prejudice to the Vendor's rights under this Agreement, at law and/or in equity, if such Outgoings shall remain unpaid by the Purchaser at the expiration of the specified period, interest on such unpaid sum shall commence to run immediately thereafter and be payable by the Purchaser, such interest to be calculated from day to day from the date of expiry of the said period to the date of full settlement at the Agreed Rate. In furtherance, the Purchaser hereby undertakes to keep the Vendor and the Proprietor indemnified from all liability, cost, penalties, actions and claims arising from the Purchaser's failure to pay the Outgoings in the manner as imposed by the Appropriate Authorities.

14. PIPES, SEWERS AND DRAINS

14.1 The Purchaser hereby acknowledges and agrees that pipes sewers and drains may be laid or constructed by the Vendor under the Land as part of the overall network of pipes sewers and drains passing through over or under and serving the Project. The Purchaser agrees and undertakes with the Vendor that the Purchaser will not cut, maim, divert, block, obstruct or in any way render the said pipes sewers and drains under or over the Land unserviceable or only partially serviceable or to leave the same in such a state of disrepair or neglect as to render them unserviceable or only partially serviceable and shall make good all damage (if any) caused by the Purchaser, his servants and/or agents.

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15. DELIVERY OF VACANT POSSESSION

- 15.1 Subject to Clause 20 and any extension of time as may be deemed expedient by the Consultant, the Vendor shall deliver vacant possession of the Land to the Purchaser within five (5) working days from full payment of the Purchase Price, late payment interest (if any), apportioned Outgoings and Taxes (if applicable) or Unconditional Date, whichever shall be later. The Basic Infrastructure duly completed in accordance with Clause 12 shall be delivered to the Purchaser within nine (9) months from the vacant possession date of the Land or any extension of time required due to delay in obtaining any approval/permit from the Appropriate Authorities. The vacant possession shall be delivered by issuing a written notice to the Purchaser requesting the Purchaser to take vacant possession of the Land ("VP Notice").
- 15.2 In connection with Clause 15.1 above, the Vendor shall let the Purchaser into possession of the Land subject to the Purchaser having:
- (a) observed and performed all its obligations herein which are required to be observed and performed by the Purchaser prior to the delivery of vacant possession of the Land to the Purchaser; and
 - (b) paid in full the Purchase Price in accordance with the Third Schedule, all late payment interest (if any), apportioned Outgoings, Taxes (if any) and all other monies due under this Agreement.
- 15.3 If the Vendor fails to deliver vacant possession of the Land to the Purchaser within the period stipulated in Clause 15.1 and provided that the Purchaser shall have paid all monies due and payable in this Agreement to the Vendor and complied with all the terms, conditions and covenants to be performed and observed by the Purchaser hereunder, the Vendor shall pay to the Purchaser agreed liquidated damages at the Agreed Rate on the Purchase Price, to be calculated on daily basis from the expiry of the period stipulated in Clause 15.1 until the date the Vendor actually delivers vacant possession of the Land to the Purchaser.
- 15.4 Upon the issuance of the VP Notice, the Vendor shall be deemed to have discharged its obligations to deliver vacant possession of the Land to the Purchaser and whether or not the Purchaser has actually entered into possession or occupation of the Land, the Purchaser shall be deemed to have taken delivery of vacant possession and from thereon, the risk of the Land shall be with the Purchaser.

16. CONSTRUCTION OF THE BUILDING

- 16.1 The Purchaser hereby acknowledges and undertakes that the Land forms part of the Project together with the other lands for use as industrial purposes and the Purchaser hereby undertakes to commence and complete or cause to be commenced and completed the construction of the Building on the Land on or before the expiry of ten (10) years from the date vacant possession of the Land is deemed delivered in accordance with Clause 15.4 herein or such extended period as may be granted by the Vendor at its sole and absolute discretion in writing upon the Purchaser's request in writing specifying reason(s) for such extension and in accordance with Clause 16.2 below ("Construction Period").

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- 16.2 The Purchaser shall, at its own cost and expense, take all such action as may be necessary to ensure that all such approvals, licences and permits as may be required from the Appropriate Authorities for the construction of the Building, including but not limited to the development order, the building approval and the Department of Environment, Ministry of Natural Resources and Environment’s approval (if required), will be applied for and obtained as soon as practicable.

16A. VENDOR’S OPTION TO PURCHASE THE LAND

- 16A.1 In consideration of the Vendor agreeing to sell the Land to the Purchaser upon the terms and conditions herein, the Purchaser hereby irrevocably and unconditionally grants to the Vendor an option to purchase the Land free from encumbrances, with vacant possession and in a vacant condition without any building structure thereon (“Call Option”) at the price of the Purchase Price after deducting a sum equivalent to the corporate tax paid by the Vendor in relation to the sale of the Land pursuant to this Agreement together with all the costs incurred and/or to be incurred by the Vendor in the sale of the Land to the Purchaser and the acquisition and/or transfer of the Land from the Purchaser (including but not limited to all the costs and stamp duty of transfer) (“Call Option Price”). The Call Option is exercisable from the period commencing the expiry of the Construction Period until three (3) months after the expiry of the Construction Period (“Call Option Period”).
- 16A.2 The Vendor shall be entitled to exercise this Call Option by issuing a written notice (“Call Option Notice”) to the Purchaser in the event:
- (a) the Purchaser fails, refuses or neglects to commence and complete or cause to be commenced and completed the construction of the Building upon the expiry of the Construction Period; or
 - (b) upon the Vendor becoming aware of the Purchaser’s inability to commence and complete or cause to be commenced and completed the construction of the Building upon the expiry of the Construction Period.
- 16A.3 The Call Option granted to the Vendor under this Clause shall not prejudice any other rights and remedies available to the Vendor under this Agreement in particular, as provided in Clause 9. Notwithstanding the full payment of the Purchase Price, the Call Option shall be available to the Vendor for so long as the Purchaser does not perform and/or comply with its obligations under this Agreement.
- 16A.4 Upon service of the Call Option Notice on the Purchaser, the Purchaser will be bound to sell and the Vendor will be bound to purchase the Land free from encumbrances and with vacant possession at the Call Option Price. In connection thereto, the Purchaser shall be responsible to obtain the discharge and release of the Land if the same shall have been charged or assigned to the Purchaser’s Financier or a third party or is encumbered for any reason.
- 16A.5 Without prejudice to the foregoing, the Purchaser hereby irrevocably and unconditionally authorises the Vendor or the Vendor’s Solicitors to procure from the Purchaser’s Financier or such third party the redemption statement and undertaking (“Redemption Statement”) confirming, among others, the amount payable to the Purchaser’s Financier or the relevant third party to procure the discharge and release of the Land (“Redemption Sum”) and the undertaking to (i) release to the Vendor or the Vendor’s solicitors, among others, the original issue document of title,

the discharge of charge and all other documents as may be necessary to discharge the Land; and (ii) to refund the Redemption Sum to the Vendor in the event the discharge of charge cannot be registered at the relevant Land Registry for any reasons whatsoever. In connection thereto, the Purchaser shall forward or procure the original Redemption Statement to be forwarded to the Vendor or the Vendor's Solicitors to enable the Vendor to pay the Redemption Sum and to obtain the discharge and release of the Land. The Purchaser further irrevocably and unconditionally authorises the Vendor to deduct from the Call Option Price any Redemption Sum which is required to be paid to the Purchaser's Financier or such third party for the discharge and release of the Land and such payment shall constitute a full and proper discharge of the Vendor's payment towards the Call Option Price in respect of the amount equivalent to the Redemption Sum. Where applicable, all costs for perfecting or completing the re-transfer of the issue document of title to the Vendor (including stamp duty and registration charges) and all cost of removing any encumbrances created over the Land shall be borne by the Purchaser.

- 16A.6 The Purchaser shall deliver vacant possession of the Land in a vacant condition to the Vendor in a state satisfactory to the Vendor within thirty (30) days from the date of the Call Option Notice issued by the Vendor or such other extended period as may be granted by the Vendor at its sole and absolute discretion. In the event the Purchaser has commenced the construction of the Building but the Building has yet to be completed, the Vendor shall have the right to either assume control of the construction of the Building or to demolish the Building.
- 16A.7 Within thirty (30) days from the date of the Call Option Notice issued by the Vendor, the Purchaser shall execute and deliver to the Vendor the requisite instrument of transfer to effect the transfer of the issue document of title in favour of the Vendor (if applicable) and further to deliver to the Vendor the original issue document of title together with such other documents as shall be necessary to register the transfer of the Land in favour of the Vendor (including the relevant discharge instrument if the Land shall have been charged in favour of the Purchaser's Financier or any third party). The Call Option Price or any balance thereof, after deduction of all cost payable by the Purchaser pursuant to the provisions herein including if applicable, the Redemption Sum, shall be paid to the Purchaser within ninety (90) days after completion of the registration of instrument of transfer in respect of the Land in favour of the Vendor and the handing over of vacant possession of the Land to the Vendor in a state satisfactory to the Vendor in accordance with Clause 16A.6.
- 16A.8 In the event the Purchaser fails or neglects to perform any of its obligations stipulated in this Clause 16A, without prejudice to the rights of the Vendor under this Agreement, the Vendor shall be entitled to the remedy of specific performance of the obligations herein and to all reliefs flowing therefrom including all its legal costs and expense incurred.

17. ADJUSTMENT OF PURCHASE PRICE

- 17.1 The boundaries and position of the Land in relation to the other lands shown in the Site Plan in the Second Schedule and the measurements and/or area of the Land as stated in Section 3 of the First Schedule are believed but not guaranteed to be correct. If the measurements, boundaries and area of the Land as shown in the Site Plan and as stated in Section 3 of the First Schedule shall be different from its measurements, boundaries and/or area as shown in the final document of title when issued, such difference in the measurements, boundaries and/or area shall

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not annul the sale of the Land to the Purchaser nor shall any such difference entitle the Purchaser to be discharged from its obligation to complete the purchase herein.

17.2 In the event the actual area as shown in the final document of title shall differ from the area as stated in this Agreement, the Purchase Price shall be adjusted ("Adjusted Purchase Price") in the following manner:

(a) where the difference in area is equal to or less than two per centum (2%) of the area as stated in this Agreement, then the Purchase Price is final and shall not be adjusted and nor shall any such difference in area be the subject of any claims for damages and/or compensation on either Party;

(b) where the difference in area is more than two per centum (2%) of the area as stated in this Agreement, then the Purchase Price shall be adjusted and the Adjusted Purchase Price shall be calculated based on the area as shown in the final document of title at the rate stated in Section 5 of the First Schedule hereto ("Adjustment Rate") and:

i. if the actual area as shown in the final document of title is lesser by more than two per centum (2%) of the area as stated in this Agreement, the Purchase Price shall be reduced accordingly and the difference between the Purchase Price and the Adjusted Purchase Price shall be deducted from the balance Purchase Price payable by the Purchaser to the Vendor in accordance with the Third Schedule hereto. For the avoidance of any doubt, if the full Purchase Price has been paid, such difference shall be paid by the Vendor to the Purchaser within the period stated in Clause 17.3 below; or

ii. if the actual area as shown in the final document of title is more than two per centum (2%) of the area as stated in this Agreement, the Purchase Price shall be increased accordingly and the difference between the Purchase Price and the Adjusted Purchase Price ("Additional Sum") shall be added to the balance Purchase Price and shall be paid by the Purchaser to the Vendor within the period stated in Clause 17.3 below.

17.3 Any payment resulting from the adjustment and required to be paid by the party concerned to the other party shall be so paid within forty five (45) days from the date of issuance of the final document of title.

17.4 No error or misstatement as to the measurements, boundaries, description and/or the area of the Land shall annul or render this Agreement void nor shall it be a ground for either Party to rescind this Agreement or claim for damages or compensation.

18. NEW LAWS AFFECTING DEVELOPMENT OF THE PROJECT

18.1 Notwithstanding anything to the contrary herein contained, if as a result of the introduction of any new laws, by-laws, policies, rules or regulations or the amendments to the laws, by-laws, policies, rules or regulations now existing, any new or additional fees, charges, taxes, costs or imposition or shall be required to be paid by the Purchaser, the Purchaser shall pay to the Vendor such new or additional fee, charges, taxes, costs or impositions thereof upon receipt by the Purchaser of written notice from the Vendor, the payment of which shall be a

condition precedent for continuing and completing the development of the Land and/or for the due and proper observance and performance by the Vendor of its obligations and liabilities hereunder and/or the sale of the Land to the Purchaser.

19. PERSONAL DATA

- 19.1 The Purchaser hereby expressly consents and authorises the collection, processing and retention of all the Purchaser's personal data (as defined in the Personal Data Protection Act 2010) by the Vendor and if the Purchaser is a corporate body, the Purchaser confirms and warrants that all directors and company secretary of the Purchaser has consented to the processing of their personal data by the Vendor for the purposes of communication, enforcement, performance, compliance and/or observance of the provisions of this Agreement and disclosure by the Vendor to its affiliates, associated and related companies, consultants, advisers, financiers, shareholders, affiliates and partners and that all such personal data furnished to the Vendor is up to date and accurate. The Purchaser shall indemnify and keep the Vendor indemnified against all actions, claims, proceedings, demands, losses, damages, liabilities costs and expenses of whatsoever nature that the Vendor may incur and/or suffer as a result of the Purchaser's breach and the Vendor's reliance on the Purchaser's personal data provided hereof.

20. FORCE MAJEURE

- 20.1 Notwithstanding anything to the contrary herein contained the Vendor shall not be liable for any loss or damage to the Purchaser, employees, servants, agents, lessees, tenants, licensees, invitees, visitors, guests, representatives, consultants and/or contractors or any person claiming under him or to any other person whatsoever for any failure or delay to fulfil any of the terms of this Agreement if such fulfilment is delayed hindered or prevented by events of force majeure including but not limited to acts of terrorism, acts of God, outbreak of diseases, strikes, curfews, lockouts, riots, civil commotion, labour dispute, general chaos, inclement weather, landslides/landslips, restrictions, regulations or control imposed by any Acts of Parliament, any rule, regulation, by-law, ordinance, proclamation, or order issued by any competent authority, delay by government to grant the necessary sanction or approval in respect of or in completing any work on the Project or any part thereof, delay by the Appropriate Authorities in completing any of their works and/or responsibilities and/or any works under their authority (if applicable), enemy or hostile government action, acts of war, combination of workmen, shortage of resource, material or labour, curfew, failure to obtain any necessary sanction, permit or approval of any Appropriate Authorities, rationing or the regulation or prohibition of the use of any material, fuel, hours of work or award, priority allocation, emergency, riot, fire, earthquake, flood, storm, tempest, nuclear fallout, volcanic eruption, hurricane, or any other circumstances of whatsoever nature beyond the control of the Vendor or by any reasons of the Purchaser requiring deviations, alterations, additions or otherwise to the Land.
- 20.2 If the Vendor is affected by such force majeure events which affects the performance of any of its obligations under this Agreement it shall forthwith notify the Purchaser of its nature and extent. The Vendor shall not be deemed to be in breach of this Agreement by reason of any delay in performance, or the non-performance, of any of its obligations hereunder, to the extent that the delay of non-performance is due to any force majeure events which it has notified to the

Purchaser, and the time for performance of that obligation shall be extended accordingly.

21. CONTINUING EFFECT OF AGREEMENT

- 21.1 All provisions of this Agreement shall not, so far as they have not been performed at the date the Vendor delivers vacant possession to the Purchaser, be in any respect extinguished or affected and shall continue in full force and effect in so far as they are capable of being performed or observed or are meant to continue.

22. BINDING EFFECT

- 22.1 This Agreement embodies all the terms and conditions agreed upon between the Parties hereto as to the subject matter of this Agreement and supersedes and cancels in all respects all previous representations, warranties, agreements and undertakings, if any made between the Parties hereto with respect to the subject matter whether such be written or oral. Without derogating from the generality of the foregoing, the Purchaser acknowledges that the pictures, sketches and illustrations in the sales brochures or marketing materials of the Vendor are mere artists' impressions only and are not intended to be representations of fact. Any show units are merely representations of concepts of the buildings and are not intended to represent that the Land or Other Properties is/are capable of such design or structure. No statements or pictures contained in such sales brochures or marketing materials shall be construed as representations or conditions forming part of this Agreement.

23. AMENDMENTS AND SEVERABILITY

- 23.1 No provision of this Agreement may be voided, amended, waived, discharged, absolved or terminated verbally nor may any breach or omission of any provision of this Agreement be waived or condoned verbally save with the consent of the Parties herein in writing.
- 23.2 If any provision, condition, term, stipulation, covenant or undertaking of this Agreement is or becomes illegal, void, invalid, prohibited or unenforceable in any respect Provided that such illegality, voidability, invalidity, prohibition or unenforceability shall not nullify the underlying intent of the Parties hereto, such provision shall be severed from the other provisions of this Agreement and shall not affect the validity or enforceability of the other provisions of this Agreement which shall remain in full force and effect.

24. VARIATION OF TERMS AND MUTUAL AGREEMENT

- 24.1 It is hereby expressly agreed and declared by the Parties that notwithstanding any of the provisions of this Agreement to the contrary, the provisions and terms of this Agreement may at any time and from time to time be varied or amended by mutual consent of the Parties by means of mutual exchange of letter or such other means as the Parties concerned may agree upon from time to time and thereupon such amendments and variations shall be deemed to become effective and the relevant provisions of this Agreement shall be deemed to have been amended or varied accordingly and shall be read and construed as if such amendments and variations

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have been incorporated in and have formed part of this Agreement at the time of execution hereof.

25. COSTS, FEES AND EXPENSES

- 25.1 Each Party hereto shall bear its own solicitors fees unless expressed to the contrary herein and the stamp duties of this Agreement shall be borne by the Purchaser and the legal fees, disbursements, stamp duty and registration fees for the memorandum of transfer of the Land to the Purchaser shall be borne and paid by the Purchaser. Wherever the Vendor shall be required to engage the services of solicitors to enforce its rights herein (whether or not legal proceedings are commenced), the Purchaser shall be liable to pay the Vendor's solicitors' costs on a solicitor-client basis (on a full indemnity basis) and all other expenses incurred thereby.

26. CONCLUSIVE EVIDENCE

- 26.1 The certificate by the Vendor, the Consultant, or officer or agent appointed by the Vendor concerning any matter shall in the absence of manifest error, be conclusive evidence as to that matter and shall be binding upon the Purchaser.

27. TIME ESSENCE OF CONTRACT

- 27.1 Time wherever mentioned in this Agreement shall be of the essence.

28. INTEREST ON LATE PAYMENT

- 28.1 Without prejudice to the Vendor's rights and remedies hereunder, at law and/or in equity, where any money is required to be paid by the Purchaser, such payment shall be made within fourteen (14) days from the date of the Vendor's written notice requesting for payment unless otherwise specifically expressed to the contrary. If such money required to be paid by the Purchaser shall remain unpaid by the Purchaser at the expiration of the time stipulated, interest on such unpaid sum shall commence immediately thereafter and be payable by the Purchaser, such interest to be calculated from day to day from the date of expiry of the said period to the date of full settlement at the Agreed Rate (before as well as after judgement).

29. NO WAIVER

- 29.1 Forbearance, knowledge, delay or acquiescence by the Vendor of any breach of any of the conditions or covenants herein contained on the Purchaser's part to be performed shall not operate as or be deemed to be a waiver or acquiescence of such conditions or covenants or any of them and notwithstanding such forbearance, knowledge, delay or acquiescence the Vendor shall be entitled to exercise its rights under this Agreement and to require strict performance by the Purchaser of the terms and conditions hereof.

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30. NOTICES

30.1 Any notice, request or demand so given shall be deemed to have been sufficiently served or given:

- (a) in the case of a notice or request sent by hand, at the time of delivery of such notice or request;
- (b) in the case of delivery by courier company, at the time of delivery;
- (c) in the case of a notice or request sent by facsimile, on the same day of the transmission of such notice or request, provided that such day is a Business Day at the time of deemed receipt and if it is not, such notice or request shall be deemed to be served on the next succeeding Business Day and provided further that, in either case, confirmation of its transmission in full without error has been recorded is received by the sender's fax machine;
- (d) in the case of a notice or request sent by prepaid registered post, be deemed to have been received five (5) days after posting and in proving the same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped, and posted; and
- (e) in the case of transmission by way of electronic mail, at the time of transmission as shown on the date stamp of the email provided that the service of notice by electronic mail is immediately or as soon as reasonably practicable followed up / accompanied with a service by one of the modes of service identified above.

30.2 Any change of address by either party shall be communicated to the other in writing.

31. APPLICABLE LAW AND JURISDICTION

31.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia and the Parties hereby agree to submit to the exclusive jurisdiction of the Courts of Malaysia.

32. TAXES

32.1 Any and all amounts stated as payable to the Vendor herein shall be treated for all purposes as amounts which are exclusive of sales tax, services tax or goods & service tax (GST) or taxes of similar nature, applicable on any supply of goods, sales and/or services pursuant to the sale of the Land (collectively, "Taxes"), now or at any time hereafter introduced by the Government of Malaysia from time to time, such Taxes at the prescribed rate shall be recoverable from and be paid by the Purchaser.

32.2 The Purchaser shall pay, indemnify and keep indemnified on demand the Vendor and the Proprietor against any Taxes and/or fines and penalties (which may arise as a result of any late payment or default in payment of Taxes) which may be or become chargeable or imposed by the Appropriate Authorities in respect of any payment whether the Purchase Price, payment in respect of outgoings and all other sum for goods and services supplied under or in consequence of this Agreement

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and/or such other agreements made or to be made by the Purchaser under or in consequence of this Agreement and/or such other agreements and/or any payment made by the Vendor for which the Purchaser agrees to reimburse the Vendor under this Agreement and/or such other agreements. The Purchaser's liability pursuant to this indemnity shall be paid within twenty-one (21) days from the date of receipt by the Purchaser notice of such payment.

33. SCHEDULES

- 33.1 The Schedules hereto shall form part of this Agreement and shall be read taken and construed as essential parts of this Agreement.

34. SUCCESSORS BOUND

- 34.1 This Agreement shall be binding on the successors-in-title and assigns of the Vendor and the successors-in-title and permitted assigns of the Purchaser.

35. COUNTERPARTS

- 35.1 This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. In making proof of this Agreement it shall not be necessary to produce or account for more than one counterpart.

36. FURTHER ASSURANCE

- 36.1 At any time after the Agreement Date, each of the Parties shall, and shall use its best endeavours to procure that any necessary third party shall, execute such documents and do such acts and things as the other Party may reasonably require for the purpose of giving to such other Party the full benefit of all the provisions of this Agreement.

37. REMEDIES

- 37.1 No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by any Party shall not constitute a waiver by such Party of the right to pursue any other available remedies unless so required by law.

38. FOREIGN PURCHASER (IF APPLICABLE)

- 38.1 In the case where the Purchaser is a non-citizen or a foreign company as defined in the NLC, the Purchaser shall apply and secure at the Purchaser's own costs and expenses the consent or approval of the State Authority to acquire the Land as required under Section 433B of the NLC ("Foreigner Consent") within seven (7) months from the date of this Agreement or from the Unconditional Date, whichever

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is later or any other extension as may be granted at the sole discretion of the Vendor ("Foreigner Consent Approval Period").

- 38.2 The Vendor shall at the request of the Purchaser furnish to the Purchaser such information and documents as may be reasonably necessary for the Purchaser's application of the Foreigner Consent upon receipt of such written request in writing from the Purchaser.
- 38.3 The Purchaser shall do all acts and things necessary and reasonably required to expedite and obtain the Foreigner Consent. The Vendor and the Proprietor shall not be liable to the Purchaser if the memorandum of transfer of the Land in favour of the Purchaser cannot be registered due to the failure, neglect and/or refusal by the Purchaser to procure the Foreigner Consent.
- 38.4 During the Foreigner Consent Approval Period, the Purchaser shall continue to pay all instalments at the time and in the manner prescribed in the Third Schedule hereto failing which late payment interest on such unpaid sums shall be payable by the Purchaser pursuant to Clause 5.4.
- 38.5 The Parties agree that a Foreigner Consent issued whether with or without terms and conditions is a valid approval and the Purchaser undertakes to observe and comply with all terms or conditions imposed by the State Authority. The Vendor shall not be liable to the Purchaser if the transfer of the Land in favour of the Purchaser cannot be registered due to the failure, neglect and/or refusal by the Purchaser to observe and comply with any term or condition imposed by the State Authority.
- 38.6 The Purchaser shall forthwith notify the Vendor of the issuance or refusal of a Foreigner Consent and shall furnish the Vendor with a copy of the letter issued by the State Authority immediately.
- 38.7 In the case of an approval, the Parties shall proceed with the sale and purchase in accordance with the terms hereof.
- 38.8 In the case of an initial refusal by the State Authority, the Purchaser shall appeal to the State Authority unless the Vendor agrees otherwise in writing provided always that such appeal shall be made and the State Consent obtained on or before the expiry of the Foreigner Consent Approval Period.
- 38.9 If the Purchaser is not able to obtain the Foreigner Consent at the expiry of the Foreigner Consent Approval Period, whether on appeal or otherwise, then either party hereto shall be entitled to terminate this Agreement by a notice in writing to the other within fourteen (14) days from date of receipt of the notification, whereupon:
- (a) the Vendor shall refund, free of interest, all instalments paid by the Purchaser towards the Purchase Price pursuant to Clause 5 but not the late payment interest, if any, paid by the Purchaser pursuant to Clause 5.4 and less all costs and expenses incurred by the Vendor, including legal costs, in entering into this Agreement;
 - (b) the Purchaser shall cease to hold any further interest whatsoever in or over the Land; and

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- (c) thereafter this Agreement shall terminate and be of no further force and effect and neither party hereto shall have any claim whatsoever against the other in respect of this Agreement. The Vendor shall thereafter be at liberty to sell or deal with the Land in any manner as it deems fit without reference to the Purchaser.

38.10 If the Purchaser fails, neglects or refuses to apply for the Foreigner Consent in a timely manner and do all things reasonably necessary to procure the issuance of the Foreigner Consent, the Vendor shall on the expiry of the Foreigner Consent Approval Period be entitled to terminate this Agreement by notice in writing to the Purchaser, whereupon the Vendor shall be entitled to forthwith forfeit either of the following:

- (a) where up to fifty per centum (50%) of the Purchase Price has been paid, or has become due and payable, an amount equal to ten per centum (10%) of the Purchase Price shall be forfeited by the Vendor as agreed liquidated damages;

OR

- (b) where more than fifty per centum (50%) of the Purchase Price has been paid or has become due and payable a sum equivalent to twenty per centum (20%) of the Purchase Price shall be forfeited by the Vendor as agreed liquidated damages.

After forfeiture, the Vendor shall (where applicable) refund to the Purchaser free of interest any part of the Purchase Price received by the Vendor in excess of the amount forfeited by the Vendor but not the late payment interest, if any, paid by the Purchaser pursuant to Clause 5.4 and less all costs and expenses incurred by the Vendor, including legal costs, in entering into and terminating this Agreement, whereupon this Agreement shall then terminate and be null and void and of no effect and neither party hereto shall have any claim against the other and the Vendor shall be entitled to deal with or dispose of the Land in any manner as the Vendor shall deem fit.

38.11 In the event the instalments of the Purchase Price paid by the Purchaser to the Vendor is insufficient to pay the sums provided in Clause 38.10 hereof, the sum outstanding shall be a debt due forthwith from the Purchaser to the Vendor and the Purchaser shall also be liable to pay the Vendor late payment interest on such unpaid sum which shall commence immediately thereafter and be payable by the Purchaser from the due date of payment to the actual date of the Vendor's receipt of the full payment, such late payment interest to be calculated from day to day at the Agreed Rate (before as well as after judgement).

38.12 For the avoidance of any doubt, the provision of this Clause 38 will only be applicable where the Purchaser is a non-citizen or a foreign company as defined in the NLC.

39. ANTI-BRIBERY AND CORRUPTION AND ANTI MONEY LAUNDERING

39.1 The Purchaser acknowledges and agrees that the Purchaser nor any of its respective directors, officers, agents, shareholders, or employees acting on its behalf, has taken any action that will, is or would be in breach of any applicable

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

laws for the prevention of fraud, bribery, corruption, racketeering, money laundering or terrorism.

- 39.2 The Purchaser has not, and covenants that it will not, in connection with the conduct of its business activities, promise, authorise, ratify, or offer to make, or take any act in furtherance of any payment, contribution, gift, reimbursement or other transfer of anything of value, or any solicitation, directly or indirectly:

- (a) to any individual including government officials; or
- (b) to an intermediary for payment to any individual including government officials; or
- (c) to any political party

for the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful, illegal, or improper means for the purpose of securing an improper advantage or in order to obtain, retain or direct business in relation to the sale and purchase of the Land.

- 39.3 The Purchaser hereto has not, nor to its knowledge, has any of its directors, officers, agents, shareholders, or employees acting on its behalf established or maintained any unrecorded fund or asset for any purpose, or has made any false or artificial entries on any of its books or records for any reason.

-Remainder of this page is intentionally left blank-

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

IN WITNESS WHEREOF the Parties have set their hands the day and the year first above written.

The Common Seal of PERAK
CORPORATION BERHAD (REG.
NO. 199101000605/2109150-U)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:



DIRECTOR/SECRETARY
NAME: AHMAD YANI BIN AMINUDDIN
DIRECTOR




DIRECTOR
NAME: FAIZUL HILMY BIN AHMAD
DIRECTOR

Signed by for and on behalf of
ADVANCECON DEVELOPMENT
SDN. BHD. (REG. NO.
(202301041384/1535303-V)
in the presence of:

DIRECTOR
NAME:

The Common Seal of CAHYA
SURIA SERVICES SDN. BHD. (REG)
NO. 201701040810/1254983-T)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

The Common Seal of
PERBADANAN KEMAJUAN
NEGERI PERAK
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

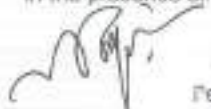
APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)

IN WITNESS WHEREOF the Parties have set their hands the day and the year first above written.

The Common Seal of PERAK
CORPORATION BERHAD (REG.
NO. 199101000605/2109150-U)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR/SECRETARY
NAME:

Signed by for and on behalf of
ADVANCECON DEVELOPMENT
SDN. BHD. (REG. NO.
(202301041384/1535303-V)
in the presence of:



ONG YEE SHYUN
BC / O / 289
Advocate & Solicitor
Peguam & Peguamcara

The Common Seal of CAHYA
SURIA SERVICES SDN. BHD. (REG
NO. 201701040810/1254983-T)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR

NAME:
ADVANCECON DEVELOPMENT SDN. BHD.

Reg. No. 20230104/384(1515103-V)
16, 18 & 20, Jalan Pokok 8/3, Seksyen 8,
Kota Damansara, 47810 Putrajaya, Selangor
Tel: 03-61579500 (Main Line) Fax: 03-61579400



DIRECTOR

NAME: DATO' PRITHVI ANG KUA

DIRECTOR/SECRETARY
NAME:

The Common Seal of
PERBADANAN KEMAJUAN
NEGERI PERAK
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR
NAME:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

IN WITNESS WHEREOF the Parties have set their hands the day and the year first above written. -

The Common Seal of **PERAK CORPORATION BERHAD (REG. NO. 199101000605/2109150-U)** was hereunto affixed in the manner duly authorized under its constitution in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

Signed by for and on behalf of **ADVANCECON DEVELOPMENT SDN. BHD. (REG. NO. (202301041384/1535303-V))** in the presence of:

DIRECTOR
NAME:

The Common Seal of **CAHYA SURIA SERVICES SDN. BHD. (REG. NO. 201701040810/1254983-T)** was hereunto affixed in the manner duly authorized under its constitution in the presence of:

DIRECTOR/SECRETARY
NAME: **TEOH CHOOI SHI**

DIRECTOR
NAME: **DATO' DR. SUHAZIMAH BINTI DZAZALI**



The Common Seal of **PERBADANAN KEMAJUAN NEGERI PERAK** was hereunto affixed in the manner duly authorized under its constitution in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

IN WITNESS WHEREOF the Parties have set their hands the day and the year first above written.

The Common Seal of PERAK
CORPORATION BERHAD (REG.
NO. 199101000605/2109150-U)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

Signed by for and on behalf of
ADVANCECON DEVELOPMENT
SDN. BHD. (REG. NO.
(202301041384/1535393-V)
in the presence of:

DIRECTOR
NAME:

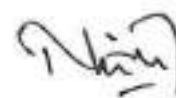
The Common Seal of CAHYA
SURIA SERVICES SDN. BHD. (REG.
NO. 201701040810/1254983-T)
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:

DIRECTOR/SECRETARY
NAME:

DIRECTOR
NAME:

The Common Seal of
PERBADANAN KEMAJUAN
NEGERI PERAK
was hereunto affixed in the manner
duly authorized under its constitution
in the presence of:


DIRECTOR/SECRETARY
NAME: Dr. Mohamed Yusri Bin Bakir


DIRECTOR
NAME: Dr. Nirwan Bin Noh



APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

THE FIRST SCHEDULE
(to be taken read and construed as an essential part of this Agreement)

Section	Item	Particulars
1.	Date of this Agreement	25 NOVEMBER 2025
2.	Name, description and address of the Purchaser	Cahya Suria Services Sdn. Bhd. (Registration No. 201701040810/1254983-T) C-2-11, No. 2, Persiaran Greentown 3, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan.
3.	Description of the Land	Lot No.: 32 Title: H.S.(D) 214708, PT 253439, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Area of the Land: 66,672.90 Square Meters or 717,664 Square Feet
4.	Purchase Price of the Land	Ringgit Malaysia Twenty-Three Million Six Hundred Eighty-Two Thousand Nine Hundred Twelve (RM23,682,912.00) only
5.	Adjustment Rate	Ringgit Malaysia Thirty-Three (RM33.00) per square foot

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

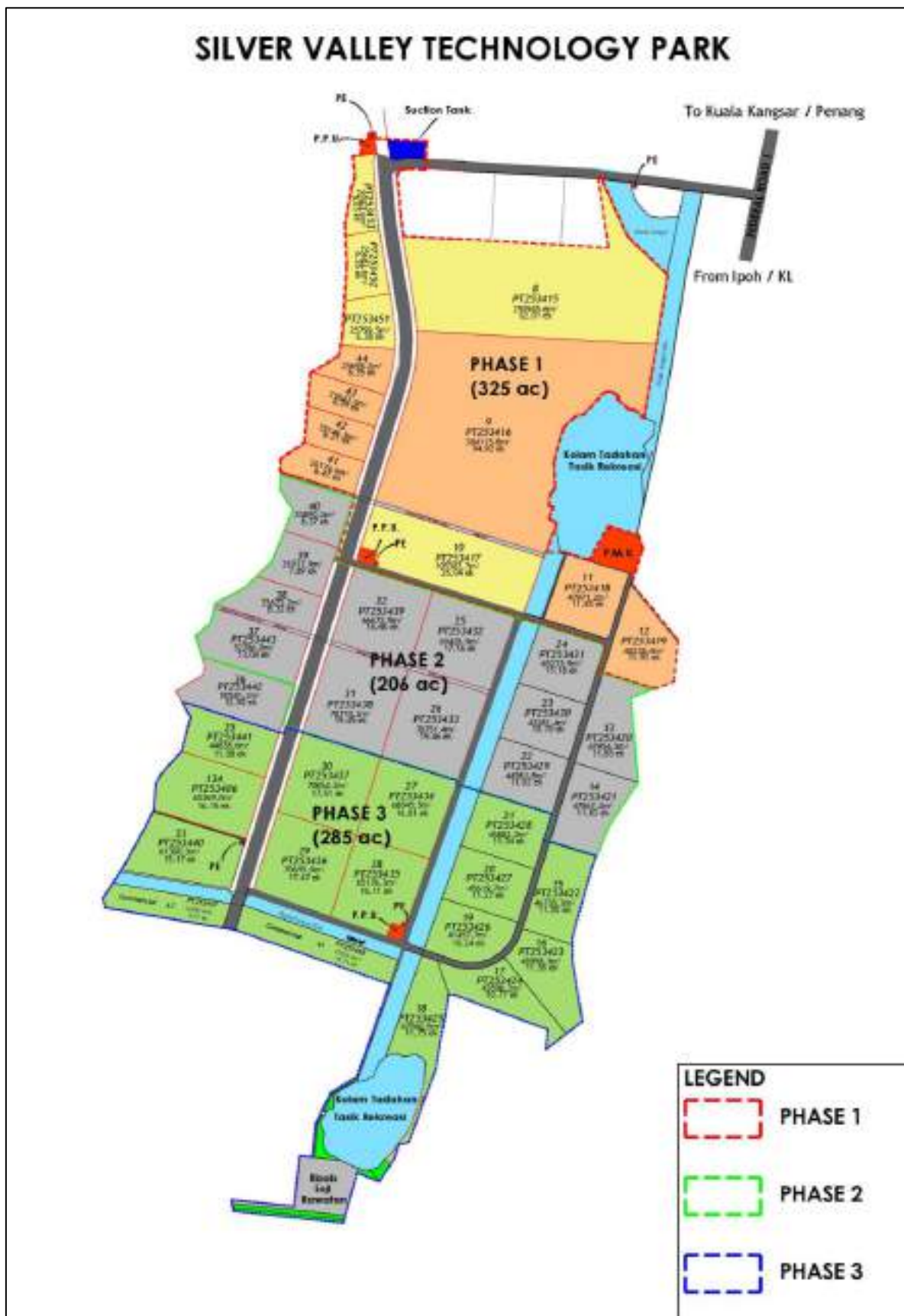
THE SECOND SCHEDULE

(to be taken read and construed as an essential part of this Agreement)

SITE PLAN

(The Site Plan attached herein is subject to changes to comply with requirements of the Appropriate Authorities or if the Consultant considers it necessary)

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

THE THIRD SCHEDULE
(to be taken read and construed as an essential part of this Agreement)

SCHEDULE OF PAYMENT OF PURCHASE PRICE

Stage No.	Instalments Payable	Amount to be paid towards Purchase Price (RM)	Amount to be paid towards Purchaser's Option Price (RM)	Total Amount Payable (RM)
1.	Immediately upon signing of this Agreement	100,000.00	50,000.00	150,000.00
2	Within two (2) months from the date of this Agreement	100,000.00	50,000.00	150,000.00
3	Within three (3) months from the date of this Agreement	100,000.00	50,000.00	150,000.00
4	Within four (4) months from the date of this Agreement	100,000.00	50,000.00	150,000.00
5	Within five (5) months from the date of this Agreement	100,000.00	50,000.00	150,000.00
6	Within six (6) months from the date of this Agreement	100,000.00	50,000.00	150,000.00
7	Within seven (7) months from the date of this Agreement subject to an automatic extension of three (3) months for the payment of the balance purchase price subject to late payment interest calculated on a daily rest basis at the Agreed Rate or within sixty (60) days from the Unconditional Date (whichever the later).	23,082,912.00	0.00	23,082,912.00
	Total	23,682,912.00	300,000.00	

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

Note:

- 1 The total amount to be paid by the Purchaser to the Vendor in the amount set out in the fourth (4th) column of the table above shall be utilised towards part payment of the Purchaser's Option Price of the next consecutive plot as set out in the **Fourth Schedule** when the option to purchase is exercised in accordance with the provisions of Clause 5A of this Agreement. In the event the option to purchase is not exercised by the Purchaser and/or upon the expiry and/or lapse of the option pursuant to Clause 5A.3(a), 5A.3(d) or 5A.6 of this Agreement, all payments made under the fourth (4th) column above, shall be forfeited to the Vendor.
- 2 In the event the EPU Approval and/or State Consent is not obtained at the expiry of the seven (7) months from the date of this Agreement and the Vendor hereby agrees to grant extension of time for the EPU Approval and State Consent to be obtained, the Purchaser shall continue to pay the Vendor the sum of RM150,000.00 (including RM100,000.00 and RM50,000.00 to be paid towards the Purchase Price and the Purchaser's Option Price, respectively) on monthly basis commencing from the expiry of the seven (7) months period until the Unconditional Date. The remaining balance of the Purchase Price shall be payable within one (1) month from the Unconditional Date.
- 3 Late payment interest at the Agreed Rate shall be imposed by the Vendor on the Purchaser on the delay in any payment after the due date in accordance with the provisions of this Agreement and the **Third Schedule** hereto.

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APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

THE FOURTH SCHEDULE
(to be taken read and construed as an essential part of this Agreement)

OPTION TO PURCHASE: LAND DETAILS AND OPTION PRICE

Plot No.	Lot	Land Title / PT No.	Acreage (acres)	Area (sq. ft.)	Unit Price (RM/sq. ft.)	Total Purchaser's Option Price (RM)
1	31	H.S.(D) 214707, PT 253438, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	19.45	847,234	33.00	27,958,722
2	25	H.S.(D) 214701, PT 253432, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	17.16	747,330	33.00	24,661,890
3	26	H.S.(D) 214702, PT 253433, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	19.46	847,677	33.00	27,973,341
4	30	H.S.(D) 214706, PT 253437, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	17.51	762,672	33.00	25,168,178
5	29	H.S.(D) 214705, PT 253436, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	17.47	760,958	33.00	25,111,614
6	27	H.S.(D) 214703, PT 253434, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	16.81	732,439	33.00	24,170,487
7	28	H.S.(D) 214704, PT 253435, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	16.11	701,577	33.00	23,152,041

Note:

- 1 The plots listed above are available for purchase only upon exercise of the option granted under **Clause 5A** of this Agreement.
- 2 The payment milestones for each plot shall follow the same structure as set out in the **Third Schedule** of this Agreement, with balance purchase price adjusted according to the total Purchaser's Option Price of the respective plot.

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

- 3 Any Monthly Charge and/or Additional Charge payable under Clause 5A of this Agreement shall be calculated based on the Purchaser’s Option Price of the respective plot as set out in the Fourth Schedule hereto.

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APPENDIX “B”

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



Perunding ZKR Sdn. Bhd.

Cs. No.: 199401026154 (311835-T)
No. 67, Jalan SS 4/10, Kelana Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel: 03-7805 4632 E-mail: general@pzkr.com.my



CERTIFIED 10/12/2018
EXP. DATE: 5-1-2020



CERTIFIED 12/02/2019
EXP. DATE: 01-01-2021

SUPERVISING CONSULTANT'S RECOMMENDATION FOR PAYMENT NO.: 10

PROJECT TITLE	: MAIN INFRASTRUCTURE WORKS FOR CADANGAN SKIM PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS LOT PT253406, PT253415-PT253450, PT253457-PT253458, KAWASAN PERINDUSTRIAN KANTHAN, MUJIM HULU KINTA, DAERAH KINTA, PERAK DARUL RIDZUAN UNTUK TETUAN PERBADANAN KEMAJUAN NEGERI PERAK		
CLIENT	: PERAK CORPORATION BERHAD NO. 1, JALAN LASAM, 30360 IPOH, PERAK DARUL RIDZUAN. JOINT VENTURE WITH ADVANCECON DEVELOPMENT SDN. BHD. 16,18 & 20, JALAN PEKAKA 8/3, SEKSYEN 8, KOTA DAMANSARA, 47810 PETALING JAYA, SELANGOR DARUL EHSAN.		
CONTRACTOR	: ADVANCECON INFRA SDN. BHD. 16,18 & 20, JALAN PEKAKA 8/3, SEKSYEN 8, KOTA DAMANSARA, 47810 PETALING JAYA, SELANGOR DARUL EHSAN.		
CONTRACT NO.	: -		
ORIGINAL CONTRACT SUM	:	RM	417,653,855.00
ADDED/DEDUCT VARIATIONS	:	RM	-
REVISED CONTRACT SUM	:	RM	-
RETENTION FUND (5 %)	:	RM	20,882,692.75
1. CUT-OFF DATE	:	25/11/2025	
2. TOTAL VALUE OF WORK DONE BY MAIN CONTRACTOR		RM	34,021,045.26
3. TOTAL VALUE OF WORK DONE BY NOMINATED SUB-CONTRACTOR		RM	121,930.00
4. ADD THE VALUE OF MATERIALS ON SITE (75%)		RM	-
5. GROSS TOTAL		RM	34,212,975.26
6. DEDUCTIONS			
a. Retention Fund (10%)	RM	3,421,297.53	
b. Liquidated Damages	RM	-	
c. Other sums due to the Employer under the Contract	RM	-	
Total Deduction		RM	3,421,297.53
7. TOTAL WORKS CERTIFIED		RM	30,791,677.73
8. TOTAL WORKS CERTIFIED IN PREVIOUS CERTIFICATE		RM	28,723,836.95
9. AMOUNT DUE IN THIS CERTIFICATE		RM	2,068,040.80

RINGGIT MALAYSIA : TWO MILLION SIXTY EIGHT THOUSAND FORTY AND SEN EIGHTY ONLY

Ng Chun Kien

Issuance Date : 14/01/2026

PERUNDING ZKR SDN BHD (199401026154)

67, Jalan SS8/10, Kelana Jaya,
47301, Petaling Jaya, Selangor, Malaysia.
Tel : 03-78054632 Fax : 03-78054631

Pan Chai Chin

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



PERUNDING UKUR BAHAN CS (INCORPORATED IN MALAYSIA)
(REGISTRATION NO. 262990001)
Chartered Quantity Surveyors, Construction Cost Consultants

F-01-04, Block P, Pusat Perdagangan Perling Prima, Jalan Pkian 1/3,
Perling Prima Utama, Taman Perling Prima, 47110 Puchong,
Selangor Darul Ehsan, Malaysia.
Tel: (603) 8065 3483 Fax: (603) 8065 3485
Email: enquiry@pubcs.com GST No.: B08-1805-31000577
Principal: Ir Chia Chong Seng, CQS



Chartered Quantity Surveyors
Project Cost Management &
Value Engineering

Ref: PUBCS/AYC/SVTP/INFRA/IV10

13th January 2026

PERUNDING ZKR SDN BHD
67, Jalan SS 6/10, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

Tel: 03 - 7805 4632
Fax: 03 - 7805 4631

Attn: Ir. Pan Chai Chiu

Dear Sirs,

MAIN INFRASTRUCTURE WORKS FOR CADANGAN SKIM PEMBRANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT253406, PT253415-PT253456, PT253457-PT253458, KAWASAN PERINDUSTRIAN KANTHAN, MUKIM HULU KINTA, DAERAH KINTA, PERAK DARUL RIDZUAN UNTUK TETUAN PERBADANAN KEMAJUAN NEGERI PERAK

INTERIM VALUATION NO. 10

We have pleasure to enclose herewith One (1) copies of Interim Valuation recommending the estimated amount due as follows :-

S/N	Description of Works	Payment In Favour Of	Cert. No.	Amount Due (RM)
1	Main Infrastructure Works	Advanscon Infra Sdn Bhd	10	2,068,040.80
Total Amount Recommended				2,068,040.80

We certify that under the terms and conditions of the Contract the amount of **RM 2,068,040.80** now due to Advanscon Infra Sdn Bhd is the value of the work done under this valuation.

This will bring the total amount certified to: **RM 30,791,477.75**

Thank you.

Yours faithfully,



Ir Chia Chong Seng
(BSC Hons Q.S., MISM, MRICS) Principal

Cc: Advanscon Development Sdn Bhd (Attn: En. Ahmadnoor Bin Yusoff)
Advanscon Infra Sdn Bhd (Attn: Mr. Lee Chin Seng)
Attn: Ingenieur (M) Sdn Bhd (Attn: Mr. Sui)

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

INTERIM VALUATION NO. 10

CONTRACT : MAIN INFRASTRUCTURE WORKS FOR CADANGAN SKIM PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT253406, PT253415-PT253450, PT253457-PT253458, KAWASAN PERINDUSTRIAN KANTHAN, MUKIM HULU KINTA, DAERAH KINTA, PERAK DARUL RIDZUAN UNTUK TETUAN PERBADANAN KEMAJUAN NEGERI PERAK

LETTER OF AWARD REF NO. : ADRB/FD2024/12-02
 CONTRACT SUM : RM 417,653,855.00
 DATE OF COMMENCEMENT : Refer Notice of Commencement issued by the Employer
 DATE OF COMPLETION : 36 months from the Notice of Commencement
 LIQUIDATED DAMAGES : RM 15,000 per day subject to maximum capped at RM 5,000,000.00
 LIMIT OF RETENTION SUM : RM 20,082,692.75

INTERIM VALUATION NO. 10

Period Ending- 25th November 2025

DESCRIPTION OF WORKS	TOTAL PAYABLE (RM)
1.0 CONTRACT SUM (RM)	417,653,855.00
2.0 VARIATION ORDER	
2.1 Addition	-
2.2 Deduction	-
Nett Addition/Deduction	-
3.0 ADJUSTED CONTRACT SUM	417,653,855.00
4.0 <u>VALUATION OF WORKS</u>	
4.1 Value of work executed	34,091,045.28
4.2 Value of Variation works executed & approved	121,930.00
4.3 75% of the Value of material on site	-
VALUE OF WORKDONE	34,212,975.28
5.0 <u>LESS :-</u>	
5.1 10% Retention Sum, subject to maximum 5% of Contract Sum	(3,421,297.53)
6.0 <u>ADD :-</u>	
SUB-TOTAL	30,791,677.75
7.0 <u>LESS :-</u> Amount previously certified No. 1 - 9	(28,713,636.95)
NETT AMOUNT DUE (RM)	2,068,040.80
Ringgit Malaysia : Two Million Sixty-Eight Thousand Forty and Cents Eighty Only	

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

PROJECT CODE: J00793

ROAD INFRASTRUCTURE WORKS FOR CADANGAN ZONAN PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT230406, PT230410-PT230430, PT230431-PT230438, KAWASAN PERINDUSTRIAN KANTHAN, BLOK M&U KINTA, LAGARAH KINTA, PERAK DARUL RIDZUAN UNTUK TETAPAN PERBAGIANAN KAWASAN BLOK M&U PERAK

ITEM VALUATION NO. 10
Penerbitan: 22/05/2024

FINAL SUMMARY

REL. NO.	DESCRIPTION	NOMINALISED AMOUNT (RM)	PREVIOUS CUMULATIVE		CURRENT CLAIM		CUMULATIVE CLAIM	
			%	(RM)	%	(RM)	%	(RM)
	VOLUME I – EXTERNAL INFRASTRUCTURE AND CIVIL WORKS							
001	PRELIMINARIES	45,214,080.80	18.72%	7,693,813.26	6.79%	324,758.80	19.93%	8,065,587.88
002	SITE CLEARING AND EARTHWORKS	98,885,011.80	16.04%	28,083,301.51	1.32%	1,973,681.31	17.36%	28,019,388.80
	2.1 SITE CLEARING WORKS	7,830,000.00	80.30%	7,800,290	1.40%	83,000.00	88.43%	7,884,290.00
	2.2 EARTHWORKS	117,807,435.00	13.60%	18,984,000.57	1.90%	1,835,684.27	33.19%	17,869,684.84
	2.3 EROSION CONTROL AND CONTROL PLAN	5,443,285.00	10.08%	543,948.60	6.74%	13,713.34	61.33%	567,750.24
	2.4 BOUNDARY DEMARKATION	18,807,000.00	-	-	-	-	-	-
003	DESIGN AND BUILD PRESTRESSED PRECAST BRIDGE	3,473,000.00	-	-	-	-	-	-
	3.1 BRIDGE	3,473,000.00	-	-	-	-	-	-
	3.2 REINFORCED CONCRETE	1,887,000.00	-	-	-	-	-	-
004	ROAD AND DRAINAGE WORKS	39,092,718.80	-	-	-	-	-	-
	4.1 ROAD WORKS	38,365,465.00	-	-	-	-	-	-
	4.2 DRAINAGE WORKS	36,273,750.00	-	-	-	-	-	-
005	SEWER RETICULATION WORKS	8,715,708.80	-	-	-	-	-	-
	5.1 SEWERAGE RETICULATION WORKS	8,711,240.00	-	-	-	-	-	-
	5.2 SEWERAGE RETICULATION WORKS OUTSIDE BOUNDARY	3,404,468.80	-	-	-	-	-	-
006	WATER RETICULATION WORKS	19,463,428.80	-	-	-	-	-	-
	6.1 WATER RETICULATION WORKS	8,773,878.80	-	-	-	-	-	-
	6.2 WATER RETICULATION WORKS OUTSIDE BOUNDARY	10,689,550.00	-	-	-	-	-	-
007	DESIGN AND BUILD SEWAGE TREATMENT PLANT	13,945,090.00	-	-	-	-	-	-
	7.1 DESIGN AND BUILD SEWAGE TREATMENT PLANT (17,000 PD)	13,945,090.00	-	-	-	-	-	-
008	DESIGN AND BUILD WATER RESERVOIR, SUCTION TANK AND PUMP HOUSE	41,835,000.00	-	-	-	-	-	-
	8.1 WATER RESERVOIR, S.D SUCTION TANK AND PUMP HOUSE	41,835,000.00	-	-	-	-	-	-
009	ON-SITE DETENTION POND	24,825,448.80	6.37%	86,108.32	6.60%	-	0.27%	86,108.32
	9.1 POND CONSTRUCTION	13,125,288.00	6.90%	-	0.00%	-	0.00%	-
	9.2 POND PROTECTION	11,699,160.80	6.45%	86,108.32	0.00%	-	0.45%	86,108.32
010	TWO SUB-STATION	383,880.00	-	-	-	-	-	-
	10.1 TWO SUB-STATION (SINGLE CHAMBER)	233,880.00	-	-	-	-	-	-
	10.2 TWO SUB-STATION (DOUBLE CHAMBER)	150,000.00	-	-	-	-	-	-
011	PROVISIONAL SUMS	5,148,008.80	-	-	-	-	-	-
	11.1 LANDSCAPE WORKS	2,448,000.00	-	-	-	-	-	-
	11.2 TRAFFIC LIGHT AT JUNCTION	1,000,000.00	-	-	-	-	-	-
	11.3 PERSEKUTAN PERINDUSTRIAN KANTHAN (Approximate 1km distance)	1,700,008.80	-	-	-	-	-	-
SUB-TOTAL AMOUNT FOR VOLUME I		377,032,418.80		31,793,222.17		2,287,823.10		34,081,045.28
	VOLUME II – EXTERNAL M&E INFRASTRUCTURE WORKS							
A	PRELIMINARIES	180,000.00						
B	EXTERNAL TELECOMMUNICATION WORK	3,007,428.80						
C	M&E SERVICES (TWO SUBSTATION)	384,880.00						
D	STREET LIGHTING WORK	2,781,875.80						
E	EXTERNAL LIGHTING WORKS FOR TWO	1,000,000.00						
F	PROVISIONAL SUMS	80,000.00						
SUB-TOTAL AMOUNT FOR VOLUME II		15,398,448.80		-		-		-
SUB-TOTAL AMOUNT FOR VOLUME I + II		392,430,868.80		31,793,222.17		2,287,823.10		34,081,045.28
	CONTINGENCES SUM	37,323,898.80						
	VARIATION ORDER			121,818.80		-		121,818.80
TOTAL AMOUNT FOR VOLUME I + II		411,833,858.80		31,915,041.17		2,287,823.10		34,212,975.28

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)

PROJECT - SVTP01

MAIN INFRASTRUCTURE WORKS FOR CADANGAN SKW PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT253405, PT253415-PT253488, PT253487-PT253490, KAWASAK PERINDUSTRIAN KANTHAN, MUKIM HULU KINTA, DAERAH KINTA, PERAK DARUL RIDZUAN UNTUK TETUAN PERPADAMAN KEMAJUAN NEGARA PERAK

BILL NO. 1 - PRELIMINARIES

INTERIM VALUATION NO. 10
Period Ending:- 28th November 2025

Page	Item	Description	Unit	Amount (RM)	Initial Cost (RM)				Recurring Cost (RM)			
					Allocated Amount		Claim Amount		Allocated Amount		Claim Amount	
					%	Amount (RM)	%	Amount (RM)	%	Amount (RM)	%	Amount (RM)
B11	1	Compliance to Conditions of Tendering	Item	50,000.00	100%	50,000.00	100%	50,000.00	-	-	-	-
B11	2	Construction Plant and Equipment	Item	15,425,000.00	10%	1,542,500.00	100%	1,542,500.00	90%	14,111,190.00	7.88%	1,111,954.08
B11	3	Access To Site	Item	500,000.00	20%	60,000.00	100%	60,000.00	80%	240,000.00	7.88%	18,912.00
B11	4	Scaffolding And Scaffers	Item	140,000.00	20%	30,000.00	-	-	80%	120,000.00	-	-
B11	5	Insurance (W/C and CAR)	Item	925,000.00	100%	925,000.00	100%	925,000.00	-	-	-	-
B12	6	Contract Document Fee	Item	35,000.00	100%	35,000.00	100%	35,000.00	-	-	-	-
B12	7	Setting Out	Item	1,500,000.00	-	-	-	-	100%	1,500,000.00	7.88%	118,200.00
B11	8	Temporary Power and Water Supply	Item	850,000.00	50%	180,000.00	100%	180,000.00	80%	670,000.00	7.88%	52,432.00
B11	9	Submission of Sample Materials	Item	100,000.00	-	-	-	-	100%	100,000.00	7.88%	7,880.00
B11	10	Compliance with Authorities' Requirements	Item	250,000.00	-	-	-	-	100%	250,000.00	7.88%	19,700.00
B11	11	Supervision and Site Management	Item	13,825,000.00	-	-	-	-	100%	13,825,000.00	7.88%	1,089,016.00
B11	12	Adjacent Properties/ Nuisance etc. (Mitigation Report)	Item	75,000.00	100%	75,000.00	-	-	-	-	-	-
B11	13	Temporary Cratering To Site	Item	450,000.00	-	-	-	-	100%	450,000.00	7.88%	35,460.00
B11	14	Site Meeting	Item	115,000.00	-	-	-	-	100%	115,000.00	7.88%	9,082.00
B11	15	Police, Medication, Control and Site Hygiene	Item	540,000.00	-	-	-	-	100%	540,000.00	7.88%	42,522.00
B11	16	Worker's Accommodation	Item	1,800,000.00	50%	900,000.00	100%	900,000.00	50%	900,000.00	7.88%	70,920.00
B12	17	Attendance To and Co-ordination with Nominated/ Specialist Sub-Contractors and Direct Contractor	Item	100,000.00	-	-	-	-	100%	100,000.00	7.88%	7,880.00
B12	18	Removal of Rubbish	Item	200,000.00	-	-	-	-	100%	200,000.00	7.88%	15,760.00
B12	19	Cleaning of Ho Works	Item	200,000.00	-	-	-	-	100%	200,000.00	-	-
B12	20	Site Security	Item	540,000.00	-	-	-	-	100%	540,000.00	7.88%	42,522.40
B12	21	Traffic Management and Control	Item	350,000.00	-	-	-	-	100%	350,000.00	-	-
B12	22	Making Good of Existing Public Utilities	Item	350,000.00	-	-	-	-	100%	350,000.00	7.88%	27,580.00
B12	23	Compliance to Conditions of Contract	Item	140,000.00	-	-	-	-	100%	140,000.00	7.88%	11,020.00
B12	24	Game Duty	Item	400,000.00	100%	400,000.00	100%	400,000.00	-	-	-	-
B12	25	COSE Registration, Fees and Levies	Item	525,000.00	100%	525,000.00	100%	525,000.00	-	-	-	-
B12	26	Maintenance of Temporary Hoardings	Item	60,000.00	-	-	-	-	100%	60,000.00	7.88%	4,740.00
B12	27	Provision of Site Vehicles Includes Maintenance & Petrol/ Diesel	Item	500,000.00	100%	500,000.00	45%	405,000.00	-	-	-	-
B12	28	Site Tank	Item	38,000.00	100%	38,000.00	100%	38,000.00	-	-	-	-
B12	29	Environmental Monitoring Protection (EMP)	Item	200,000.00	100%	200,000.00	100%	200,000.00	-	-	-	-
B12	30	Material Testing	Item	300,000.00	-	-	-	-	100%	300,000.00	7.88%	23,640.00
B12	31	Soil Investigation Works	Item	65,000.00	-	-	-	-	100%	65,000.00	7.88%	5,176.00
TOTAL				41,014,000.00		5,893,868.00		5,290,900.00		36,120,106.00		2,714,967.88

Total Payable Amount

% of Workshare = Total Current Amount of Workshare in Volume I (Excl. Preliminaries and Prov. Sum)
Total Amount of Contract Sum in Volume I (Excl. Preliminaries and Prov. Sum)

= $\frac{36,082,477.40}{390,870,415.90}$ = **7.88%**

1) Initial Cost 5,290,900.00

2) Recurring Cost 2,714,967.88

8,006,967.88

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)

PROJECT: SUTEP
BILL NO.2 - SITE CLEANING AND EARTHWORKS

INTERIM VALUATION NO. 12
Period Ending: 31st November 2022

		CONTRACT TOTAL			PREVIOUS CLAIM		CURRENT CLAIM		CUMULATIVE CLAIM	
Item	Description	Unit	Qty	Rate RM	Amount RM	%	RM	%	RM	%
2.1 - SITE CLEANING										
SITE CLEANING FOR WHOLE SITE										
A	Clear the site within the site boundary (1 approximately 755 acres)	Sqm	--	--	1,895,992.00	98.90%	7,559,290.00	1.10%	85,533.00	99.90%
Allow for all other works not described above but shown on drawings or necessary to achieve practical completion of the works (Please specify below)										
B		Sqm	--	--	--					
C		Sqm	--	--	--					
D		Sqm	--	--	--					
2.1 / 3					TOTAL CLAIMED TO COLLECTION (RM)		7,594,290.00		7,594,290.00	
2.1 - SITE CLEANING WORKS										
COLLECTION										
Page No.2.1 / 3					1,895,992.00		7,559,290.00		85,533.00	
Page No.2.1 / 3										
2.1 / 3					TOTAL CLAIMED TO COLLECTION SUMMARY (RM)		7,594,290.00		7,594,290.00	
2.2 - EARTHWORKS										
SURVEY ON EXISTING GROUND										
A	After site clearing for the whole site, the Contractor is to engage a Registered Licensed Surveyor to check, verify and confirm the Client's Surveyor's topography plan and the levels	Sqm	--	--	361,569.00	98.90%	377,290.00	9.90%	1,090.00	99.90%
SURVEY UPON COMPLETION OF EARTHWORKS PLATFORM										
B	Upon completion of earthwork platform, the contractor must engage a Registered Licensed Surveyor to check and provide the drawings showing the as-built levels of the earthwork platform	Sqm	--	--	361,569.00					
EARTHWORKS										
C	Bulk excavation in stages	m ³	4,505,444	7.90	48,794,670.00	93.40%	3,494,090.00	9.10%	1,596,041.00	92.90%
D	Imported materials and fill materials to final required levels	m ³	--	40.00	(RM 1200)					
E	Excavate and replace of any defective materials and fill with approved suitable recycled materials including proper compaction	m ³	394,337	30.00	8,130,105.00	86.10%	4,214,204.47	5.00%	106,007.46	49.90%
2.2 / 3					TOTAL CLAIMED TO COLLECTION (RM)		48,846,149.47		14,886,307.46	
CARTRIDGE (COMPS)										
A	EXTRA OVER for excavation (Control Ramping) and loading up total risk	m ³	1,525,391	70.00	10,677,737.00					
B	Remove excavation rock to a designated area within the site	m ³	1,525,391	10.00	18,300,810.00					
PRODUCT REWORKS										
C	Construct and complete project as planned in current site 300mm x 300mm high	mm	1	13,000.00	13,000.00					
TEMPORARY EXPENSES										
D	Construct proper safety area to ensure structural stability of the road handling at 300mm height	m	6,564	30.00	1,969,070.00	90.30%	1,887,728.44		--	99.70%
E	EXTRA OVER for forming gully covering site excavations 300mm x 300mm high	mm	3	13,000.00	39,000.00	100%	39,000.00		--	100%
2.2 / 3					TOTAL CLAIMED TO COLLECTION (RM)		18,424,684.44		1,887,728.44	
Allow for all other works not described above but shown on drawings or necessary to achieve practical completion of the works (Please specify below)										
A		Sqm	--	--	--					
B		Sqm	--	--	--					
C		Sqm	--	--	--					
2.2 / 3					TOTAL CLAIMED TO COLLECTION (RM)		--		--	

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

PROJECT: INTYPI
 BILL NO. 2 - SITE CLEARING AND EARTHWORKS

INTERIM VALUATION NO. 12
 Priced Bidding: 29th November 2022

Item	Description	Unit	Qty.	CONTRACT AMOUNT		PREVIOUS CUMULATIVE		CURRENT CLAIM		CUMULATIVE CLAIM	
				Rate RM	Amount RM	%	(RM)	%	(RM)	%	(RM)
2.1 - EARTHWORKS											
COLLECTION											
	Page No.2.2.1.1										
	Page No.2.2.1.2										
	Page No.2.2.1.3				31,805,149.00		11,884,307.32		1,875,894.27		16,085,131.61
	Page No.2.2.1.4				31,301,655.00		1,367,138.29				1,367,138.29
	Page No.2.2.1.5										
2.1.1.5 TOTAL CLAIMED TO COLLECTOR SUMMARY (RM)					111,497,433.31		13,251,445.61		1,875,894.27		17,985,899.84
2.1.2 EROSION AND SEDIMENT CONTROL PLAN											
TEMPORARY CROSS-ROAD											
A	Construct, and complete 1000mm wide x 100mm deep temporary cross PCP	m	25	1,000.00	25,000.00	100%	25,000.00			100%	25,000.00
TEMPORARY EARTHWORK											
B	Excavate to form temporary earth bank (100mm (base width) x 800mm (C) of 1:1 side slope for drainage)	m	31,800	28.30	900,540.00	84.71%	321,338.00	1.38%	11,823.03	37.91%	335,848.24
TEMPORARY EARTHWORK											
C	Construct of temporary earth bank	m	2,200	25.00	55,000.00	100%	55,000.00			100%	55,000.00
SHOULDER BANK											
D	Construct of shoulder bank	m	300	300.00	90,000.00	23.88%	17,332.00			23.88%	17,332.00
SHOULDER BANK											
E	Construct and complete bunding including earth retention to Engineer's design and requirements	m	1	15.00	15.00						
2.1.2.5 TOTAL CLAIMED TO COLLECTOR (RM)					1,046,195.00		544,368.00		11,823.24		426,416.24
2.1.3 MAINTENANCE											
A	Construct, complete and maintain of temporary earth bank	m	1	120,000.00	120,000.00	91.67%	110,000.00			91.67%	110,000.00
B	Supplying of equipment, water consumption and electricity supply and other associated works for earth bank	item	1		80,000.00						
SHOULDER BANK											
C	Construct and complete temporary bank	m	25	88,000.00	2,200,000.00						
D	1000mm x 1200mm (base width) reinforced concrete earth pipe 450 length of water to channel bank	m	400	5,000.00	2,000,000.00						
SHOULDER BANK											
E	Construct, complete and maintain of earth bank with 1:1 slope and 100mm (base width) reinforced concrete to channel	m	3,000	25.00	75,000.00						
2.1.3.5 TOTAL CLAIMED TO COLLECTOR (RM)					3,047,400.00		1,110,000.00				1,110,000.00
2.1.4 EROSION AND SEDIMENT CONTROL PLAN											
2.1.4.1 COLLECTION											
	Page No.2.2.1.1				1,946,335.00		410,000.00		11,823.24		426,416.24
	Page No.2.2.1.2				1,047,450.00		120,000.00				120,000.00
	Page No.2.2.1.3				1,120,600.00		13,380.00		1,380.00		15,380.00
2.1.4.5 TOTAL CLAIMED TO COLLECTOR SUMMARY (RM)					3,114,385.00		543,380.00		13,203.24		562,796.24

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

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APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)

PROJECT: **PERAK**
BILL 9 - POND AND RIVER (GRAVING) WORKS

VALUATION NO. 36
 Dated: Friday, 15th November 2021

ROW	Description	UNIT	Qty	CONTRACT AMOUNT		PREVIOUS CUMULATIVE		CURRENT CLAIM		CUMULATIVE CLAIM							
				RM	Amount RM	%	(RM)	%	(RM)	%	(RM)						
B.1 - POND CONVERSION																	
CONVERSION OF EXISTING NATURAL POND TO QUANTIFICATION POND																	
Excludes or related work as per Bill of Materials																	
A	To itemize pond No. 1	m2	12,875	50.00	643,750.00												
B	To itemize pond No. 2	m2	10,780	50.00	539,000.00												
Supply and lay 100mm or other approved equivalent fabric membrane																	
C	To itemize pond No. 1	m2	12,822	8.00	102,576.00												
D	To itemize pond No. 2	m2	10,780	8.00	86,240.00												
Supply and lay 100mm or other approved equivalent fabric																	
E	To itemize pond No. 1	m2	11,823	180.00	2,128,140.00												
F	To itemize pond No. 2	m2	10,780	180.00	1,940,400.00												
Supply and lay 100mm or other approved equivalent fabric																	
G	To itemize pond No. 1	m2	12,822	225.00	2,884,950.00												
H	To itemize pond No. 2	m2	10,780	225.00	2,425,050.00												
B.1.1 TOTAL CARRIED TO COLLECTION (RM)												10,260,000.00					
Allow for all other works not described above but shown as items in summary in bill of material and/or in the bill of materials. Please specify below																	
A		RM															
B		RM															
C		RM															
B.1.2 TOTAL CARRIED TO COLLECTION (RM)												0					
B.1.1 - POND CONVERSION																	
COLLECTION																	
Page No. B.1.1												10,260,000.00					
Page No. B.1.2												0					
B.1.3 TOTAL CARRIED TO COLLECTION (RM)												10,260,000.00					

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

PROJECT: JSTP1
SILL 3 – POND AND RIVER (UPSTREAM) WORKS

BIGLARM VALUATION NO. 01
Revised Estimate: 2008 November 2009

Item	Description	Unit	CONTRACT AMOUNT			PREVIOUS CUMULATIVE		CURRENT CLAIM		CUMULATIVE CLAIM	
			Qty	Rate (\$)	Amount (\$)	%	(RM)	%	(RM)	%	(RM)
5.2 - RIVER PROTECTION											
PROTECTION OF EXISTING RIVER BANK											
Carved and concrete pillars for river-bank protection (existing and new at 150m POND) or other approved equivalent											
A	To river bank at bottom of bridge crossing	m ²	1.188	326.02	406,430.56						
Reinforced concrete pillars for protection of bridge (POND) or other approved equivalent											
B	Pier main protection to both sides of existing river bank	m ²	87.488	84.90	7,396,009.92						
Reinforced concrete pillars for protection of bridge (POND) or other approved equivalent											
C	To lateral extent of existing river bank	m ²	7.607	886.00	6,719,808.00	1.00%	66,198.32			1.00%	66,198.32
Reinforced concrete pillars for protection of bridge (POND) or other approved equivalent											
D	To river bank at bottom of bridge crossing	m ²	1.188	326.02	406,430.56						
Reinforced concrete pillars for protection of bridge (POND) or other approved equivalent											
E	To both sides of river main protection river bank	m ²	87.488	84.90	7,396,009.92						
5.2.1			TOTAL CLAIMED TO COLLECTION (RM)				66,198.32				66,198.32
PROTECTION OF EXISTING RIVER BANK											
Carved and concrete pillars for river-bank protection (existing and new at 150m POND) or other approved equivalent											
A	To base of culvert inlet and outlet	m ²	38	318.00	12,084.00						
Carved and concrete pillars for protection of bridge (POND) or other approved equivalent											
B	To base of culvert inlet and outlet	m ²	38	3,000.00	114,000.00						
SAVES											
C	Allow for connection works and supporting works at base of bridge from internal to culvert (to include foundation, including any other associated works in connection to foundation requirement)	item			250,000.00						
Allow for all other works not described above but shown on drawings or necessary to achieve full completion of the works (Please specify below)											
D		item									
E		item									
F		item									
5.2.2			TOTAL CLAIMED TO COLLECTION (RM)				120,084.00				
5.3 - RIVER PROTECTION											
COLLECTION											
Page No. 8.2 / 1					14,235,810.00		66,198.32				66,198.32
Page No. 8.2 / 2					230,800.00						
5.3.1			TOTAL CLAIMED TO COLLECTION (RM)				66,198.32				66,198.32

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

MAIN INFRASTRUCTURE WORKS FOR CADANGAN SEM PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT253466, PT253413-PT253466, PT253457-PT253466, KAWASAN PERINDUSTRIAN RANTHAN, BUKIT HULU HINTA, DAERAH RINTA, PERAK DARUL KEDZUAN UNTUK TETAPAN PERBAGAWAN KEMAJLISAN NEGARA PERAK

SUMMARY OF VARIATION ORDER
SITES IN VALUATION NO. 1)
Period Ending - 29th November 2025

VO	DESCRIPTION	Ref No.	VALUE OF VARIATION ORDER			WORK DONE %			
			Addition	Omission	Net	Prev	Cur	Total	Amount
1	Additional Paving, Gate and Access Road	Site Memo SVATVTP03	121,000.00	—	121,000.00	100%	0%	100%	121,000.00
TOTAL AMOUNT OF VARIATION ORDER			121,000.00	—	121,000.00				121,000.00

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

VARIATION ORDER				VARIATION ORDER WORKDONE						
SVTP INFRA WORKS				INTERIM VALUATION NO.10						
Brief Summary of Variation Works: Additional Hoarding, Gate and Access Road				VO No: 1						
Brief Reason for the V.O:				Period Ending : 29th November 2020						
Building : Civil and Infrastructure Works				Trade : Infra Works						
Instructions : Sdn Bina - BM/VP/PCS										
Item	Description	BO Ref	Unit	Value of Variation Order			Work Done			
				Qty	Rate	Amount	Prer	Curr	Total	Amount
ADDITION TO CONTRACT										
TEMPORARY HOARDING										
1	To supply and install 0.3m thick TCT metal deck sheet (3.0m H) complete with vertical post, RWS 100mm x 70mm in 1.8m at 3.0m c/c; steel bar RWS 100mm x 80mm at 8.0m c/c. Deck horizontal to RWS 100mm x 80mm, 300mm x 300mm x 60mm (E) RC railing including all necessary excavation and work accessories.	NEW	m	281	320.00	90,128.00	100%	0%	100%	90,128.00
2	To supply and install 1.8m (H) x 0.3m (W) double leaf hoarding gate consist of metal deck & 3mm thick TCT metal deck consist of post 150mm x 150mm x 10mm thick S45C H.S. Post, horizontal base RWS 100mm x 70mm x 3.0m H.S. vertical base RWS 100mm x 70mm x 3.0m H.S. intermediate base RWS 100mm x 70mm x 3.0m H.S. RC railing and including all necessary works & accessories as shown in the drawing.	NEW	nos	1	20,100.00	20,100.00	100%	0%	100%	20,100.00
ACCESS ROAD										
To supply and provide machinery, including all necessary equipment, for the construction of the access road										
3	Excavator 200 Series	NEW	days	4	1,600.00	6,400.00	100%	0%	100%	6,400.00
4	Backhoe	NEW	days	1	180.00	1,800.00	100%	0%	100%	1,800.00
5	Roller Compactor	NEW	days	1	640.00	6,400.00	100%	0%	100%	6,400.00
TOTAL ADDITION						121,828.00				121,828.00
Value of Workdone						121,828.00				121,828.00

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)

PROJECT : SVTP01

MAIN INFRASTRUCTURE WORKS FOR CADANGAN SKIM PEMBANGUNAN SILVER VALLEY TECHNOLOGY PARK (SVTP) DI ATAS PT253406, PT253415-PT253450, PT253457-PT253458, KAWASAN PERINDUSTRIAN KANTHAN, MUKIM HULU KINTA, DAERAH KINTA, PERAK DARUL RIDZUAN UNTUK TETUAN PERBADANAN KEMAJUAN NEGERI PERAK

INTERIM VALUATION NO.10

Period Ending:- 25th November 2025

SUMMARY OF PAYMENT CERTIFIED

Ref:-	Description	Amount
1	Interim Valuation No. 1 (Dated 14th April 2025)	8,080,863.00
2	Interim Valuation No. 2 (Dated 13th May 2025)	5,460,589.61
3	Interim Valuation No. 3 (Dated 25th April 2025)	1,588,851.17
4	Interim Valuation No. 4 (Dated 25th May 2025)	1,105,834.25
5	Interim Valuation No. 5 (Dated 25th June 2025)	2,362,159.78
6	Interim Valuation No. 6 (Dated 25th July 2025)	3,503,609.47
7	Interim Valuation No. 7 (Dated 25th August 2025)	2,719,437.92
8	Interim Valuation No. 8 (Dated 25th September 2025)	1,500,623.57
9	Interim Valuation No. 9 (Dated 25th October 2025)	1,601,668.18
Total Amount Certified :		28,723,636.95

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



Chartered Surveyors, Registered Valuers & Estate Agents, Project & Property Managers, Development Consultants

8th Floor, Campbell Complex,
98 Jalan Dang Wangi,
50100 Kuala Lumpur, Malaysia.
Tel : (603) 2692 3238
E-mail: admin@ppc.com.my
Website: www.ppc.com.my

VALUATION CERTIFICATE

Our Ref : PPC/25/V0674

25 August 2025

Board of Directors

PERAK CORPORATION BERHAD
No. 1-A, Block B, Menara PKNP
Jalan Meru Casuarina, Bandar Meru Raya
30020 Ipoh, Perak Darul Ridzuan
Malaysia

Dear Sir/Madam,

REPORT AND VALUATION TO ASCERTAIN THE MARKET VALUE OF AN INTEREST HELD BY PERAK CORPORATION BERHAD ("PERAK CORP") IN HSD 214675, HSD 214685, HSD 214687 TO HSD 214719, HSD 214726 AND HSD 214727, LOT NOS. PT 253406, PT 253416, PT 253418 TO PT 253450, PT 253457 AND PT 253458 (NOW KNOWN AS LOT NOS. 550959, 550969, 550971 TO 551003, 551010 AND 551011) RESPECTIVELY, MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK DARUL RIDZUAN (THE PROPERTY), WHICH FORMS PART OF THE ONGOING DEVELOPMENT KNOWN AS THE SILVER VALLEY TECHNOLOGY PARK INDUSTRIAL HUB ("SVTP INDUSTRIAL HUB"), PURSUANT TO THE MASTER DEVELOPMENT AGREEMENT ("MDA") BETWEEN PERBADANAN KEMAJUAN NEGERI PERAK ("PKNP") AND PERAK CORP DATED 31 MARCH 2023, THE JOINT VENTURE AGREEMENT ("JVA II") BETWEEN PKNP AND PERAK CORP DATED 8 JANUARY 2024 AND THE JOINT DEVELOPMENT AGREEMENT ("JDA") BETWEEN PERAK CORP AND ADVANCECON DEVELOPMENT SDN BHD ("JOINT DEVELOPER") DATED 8 JANUARY 2024

This valuation certificate has been prepared for submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for Perak Corp's proposed regularisation plan under Practice Note (PN) 17 of the Main Market Listing Requirements of Bursa Securities.

The valuation was carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The Basis of Valuation adopted by us is the "**Market Value**" which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Directors

Sr. KAMARUZZAMAN SAAD, AMK
B. Sc. (Hons) Land Mgt.
MRICS, FRSA, MRPS, MRPFM, ICVS
DATUK S. SUGAPESAN SITTAMPALAM, (SGCRS)
B. Sc. (Est Mgt) U.K., MBA (Real Est) Sydney
PRIC, FRSA, MRPS, MRPFM, ICVS
Sr. THIRUSELVAM ARUMUGAM (THRU)
B. Sc. (Hons) Property Mgt.
MRICS, FRSA, MRPS, MRPFM, ICVS

Associate Directors / Registered Valuers

Sr. MAHMOUD MAHMIN
B. Sc. (Hons) Urban Estate Surveying (UK)
MRICS, FRSA, MRPS, MRPFM, ICVS
Sr. MURASAL MOHD SALLER @ ELIAS
B. Sc. (Hons) in Prop Mgt & Valuation, MRSA



Offices in Malaysia : Kuala Lumpur, Shah Alam, Penang, Alor Setar & Johor Bahru





VALUATION CERTIFICATE (Cont’d)

The summary of the MDA, the JVA II and JDA are as follows:-

On 12 August 2022, PKNP and Perak Corp entered into a memorandum of understanding to explore:-

- a) the utilisation of Perak Corp’s expertise to develop a number of PKNP’s strategic landbanks;
- b) the appointment of Perak Corp as the master developer of PKNP’s industrial development area, namely, the Silver Valley Technology Park Industrial Hub (“SVTP Industrial Hub”); and
- c) any other projects deemed suitable and appropriate by mutual agreement of the parties, from time to time.

Under the MDA dated 31 March 2023, PKNP (the registered owner) has appointed Perak Corp as the master developer for 816.00 acres of commercial/industrial lands within the SVTP Industrial Hub, comprising industrial and commercial developments, to be undertaken in 3 phases.

Further to the MDA, Perak Corp has proposed to the Joint Developer a partnership to jointly undertake the infrastructure works and develop approximately 746.73 acres of the total PKNP lands excluding the ponds, Plot 45 PT 253451, Plot 46 PT 253452 and Plot 47 PT 253453. Under this proposal, Perak Corp and the Joint Developer will enter into a Joint Development Agreement (JDA) to govern the development project.

PKNP will retain all of its right over the lands held under title numbers Plot 8 PT 253415, Plot 10 PT 253417, Plot 45 PT 253451, Plot 46 PT 253452 and Plot 47 PT 253453, which are located within and are part of the total PKNP lands. PKNP will retain and has the full rights to deal with it as PKNP deems fit in due course.

In relation to the Plot 8 PT 253415 and Plot 10 PT 253417, which form part of the PKNP Reserved Lands but which are also part of the Project Land, PKNP has instructed Perak Corp and the Joint Developer to undertake infrastructure works on Plot 8 PT 253415 and Plot 10 PT 253417 and:-

- a) for Plot 8 PT 253415, PKNP will pay the infrastructure cost at the commercial value to be determined based on the market value at the point of sale; and
- b) for Plot 10 PT 253417, PKNP will pay the infrastructure cost at actual construction cost, administration cost and financial cost estimated at RM13.55 per square foot, subject to final verification.

For avoidance of doubt, Plot 8 PT 253415 and Plot 10 PT 253417 will not be included in any sale by Perak Corp or Joint Developer.

The verified and agreed cost for the infrastructure constructed specifically for Plot 8 PT 253415 and Plot 10 PT 253417 will be deducted against PKNP’s entitlement under the JDA prior to the release of the remaining PKNP’s entitlement from the JDA Proceeds⁽¹⁾ Account to the designated account.

As at the date of JVA II, the parties have agreed for Perak Corp to enter into the JDA with Advancecon.



VALUATION CERTIFICATE (Cont'd)

The JDA must be on the basis that the total completion period for the overall development is not more than 5 years from the unconditional date under the JDA.

The costs of removing and evicting any illegal occupiers or squatters and / or illegal building and structure found on all or any part of the Project Land incurred by PKNP, including any legal fees that would be borne by Perak Corp in relation to the illegal occupiers and to be reimbursed to PKNP by deducting from Perak Corp’s moneys in the designated account under the JVA II.

All outstanding quit rents, assessment, rates and other outgoings in relation to the total PKNP lands accrued as at 31 December 2023, totaling RM12,642,494.60 are to be borne by PKNP. However, Perak Corp must procure the Joint Developer to advance such sum under the Joint Development Agreement subject to reimbursement of the same by way of deduction from PKNP’s entitlement under the JDA prior to the release of the same from the JDA Proceeds Account to the designated account.

For the avoidance of doubt, the Joint Developer is permitted to pay the outstanding payment in stages for the parcel of the SVTP Industrial Hub which are involved in a stage of the development based on the approved development plan under the JDA.

PKNP, as owner of the SVTP Industrial Hub, must make the phases of the SVTP Industrial Hub available, on an as is where is basis, for the purposes of the development, including carrying out of the infrastructure works and the sales under the JDA in such manner and time as determined by the Joint Management Committee⁽¹⁾ from time to time.

PKNP’s Basic Revenue Share

- a) In consideration of PKNP’s roles and obligations under the JVA II, PKNP is entitled to a sum equivalent to RM 9.70 per square foot of each sale of an industrial and commercial plot (excluding the PKNP Reserved Lands) which is sold to any end-user as an industrial plot.
- b) Perak Corp must ensure that the terms of the JDA provide that Perak Corp’s entitlement under the JDA and PKNP’s Basic Revenue Share subject to the deduction of the verified and agreed costs of the infrastructure constructed specifically for Plot 8 PT 253415 and Plot 10 PT 253417 will be deducted against PKNP’s entitlement and the quit rent, assessment charges, etc paid in advance by the Joint Developer.

Details of the JDA are as follows:-

Under the JVA II, Perak Corp and PKNP agreed to collaborate with each other to jointly carry out the development of SVTP Industrial Hub and the JVA II spelled out the respective contributions and obligations of Perak Corp and PKNP. Perak Corp’s obligations under the JVA, among other things, include appointing a strategic partner for the development.

Perak Corp has pursuant to its obligations under the JVA II, approached the Joint Developer with a proposal to undertake the works for the development. Perak Corp has, on 27 November 2023 issued a letter to the Joint Developer confirming the appointment, of Joint Developer as joint venture partner for the development and the Joint Developer has, on 27 November 2023 accepted the appointment and deposited a sum of RM1,500,000.00 only in accordance with the terms and conditions of the letter of award.



VALUATION CERTIFICATE (Cont’d)

Thereafter, subject to the terms and conditions of JDA, Perak Corp and the Joint Developer are desirous of entering into JDA for a duration of five (5) years from the unconditional date for the purpose of undertaking the development and sale subject to all relevant approvals of the relevant authorities and the provisions stated in JDA, for the consideration and upon all the terms and conditions hereinafter contained and set forth.

Development Cost

It is agreed between the parties that the Joint Developer shall advance the monies to pay the outstanding quit rents amounting to RM12,642,494.60 as at the date of JDA, assessment, rates and other outgoings in respect of the total PKNP lands (if any) and shall deduct the same from PKNP’s Basic Revenue Share. For the avoidance of doubt, the Joint Developer shall pay the outstanding payment in stages of the development based on the approved development plan.

Joint Developer’s Revenue Share

Subject to the full payment of all development cost, PKNP’s Basic Revenue Share and Perak Corp’s Revenue Shares, the Joint Developer is entitled to a sum equivalent to 65% of the Nett Development Value.

Based on the above agreements (MDA, JVA II and JDA), we are instructed to determine the Market Value of an interest held by Perak Corp in the Property.

Further to the above agreements, our valuation is on the basis that all parties involved have not breached any of the terms and conditions stipulated in each agreement as confirmed by Perak Corp via a letter dated 25 August 2025.

Our valuation is further on the basis that vacant possession is available and the Property is free from all encumbrances, **on its existing condition as an ongoing development, with the benefit of a development order, approved plan and development work completed to-date.**

IDENTIFICATION OF THE PROPERTY

Legal Descriptions	: An interest held by Perak Corp pursuant to the MDA, the JVA II and the JDA in HSD 214675, HSD 214685, HSD 214687 to HSD 214719, HSD 214726 and HSD 214727, Lot Nos. PT 253406, PT 253416, PT 253418 to PT 253450, PT 253457 and PT 253458 (now known as Lot Nos. 550959, 550969, 550971 to 551003, 551010 and 551011) respectively, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan, which forms part of the ongoing development known as the SVTP Industrial Hub
Location/Address	: Within the ongoing SVTP Industrial Hub, 31200 Ipoh, Perak Darul Ridzuan
Property Type	: Thirty-five (35) parcels of vacant industrial land and two (2) parcels of vacant commercial land
Tenure	: 99-year leasehold interest expiring on 28 June 2112

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



VALUATION CERTIFICATE (Cont'd)

Total Surveyed Land Area	: 2,147,580 square metres (23,116,470 square feet / 530.682 acres)
Registered Proprietor	: PKNP
Encumbrance	: Nil

GENERAL DESCRIPTION

The SVTP Industrial Hub is located to the southern side off Persiaran Perindustrian Kanthan, Ipoh, Perak Darul Ridzuan. It is located approximately 23 kilometres to the north-west of the Ipoh city centre.

The present approach to the SVTP Industrial Hub from the Ipoh city town centre is by way of Persiaran Bandaraya, Jalan Dato Seri Ahmad, Jalan Greentown, Jalan Raja Ashman Shah, Jalan Raja Muda Aziz and Jalan Kuala Kangsar. The access is thereafter turn left onto Persiaran Perindustrian Kanthan and finally onto a laterite road for another 500 metres leading to SVTP Industrial Hub.

Generally, the immediate neighbourhood is mainly developed with industrial development and residential as well as vacant development lands.

Kawasan Perindustrian Kanthan is located adjoining to the north and east of the SVTP Industrial Hub. Notable existing industrial premises found in the vicinity included Halcyon Agri (Malaysia) Sdn Bhd, Hevea (Malaysia) Sdn Bhd, Synergy Pipes & Parts (M) Sdn Bhd, Maju Pertiwi Sdn Bhd, Hasrat Meranti Sdn Bhd, Eadeco Sdn Bhd, Ivory Pearl Sdn Bhd, Sanctuary Health Sdn Bhd, MF Power Petroleum Sdn Bhd, Hiroshima Wood Frame Sdn Bhd and YTL Cement Plant, to name a few.

The housing development schemes found in close proximity include Taman Kanthan Baru, Kampung Kanthan Baru, Taman Intan Kanthan, Taman Cemerlang Kanthan and Taman Chemor to name a few.

Landmarks within the immediate neighbourhood are Petron petrol station, Balai Polis Chemor and Pusat Penjaja Chemor to name a few.

PROPERTY DESCRIPTION

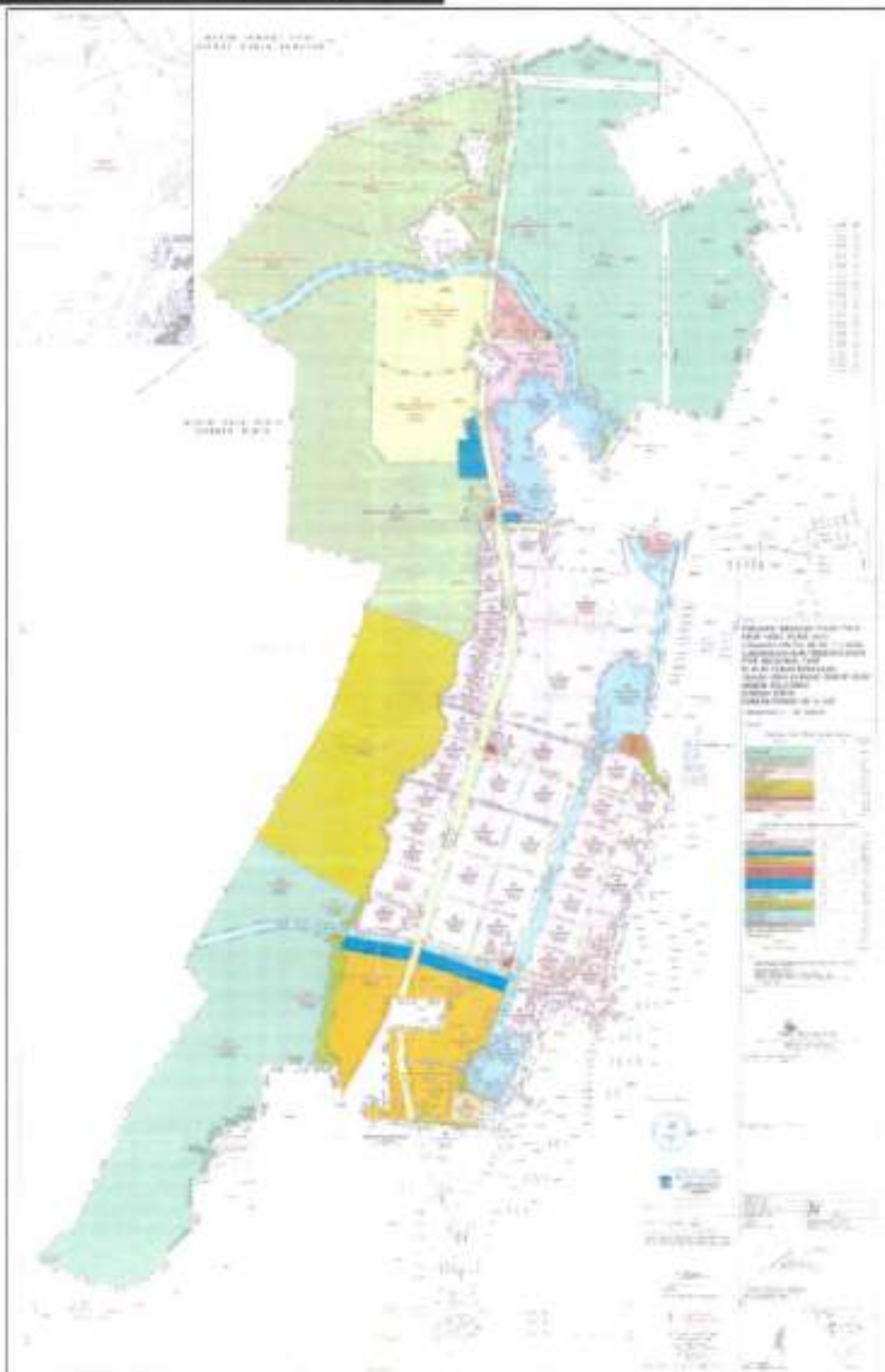
The Approved Master Development

Vide a copy of the Planning Permission issued by Jabatan Perancangan Bandaraya (Planning Department), Majlis Bandaraya Ipoh (MBI) vide a letter bearing Reference No. Ruj.Bil(24)d/m.MBI.D7/3/2000 JLD.2 dated 1 November 2012, we noted that the entire development measuring 3088.89 acres has been granted with the approval for mixed development known as PTHP Industrial Park. Details of PTHP Industrial Park as per diagram is as follows:-

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

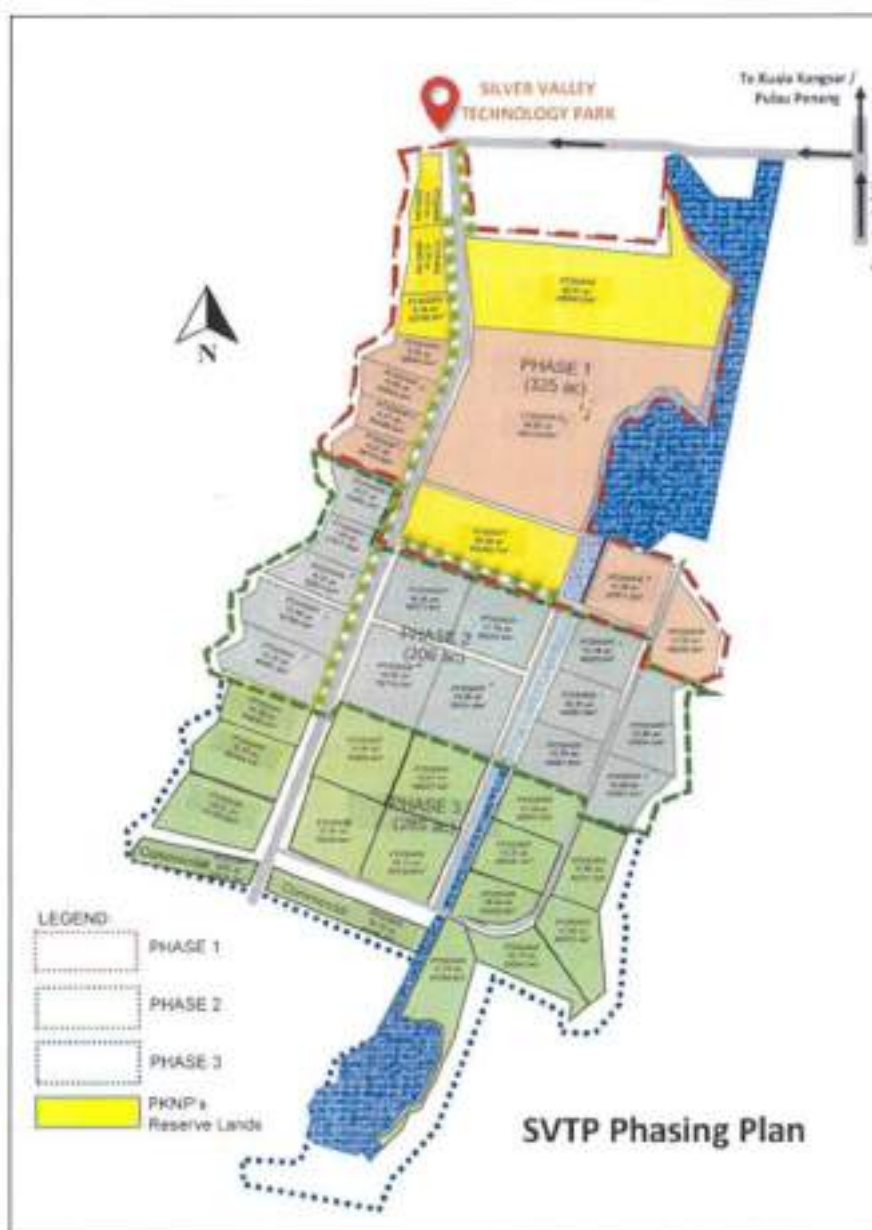




VALUATION CERTIFICATE (Cont'd)

Generally the Development (SVTP Industrial Hub)

The development is an ongoing industrial development known as SVTP Industrial Hub which forms part of master development project known as PTHP Industrial Park. The SVTP Industrial Hub covers a total area of approximately 816.08 acres whilst infrastructure works area covers of 746.73 acres. The development being developed into three (3) phases of development i.e. Phase 1 to Phase 3 and the phases of development are illustrated in the following diagram:-



Detail of the development of SVTP Industrial Hub under the proposed phases based on the JVA are as follows:-

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



VALUATION CERTIFICATE (Cont'd)

Nos.	Phase	Plot Nos.	PT Nos.	Land Area (Acres)
1	1	9	PT 253416	94.92
2		11	PT 253418	11.85
3		12	PT 253419	11.92
4		41	PT 253447	6.47
5		42	PT 253448	6.21
6		43	PT 253449	6.39
7		44	PT 253450	6.35
Sub-total				144.11
8	2	13	PT 253420	11.85
9		14	PT 253421	11.83
10		22	PT 253429	11.02
11		23	PT 253430	10.70
12		24	PT 253431	11.18
13		25	PT 253432	17.16
14		26	PT 253433	19.46
15		31	PT 253438	19.45
16		32	PT 253439	16.48
17		36	PT 253442	12.50
18		37	PT 253443	13.04
19		38	PT 253444	8.32
20		39	PT 253445	7.89
21		40	PT 253446	8.37
Sub-total				179.25
22	3	13A	PT 253406	16.15
23		15	PT 253422	11.55
24		16	PT 253423	11.36
25		17	PT 253424	10.77
26		18	PT 253425	11.75
27		19	PT 253426	10.24
28		20	PT 253427	11.27
29		21	PT 253428	11.34
30		27	PT 253434	16.81
31		28	PT 253435	16.11
32		29	PT 253436	17.47
33		30	PT 253437	17.51
34		33	PT 253440	15.17
35		35	PT 253441	11.08
36		62	PT 253457	8.01
37		63	PT 253458	10.76
Sub-total				207.35
PKNP's Reserved Land				
38		8	PT 253415	62.01
39		10	PT 253417	26.04
Other Reserved (for roads, common areas for works)				127.97
Sub-Total				746.73
40		45	PT 253451	6.38
41		46	PT 253452	6.35
42		47	PT 253453	5.03
Pond				51.59
Total PKNP Land (SVTP Industrial Hub)				816.08

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



VALUATION CERTIFICATE (Cont'd)

The Property

We are instructed to provide the Market Value of an interest held by Perak Corp in the Property which forms part of the ongoing development known as the SVTP Industrial Hub pursuant to the MDA, the JVA II and the JDA which consist of thirty-five (35) parcels of vacant industrial land and two (2) parcels of vacant commercial land, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.

The Property can be summarised as follows:-

Nos.	Title Land Area					Surveyed Land Area			
	Phase	Plot Nos.	PT Nos.	Land Use	Land Area		New Lot Nos.	Land Area	
					Square Metres	Square Feet		Square Metres	Square Feet
1	1	9	PT 253416	Industrial	384,115.80	4,134,607	550669	384,100.00	4,134,437
2		11	PT 253418	Industrial	47,971.20	516,360	550671	47,980.00	516,455
3		12	PT 253419	Industrial	48,228.40	519,129	550672	48,220.00	519,038
4		41	PT 253447	Industrial	26,174.60	281,742	551000	26,170.00	281,693
5		42	PT 253448	Industrial	25,146.30	270,674	551001	25,150.00	270,714
6		43	PT 253449	Industrial	25,843.00	278,173	551002	25,840.00	278,141
7		44	PT 253450	Industrial	25,698.20	276,614	551003	25,700.00	276,634
Sub-total					583,177.50	6,277,299		583,160.00	6,277,112
8	2	13	PT 253420	Industrial	47,954.30	516,178	550673	47,950.00	516,132
9		14	PT 253421	Industrial	47,667.20	515,241	550674	47,660.00	515,183
10		22	PT 253429	Industrial	44,581.80	479,877	550682	44,580.00	479,857
11		23	PT 253430	Industrial	43,281.40	465,879	550683	43,280.00	465,864
12		24	PT 253431	Industrial	45,233.90	486,896	550684	45,230.00	486,854
13		25	PT 253432	Industrial	69,428.90	747,330	550685	69,430.00	747,342
14		26	PT 253433	Industrial	78,751.40	847,677	550686	78,750.00	847,662
15		31	PT 253438	Industrial	78,710.20	847,234	550691	78,710.00	847,231
16		32	PT 253439	Industrial	66,672.90	717,664	550692	66,670.00	717,633
17		36	PT 253442	Industrial	50,581.20	544,454	550695	50,580.00	544,441
18		37	PT 253443	Industrial	52,786.00	568,186	550696	52,790.00	568,230
19		38	PT 253444	Industrial	33,673.20	362,457	550697	33,670.00	362,423
20		39	PT 253445	Industrial	31,917.90	343,563	550698	31,920.00	343,586
21		40	PT 253446	Industrial	33,690.20	364,793	550699	33,690.00	364,791
Sub-total					725,330.50	7,807,429		725,310.00	7,807,209
22	3	13A	PT 253406	Industrial	65,368.00	703,629	550959	65,370.00	703,640
23		15	PT 253422	Industrial	46,735.30	503,057	550975	46,730.00	503,000
24		16	PT 253423	Industrial	45,958.30	494,893	550976	45,960.00	494,712
25		17	PT 253424	Industrial	43,598.20	469,289	550977	43,590.00	469,201
26		18	PT 253425	Industrial	47,560.50	511,939	550978	47,560.00	511,934
27		19	PT 253426	Industrial	41,457.70	446,249	550979	41,460.00	446,274
28		20	PT 253427	Industrial	45,618.70	491,049	550980	45,620.00	491,052
29		21	PT 253428	Industrial	40,882.20	439,874	550981	40,880.00	439,851
30		27	PT 253434	Industrial	68,045.50	732,439	550987	68,050.00	732,488
31		28	PT 253435	Industrial	65,178.30	701,577	550988	65,180.00	701,590
32		29	PT 253436	Industrial	70,695.00	760,958	550989	70,690.00	760,904
33		30	PT 253437	Industrial	70,854.20	762,672	550990	70,850.00	762,627
34		33	PT 253440	Industrial	61,380.30	660,695	550993	61,380.00	660,692
35		35	PT 253441	Industrial	44,838.60	482,641	550994	44,840.00	482,656
36		62	PT 253457	Commercial	32,420.40	348,972	551010	32,420.00	348,968
37		63	PT 253458	Commercial	43,526.60	468,519	551011	43,530.00	468,555
Sub-total					839,119.80	9,032,252		839,110.00	9,032,149
Grand Total					2,147,627.80	23,116,982		2,147,580.00	23,116,470



VALUATION CERTIFICATE (Cont'd)

For the purposes of this valuation, we have adopted the surveyed land areas in our valuation.

The sites are generally rectangular to irregular in shapes, flat to undulating in terrain and lies at the same level with the frontage reserve roads and the surrounding lots.

Phase 1

Phase 1 is located to northern portion of the development comprising seven (7) parcels of industrial land with a total surveyed land area of 583,160.00 square metres (6,277,112 square feet / 144.103 acres).

During the course of our inspection, we noted that the preliminaries work, site clearing and earthworks of the site is currently in progress while the infrastructure and landscaping works have not yet commenced. We also noted that part of the eastern portion of Phase 1 are low-laying and swampy with some part on Plot 11 (PT 253418) and Plot 12 (PT 253419) are under water.

Phase 2

The Phase 2 is located in middle portion of the development comprising fourteen (14) parcels of industrial land with a total surveyed land area of 725,310.00 square metres (7,807,209 square feet / 179.232 acres).

During the course of our inspection, we noted that the preliminaries work, site clearing and earthworks of the site is currently in progress while the infrastructure and landscaping works have not yet commenced. We also noted that part of the eastern portion of Phase 2 are low-laying and swampy with some part on Plot 13 (PT 253420), Plot 14 (PT 253421), Plot 22 (PT 253429) to Plot 24 (PT 253431) and Plot 26 (PT 253433) are under water.

Phase 3

The Phase 3 is located in southern portion of the development comprising fourteen (14) parcels of industrial land and two (2) parcels of commercial with a total surveyed land area of 839,110.00 square metres (9,032,149 square feet / 207.347 acres).

During the course of our inspection, we noted that the preliminaries work, site clearing and earthworks of the site is currently in progress while the infrastructure and landscaping works have not yet commenced. We also noted that part of the eastern and southern portions of Phase 3 are low-laying and swampy with part on Plot 17 (PT 253424) to Plot 19 (PT 253426), Plot 21 (PT 253428), Plot 27 (PT 253434) to Plot 30 (PT 253437) and Plot 62 (PT 253457) are under water.

We noted that the Plot 33 (PT 253440) is currently erected upon with pig farm and we understand that the occupant will be vacated by end of October 2025. Vide a copy of a letter from Jabatan Perkhidmatan Veterinar bearing reference Bil(61)d/m.JPV.PK.1/160/11/2 JLD 26 dated 26 May 2025, we understand that the occupant is in the process of moving out to other location voluntarily without any compensation. As such, we believe there is no compensation required for vacant possession to the Property and our valuation on the basis that vacant possession is forthcoming and available to the Property.

The progress completion of the entire development based on the Interim Valuation dated 13 May 2025 certified by Registered Quantity Surveyor, Messrs. Perunding Ukur Bahan CS is about 3.23%.

Majority of the site boundaries are demarcated by metal cladding except the small area located on southern portion which are not demarcated by any fencing.

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

Contract Awarded

Vide a Letter of Award bearing reference number ADSB/FD/2024/12-02 dated 18 December 2024, we noted that the Advancecon Infra Sdn Bhd has been awarded the main infrastructure works at value of RM417,653,855.00.

Sales Progress

As at the date of this valuation, none of the parcel has been sold.

Development Progress

As at 14 May 2025, the amount certified for the completed works is **RM15,046,058.46**. The work certified completed are preliminaries, site clearing work, earthworks and part of erosion sediment and control plan.

Since the property is an ongoing project, we have in our valuation model taken into account the contract awarded and certified completed works.

PLANNING DETAILS

As indicated in the Title Documents, the Property is designated for industrial use except for Lot Nos PT 253457 and PT 253458 (now known as Lot Nos. 551010 and 551011) are designated for commercial use.

Enquiries made at the Planning Department, Majlis Bandaraya Ipoh (MBI) confirmed that the Property is zoned for heavy industrial use and Lot Nos. PT 253457 and PT 253458 (now known as Lot Nos. 551010 and 551011) are zoned for commercial use with plot ratio of 1:3.

VALUATION APPROACH

The Property is valued by using the Income Approach via Residual/Discounted Cash Flow Method.

The **Residual / Discounted Cash Flow Method** is based on the principle of latent value on the assumption that the Property will be put to its best use in terms of value. Under this approach, consideration is given to the projected selling prices of various units in the proposed development as well as the estimated cost of carrying out the development including allowances for development period and risk.

The Residual / Discounted Cash Flow Method may be summarised as follows:-

a	Gross Development Value	
b	Less	(i) PKNP's entitlement (PKNP's Basic Revenue Share) (ii) Gross Development Costs
c	Nett Development Value When Proposed Development Is Completed (a minus b)	
d	Interest held by Perak Corp (35% of c)	
e	Present Value over the Development Period	
Market Value of an interest held by Perak Corp		

Nett Development Values means Gross Development Value minus PKNP's entitlement (PKNP's Basic Revenue Share) and Gross Development Costs.

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont’d)

We have adopted the Income Approach via Residual/Discounted Cash Flow Method in this valuation and have not considered any other approaches due to the fact that the Property is part of an ongoing development. We have also in our valuation model taken into account the contract awarded and certified completed works. Other valuation approaches as a check method cannot be used since we are instructed to ascertain the Market Value of an interest held by Perak Corp in the Property based on the MDA, the JVA II and the JDA.

a) Gross Development Value (“GDV”)

The GDV refers to the potential sales revenue achievable from the proposed development lots. A survey has been carried out on the transactions and selling prices of similar lots transacted in the market in order to arrive at the fair and reasonable sale prices of the Property. Adjustments are then made for differences in location, size, tenure and other relevant characteristics, if any, to arrive at the final proposed sales figure.

In arriving at the GDV, we have considered the recent transactions of similar properties within the locality in accordance to the proposed development component for the Property.

Supporting Evidences

The gross development value is arrived at by reference to the analysis of sales data available of similar properties in surrounding developments in locality. Sale Evidences for Industrial Land and Commercial Land to arrive the proposed sales price are as follows:-

Sales Evidences

A) Industrial Land

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Photograph				
Legal Description	Pajakan Negeri 396081, Lot 516887, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	HSD 943145, PT No. 287393, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Pajakan Negeri 2918, Lot 68293, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Pajakan Negeri 94434, Lot 202116, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan
Address/Location	Lot 516887, Hala Rapat Baru 20, Kinta Jaya Light Industrial Area, Ipoh, Perak	Lot 21400, Lebuhr Perusahan Klebang 11, IGB International Industrial Park, Ipoh, Perak	No. 81, Persiaran Portland, Tasek Industrial Area, Ipoh, Perak	Lot 202116, Jalan Zarib 5, Zarib Industrial Park, Ipoh, Perak
Property Type/ Land Use	A parcel of vacant industrial land	A parcel of vacant industrial land	A parcel of vacant industrial land	A parcel of vacant industrial land
Land Area (Sq. Mt.)	22,270	9,857	4,065	4,082
Land Area (Sq. Ft.)	239,712	106,100	43,751	43,938
Land Area (Acre)	5.50	2.44	1.00	1.01

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Tenure	99-year of leasehold expiring on 6 January 2114 (an unexpired term of about 89 year)	Freehold	99-year of leasehold expiring on 1 September 2075 (an unexpired term of about 50 years)	99-year of leasehold expiring on 11 February 2092 (an unexpired term of about 67 years)
Date of Transaction	9-Aug-24	14-May-24	28-Aug-24	3-Sep-24
Sales Price (RM)	RM10,800,000.00	RM5,623,300.00	RM1,660,000.00	RM1,760,000.00
Vendor	Europur Marketing Sdn Bhd	Admiral Strategies Sdn Bhd	White Horse Sdn Bhd	Sathiaraj A/L Subash
Purchaser	Gergasi Pro Sdn Bhd	VK Power Sdn Bhd	Kah Guan Brothers Sdn Bhd	Naga Vehicle Parts Sdn Bhd
Source	JPPH	JPPH	JPPH	JPPH
Est. Land Value (per sq. ft.)	RM45.05	RM53.00	RM37.94	RM40.06
Adjustments	Upward adjustments made on utilities, amenities & infrastructure and planning whilst downward adjustments made on location and size	Upward adjustments made on utilities, amenities & infrastructure and planning whilst downward adjustments made on location, tenure and size	Upward adjustments made on tenure and utilities, amenities & infrastructure and planning whilst downward adjustments made on location and size	Upward adjustments made on utilities, amenities & infrastructure and planning whilst downward adjustments made on location and size
Total Adjustment (%)	-15%	-30%	-5%	-10%
Total Deviation	45%	60%	45%	40%
Adjusted Unit Rate (psf)	RM38.30	RM37.10	RM36.04	RM36.05
say	RM38.00	RM37.00	RM36.00	RM36.00

The analysis made from Sale Comparables 1 to 4 shows that the total value ranges between RM36.00 per square foot to RM38.00 per square foot.

After taking into consideration all the above, we note that Comparable 4 is the best comparable to be adopted as it indicates the lowest adjustments required in relation to its deviation from the Property.

Therefore, we are of the opinion that the Market Value of **RM36.00** per square foot for parcels with land area between 435,000 square feet to 649,999 square feet.

For parcel with different size, we have adopted the followings:-

Size (acre)	Adjustment	Rate Adopted
235,000 square feet to 434,999 square feet	5%	RM38.00
435,000 square feet to 649,999 square feet	Base value	RM36.00
650,000 square feet to 1,299,999 square feet	-5%	RM34.00
1,300,000 square feet to 2,599,999 square feet	-5%	RM32.00
2,600,000 square feet to 4,400,000 square feet	-5%	RM30.00

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

B) Commercial Land

Description	Comparable 1	Comparable 2	Comparable 3
Photograph			
Legal Description	Geran 406044, Lot 550072, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Geran 182463, Lot 538625, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Pajakan Negeri 1068687, Lot 551414, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan
Address/ Location	Lot 550072, Belakang PTTC, off Jalan Jelapang, Taman Bandar Meru Raya, Ipoh, Perak	Lot 538625, Bandar Seri Botani, Ipoh, Perak	Lot 551414, Wilayah Desa Lang Indah, Taman Desa Lang Indah, Ipoh, Perak
Property Type/ Land Use	A parcel of vacant commercial land	A parcel of vacant commercial land	A parcel of vacant commercial land
Land Area (Sq. Mt.)	9,852	20,090	9,685
Land Area (Sq. Ft.)	106,046	216,247	104,248
Land Area (Acre)	2.43	4.96	2.39
Tenure	Freehold	Freehold	99-year of leasehold expiring on 14 Apr 2112 (an unexpired term of about 87 years)
Date of Transaction	3-Oct-23	9-Jun-23	2-Feb-23
Sales Price (RM)	RM4,830,000.00	RM10,800,000.00	RM5,004,930.00
Vendor	Perbadanan Kemajuan Negeri Perak	Pinji Botanics Sdn Bhd	Gunung Lang Development Sdn Bhd
Purchaser	Ladang Lekir Sdn Bhd	Kelab Rekreasi Botani Sdn Bhd	Poh Chee Meng & Sons Holdings Sdn Bhd
Source	JPPH	JPPH	JPPH
Est. Land Value (PSF)	RM45.55	RM49.94	RM48.01
Adjustments	Upward adjustments made on time and utilities, amenities & infrastructure whilst downward adjustments made on location, tenure and size	Upward adjustments made on time and utilities, amenities & infrastructure whilst downward adjustments made on location, tenure and size	Upward adjustments made on time and utilities, amenities & infrastructure whilst downward adjustments made on location and size
Total Adjustment (%)	-15%	-10%	-10%
Total Deviation	45%	40%	40%
Adjusted Unit Rate (psf)	RM38.71	RM44.95	RM43.21
say	RM39.00	RM45.00	RM43.00

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

The analysis made from Comparables 1 to 3 shows that the value ranges between RM39.00 per square foot to RM45.00 per square foot.

After taking into consideration all the above, we note that Comparable 3 is the best comparable to be adopted as it indicates the lowest adjustments required in relation to its deviation from the Property and the similarity of an unexpired term.

Therefore, we are of the opinion that the Market value of the lands is **RM43.00** per square foot.

Summary of the GDV as follows:-

Nos.	Plot Nos.	Lot Nos.	New Lot Nos.	Selling Price
Phase 1				
1	9	PT 253416	550969	RM124,033,000
2	11	PT 253418	550971	RM18,592,000
3	12	PT 253419	550972	RM18,685,000
4	41	PT 253447	551000	RM10,704,000
5	42	PT 253448	551001	RM10,287,000
6	43	PT 253449	551002	RM10,569,000
7	44	PT 253450	551003	RM10,512,000
Phase 2				
8	13	PT 253420	550973	RM18,581,000
9	14	PT 253421	550974	RM18,546,000
10	22	PT 253429	550982	RM17,275,000
11	23	PT 253430	550983	RM16,771,000
12	24	PT 253431	550984	RM17,527,000
13	25	PT 253432	550985	RM25,410,000
14	26	PT 253433	550986	RM28,821,000
15	31	PT 253438	550991	RM28,806,000
16	32	PT 253439	550992	RM24,400,000
17	36	PT 253442	550995	RM19,600,000
18	37	PT 253443	550996	RM20,456,000
19	38	PT 253444	550997	RM13,772,000
20	29	PT 253445	550998	RM13,056,000
21	40	PT 253446	550999	RM13,862,000
Phase 3				
22	13A	PT 253406	550959	RM23,924,000
23	15	PT 253422	550975	RM18,108,000
24	16	PT 253423	550976	RM17,810,000
25	17	PT 253424	550977	RM16,891,000
26	18	PT 253425	550978	RM18,430,000
27	19	PT 253426	550979	RM16,066,000
28	20	PT 253427	550980	RM17,678,000

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

Nos.	Plot Nos.	Lot Nos.	New Lot Nos.	Selling Price
29	21	PT 253428	550981	RM17,779,000
30	27	PT 253434	550987	RM24,905,000
31	28	PT 253435	550988	RM23,854,000
32	29	PT 253436	550989	RM25,871,000
33	30	PT 253437	550990	RM25,929,000
34	33	PT 253440	550993	RM22,464,000
35	35	PT 253441	550994	RM17,376,000
36	62	PT 253457	551010	RM15,006,000
37	63	PT 253458	551011	RM20,148,000
GRAND TOTAL				RM802,504,000

b) Gross Development Cost (GDC)

The GDC in this valuation include PKNP's entitlement, quit rent & assessment, preliminaries, site clearance and earthworks, infrastructure & landscaping work costs, finance costs, contribution to relevant authorities, marketing & management, professional fees and contingencies.

In arriving at the GDC, we have considered the following parameters:-

No.	Items	Rate	Explanatory	Amount
1	PKNP's entitlement (PKNP's Basic Revenue Share based on JVA II)	RM9.70 per square foot	PKNP is entitled to PKNP's Basic Revenue Share, which is a sum equivalent to RM9.70 per square foot of each of the industrial and commercial lots. PKNP's Basic Revenue Share shall be taken into consideration of infrastructure cost of Plot 8 PT 253415 and infrastructure cost at actual construction cost, admin cost and finance cost of Plot 10 PT 253417.	RM163,799,940
2	Quit Rent & Assessment	RM12,642,494.60 based on JVA II	All outstanding quit rents, assessments, rates, and other outgoings related to the total PKNP lands shall be paid in advance by the Joint Developer and deducted from PKNP's entitlement.	RM12,642,495
3	Statutory Contribution	RM3,733,650 for DID, RM8,025,040 for IWK, RM2,006,260 for Lembaga Air Perak and RM5,850,000 for TNB	Statutory Contribution consist of contribution to Indah Water Konsortium (IWK), Department of Irrigation and Drainage (DID), Tenaga Nasional Berhad (TNB) and Lembaga Air Perak.	RM19,614,950

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

No.	Items	Rate	Explanatory	Amount
4	Preliminaries Work, Site Clearing and Earthworks	RM255,651 per acre	Preliminaries are costs incurred before the commencement of infrastructure works. It includes costs to set up a site office, workers' quarters and other mobilization expenses. Site Clearing work includes removal of trees, shrubs, grass etc. Earthwork includes excavation, grading, compaction, and other soil-related operations. The excavation work (filling cost) is about RM7.50 per cubic metre. In our valuation, we have adopted an estimated cost of RM255,651 per acre for infrastructure cost based on Contract Award which is considered in line with the current market trend. Contract Award means the contract between Advancecon Infra Sdn Bhd and Advancecon Development Sdn Bhd dated 18 December 2024 relating to the main infrastructure works for the development of SVTP Industrial Hub.	RM175,855,953
5	Infrastructure and Landscaping Works	RM267,070 per acre	Infrastructure cost is the cost required to provide a development with infrastructure such as roads, drainage, sewerage treatment system, electricity, water and telecommunication supply, street lightings and other public amenities and facilities. In our valuation, we have adopted an estimated cost of RM267,070 per acre for infrastructure cost based on Contract Award which is considered in line with the current market trend.	RM199,428,844
6	Professional Fees	5% of the preliminaries, infrastructure and building cost	The professional fees to be incurred are for the various professionals engaging in the different stages of development and construction. Some of the professional works would include architect, land surveyors, engineers, quantity surveyors etc. Our survey with consultants and developers revealed that the common rates adopted for	RM18,764,240

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

			professional fees ranges from 5% to 8% of the development construction cost. Hence, we have adopted a 5% professional fee which is in tandem with market rate.	
7	Management & Marketing	2% of the GDV	These include marketing (agency) for the unsold units and legal fees for the disposal of the various development components in the scheme. A 2% provision should be adequate to cover the same.	RM16,050,080
8	Finance Charges	10% on 50% of the statutory contributions, preliminaries work, site clearing, earthworks infrastructure and landscaping	Cost of financing for the construction costs of the proposed development is considered in our valuation. We have adopted a rate of 10% on 50% of statutory contributions, preliminaries work, site clearing, earthworks infrastructure and landscaping to be incurred of the development period. Only 50% is estimated due to inflow of funds from pre-sale of development components. The finance cost of 10% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) ranging from 6.45% to 6.89% per annum plus security margin of 2.0% to 3.5% per annum.	RM21,485,703
9	Contingency	3% of the Preliminaries Work, Site Clearing, Earthworks, Infrastructure, Landscaping Works, Professional Fees, Management and Marketing Cost	It is common practice in construction projects to set aside a contingency amount to cover unforeseen events that may arise during the construction period. These uncertainties may include design miscalculations, fluctuations in material and labour costs, as well as rental expenses for equipment and machinery. Such issues can lead to delays and may significantly impact the project budget. Additionally, delays caused by factors beyond the contractor's control such as adverse weather conditions, labour shortages, or material supply disruptions are also typical in development projects.	RM12,302,973
Total GDC				RM639,945,178

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP'S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont'd)



VALUATION CERTIFICATE (Cont'd)

Items	Rate	Explanatory	Amount
Nett Development Value When Proposed Development Is Completed	-	Nett Development Values means Gross Development Value minus PKNP's entitlement (PKNP's Basic Revenue Share) and Gross Development Costs.	RM162,558,822
Interest held by Perak Corp	35% of Nett Development Value	Vide a JDA under Perak Corp Revenue, Perak Corp is entitled to a sum equivalent to 35% of the Net Development Value.	RM56,895,588
Present Value (PV) over the Development Period	Period of 5 years and PV of 10%	Development period refers to the total duration for a development including the time taken to obtain the relevant approvals from the relevant authorities, construction period and the time taken to dispose the end units. This development project consists of a total of 39 parcels of industrial lots and we have adopted 5 years for completion and sale of the development project, which is equivalent to an average of approximately 8 parcels of industrial land to be sold per year or equivalent to 106 acres per year. This is based on the general market trend, current foreign investment inflow into the country and spill over demand from the larger neighbouring developments. Further to the above, our findings indicate that the estimated development periods announced by several developers for comparable industrial development projects such as KLK TechPark, Tanjung Malim (1,500 acres over 10 years), Matrix Concepts' M'V'V City (Phase 1), Seremban (2,382 acres over 12 years) and IOI Industrial Park @ Banting (322 acres over 4 to 5 years), generally indicates a range of between 80 acres to 199 acres per year. We also noted that under the JDA circumstances, the development of the Property should be completed within five (5) years as agreed by both the parties. Therefore, we are of the opinion that the estimated 5 years of development period is based on	-

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont’d)

		the current market trend and is acceptable.	
		For the purpose of this valuation, we have adopted a rate of 10% as the PV factor in tandem with the finance rate over the estimated development period of five years.	
MARKET VALUE OF AN INTEREST HELD BY PERAK CORP IN THE PROPERTY PURSUANT TO THE MDA, THE JVA II AND THE JDA			RM44,300,924
Say			RM44,300,000

Note: Since the developer's profit has been agreed and will be paid as an entitlement to the registered proprietor, we have not factored-in again the developer profit as part of the GDC.

Reconciliation of Value

We have based our opinion of value on the Income Approach via Residual/Discounted Cash Flow Method which is based on the principle of latent value on the assumption that the Property will be put to its best use in terms of value. Taken into consideration of the proposed selling prices of various lots in the proposed development as well as the estimated cost of carrying out the development including allowances for development period and risk. Therefore, we are of the opinion that the Market Value of the Property is **RM44,300,000.00**.

We have also adopted the only approach in this valuation and have not considered other approaches due to the fact that the Property is part of the ongoing development and the valuation is to determine the Market Value of an interest held by Perak Corp in the Property. We have in our valuation model taken into contract awarded and certified completed works. Other valuation approaches as a check method cannot be used since we are instructed to ascertain the Market Value of part of the interest held in the ongoing development.

APPENDIX XXIV – VALUATION CERTIFICATE FOR PERAK CORP’S JOINT DEVELOPMENT INTERESTS PURSUANT TO THE PROPOSED JOINT DEVELOPMENT (Cont’d)



VALUATION CERTIFICATE (Cont'd)

OPINION OF VALUE

Having regard to the foregoing, we are of the opinion that the **Market Value of an interest held by Perak Corp** in the 99-year leasehold in the Property, HSD 214675, HSD 214685, HSD 214687 to HSD 214719, HSD 214726 and HSD 214727, Lot Nos. PT 253406, PT 253416, PT 253418 to PT 253450, PT 253457 and PT 253458 (now known as Lot Nos. 550959, 550969, 550971 to 551003, 551010 and 551011) respectively, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan, which forms part of the ongoing development known as the SVTP Industrial Hub, pursuant to the MDA, the JVA II and the JDA, having unexpired term of about 87 years, with vacant possession, free from all encumbrances, **on its existing condition as an ongoing development, with the benefit of a development order, approved plan and development work completed**, as at 12 June 2025, is **RM44,300,000.00** (Ringgit Malaysia : Forty-Four Million And Three Hundred Thousand Only).

For and on behalf of
PPC INTERNATIONAL SDN BHD



Sr THIRUSELVAM ARUMUGAM
Executive Director
B. Surv. (Hons) Property Mgt.
MRICS, PPRISM, ICVS, FPEPS, FMIPFM, MMIEA
Registered Valuer (V-606)

Date: 25 August 2025
zai/p08



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- **Sr Masrifa Masdon**
0202000119 V (1/10/2017)
Associate Director
- **Datuk Sr Firdaus Musa**
0202000119 V (1/10/2017)
Group Executive Chairman
- **Sr Puan Kumari**
0202000119 V (1/10/2017)
Group Managing Director
- **Sr Nik Alm Anisah Nik A Rahman**
0202000119 V (1/10/2017)
Group Executive Director
- **Sr Shamsul Anwar Shamsudin**
0202000119 V (1/10/2017)
Associate Director
- **Sr Norwati Abdul Wahab**
0202000119 V (1/10/2017)
Associate Director
- **Sr Nazri Haron**
0202000119 V (1/10/2017)
Associate Director
- **Sr Mohd Fahmi Hanapi**
0202000119 V (1/10/2017)
Associate Director
- **Sr Mohd Jazri Jazari**
0202000119 V (1/10/2017)
Associate Director
- **Sr Md Anizam Md Musa**
0202000119 V (1/10/2017)
Associate Director
- **Sr Azahar Afiaz**
0202000119 V (1/10/2017)
Associate Director

commercial confidential

Your Ref : Bil. [14] dlm.PCB/AM/42/1/5-1/13B

Our Ref : FA25/IPH/V0329/PCB/BMSB/FM/nz/rmsn
FA25/IPH/V0342/PCB/BMSB/FM/nz/rmsn
FA25/IPH/V0343/PCB/BMSB/FM/nz/rmsn

18th September 2025

The Board of Directors
Perak Corporation Berhad
No. 1-A Blok B, Menara KNP
Jalan Meru Casuarina
Bandar Meru Raya
30020 Ipoh
Perak Darul Ridzuan

Dear Sir/Madam

Valuation Certificate for Lot Nos. 20402, 20403, 20570 and 20571 respectively, all within Mukim of Hulu Bernam Timor, District of Muallim, State of Perak Darul Ridzuan, purpose : submission to Bursa Malaysia Securities Berhad

We were appointed by the Client, Perak Corporation Berhad (herein referred to as "PCB" or "Client") to prepare a valuation report in respect of the unexpired leasehold interest in the abovementioned properties (hereinafter referred to as "Subject Properties") for submission to Bursa Malaysia Securities Berhad (hereinafter referred to as "Bursa Securities") for the proposed disposal of the Subject Properties (hereinafter referred to as "Proposed Disposal").

The valuation certificate has been prepared for inclusion in the circular to shareholders of PCB pursuant to the Proposed Disposal.

The Subject Properties were inspected and referenced on 8th September 2025 and a valuation report was prepared on 18th September 2025. The material date of valuation is on 8th September 2025.

The valuation certificate has been prepared in compliance with Asset Valuation Guidelines of 8th May 2009 (Revised on 19th January 2017) as amended, issued by the Securities Commission Malaysia as required by the Rules under Chapter 10 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (hereinafter referred to as "SC") and Malaysian Valuation Standards Seventh Edition 2025 issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The basis of the valuation is the "Market Value" which is defined under the Malaysian Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".



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For the purpose as mentioned above, we have prepared this valuation certificate which briefly summarises our valuation report reference number FA25/IPH/V0329/PCB/BMSB/FM/nzr/msn, FA25/IPH/V0342/PCB/BMSB/FM/nzr/msn and FA25/IPH/V0343/PCB/BMSB/FM/nzr/msn dated 18th September 2025 (hereinafter referred to "Valuation Report"). This letter contains all the necessary data and supporting information included in our report. For further information in relation to those contained herein, reference should be made to the said report.

The basic details of the property are as follows:-

Lot Nos. 20570 & 20571

Type of Property	: Two adjoining parcels of vacant commercial land.
Legal Description	: Title Nos. Pajakan Negeri 394964 and Pajakan Negeri 394965, Lot Nos. 20570 and 20571 respectively, both within Mukim of Hulu Bernam Timor, District of Muallim, Perak Darul Ridzuan.
Location	: Situated on the southern side of Jalan Makmur Utama, off Jalan Instun, and approximately 100 metres south of Taman Sekiah Makmur, 35900 Tanjong Malim, Perak Darul Ridzuan.
Site Description	: Lot Nos. 20570 and 20571 are two adjoining parcels of vacant commercial land, with title land areas of 110,100.00 square metres in respect of Lot No. 20570 and 185,900.00 square metres in respect of Lot No. 20571. Lot No. 20570 is rectangular in shape, whilst Lot No. 20571 is nearly rectangular in shape. Lot Nos. 20570 and 20571 are generally undulating and hilly in terrain and lie slightly lower than Jalan Makmur Utama and have direct access from the aforementioned frontage road. At the date of inspection, Lot Nos. 20570 and 20571 were vacant, with no visible building structures, and were covered with secondary jungle. The boundaries of Lot Nos. 20570 and 20571 were not visibly demarcated with any form of fencing. We were unable to determine the exact boundaries of Lot Nos. 20570 and 20571, as we have not conducted any boundary and demarcation checks. The determination of the Lot Nos. 20570 and 20571 are based on the visual landmarks from the map and survey plans; therefore, we advise that a licensed land surveyor be appointed to conduct a demarcation survey to determine the boundaries and characteristics of Lot Nos. 20570 and 20571 should such data be required.
Land Use / Planning Provision	: As stated in the title, Lot Nos. 20570 and 20571 are designated for commercial use. Enquiries made at the Jabatan Perancangan Pembangunan, Majlis Daerah Tanjong Malim (MDTM) revealed that Lot No. 20570 is zoned for commercial use with a plot ratio of 1:4, whilst Lot No. 20571 is zoned for industrial use with a plot ratio of 1:2, as per the Rancangan Tempatan Majlis Daerah Tanjong Malim (MDTM) 2035.
Existing Use/ Occupancy	: Vacant land.



Lot No. 20402

Type of Property	: A parcel of vacant residential land with development potential and zoned for industrial use.
Legal Description	: Title No. Pajakan Negeri 394961, Lot No. 20402, Mukim of Hulu Bernam Timor, District of Muallim, Perak Darul Ridzuan.
Location	: Sited on the southern side of Jalan Instun, 35900 Tanjung Malim, Perak Darul Ridzuan.
Site Description	: Lot No. 20402 is a parcel of vacant residential land with development potential and zoned for industrial use with a title land area of 1,003,000.00 square metres. Lot No. 20402 is 'L'-shaped and generally flat in terrain. It lies at the same level as the frontage road and has direct access from Jalan Instun. At the date of inspection, Lot No. 20402 was vacant with no visible building structures, and was covered with secondary jungle and water lettuce. The boundaries of Lot No. 20402 were not visibly demarcated by any form of fencing. At the date of inspection, we also noted the presence of water bodies in certain parts of Lot No. 20402. Based on the topography plan provided by the client, the south-eastern portion of Lot No. 20402 comprises a water body covering an area of approximately 13,989.50 square metres, or 1.39% of the land area. We were unable to determine the exact boundary of Lot No. 20402 and the depth of the water body, as we have not conducted any boundary and demarcation checks and bathymetry survey. The determination of Lot No. 20402 is based on the visual landmarks from the map and survey plans; therefore, we advise that a licensed land surveyor be appointed to conduct a demarcation and bathymetry survey to determine the boundaries and characteristics of Lot No. 20402 should such data be required.
Land Use / Planning Provision	: As stated in the title, Lot No. 20402 is designated for residential use. Enquiries made at Jabatan Perancangan Pembangunan, Majlis Daerah Tanjung Malim (MDTM) revealed that the Subject Property is zoned for industrial use with a permissible plot ratio of 1:2, as per the Rancangan Tempatan Majlis Daerah Tanjung Malim (MDTM) 2035.
Existing Use/ Occupancy	: Vacant land.



Lot No. 20403

Type of Property	: A parcel of vacant residential land with industrial development potential.
Legal Description	: Title No. Pajakan Negeri 394962, Lot No. 20403, Mukim of Hulu Bernam Timor, District of Muallim, Perak Darul Ridzuan.
Location	: Situated on the southern side of Jalan Instun and adjoining the eastern side of Taman Sekiah Makmur, 35900 Tanjung Malim, Perak Darul Ridzuan.
Site Description	: Lot No. 20403 is a parcel of vacant residential land with industrial development potential with a title land area of 419,700.00 square metres. Lot No. 20403 is almost rectangular in shape and generally hilly and undulating in terrain, it lies at the same level as the frontage road and has direct access from Jalan Instun. At the date of inspection, Lot No. 20403 was observed to have commenced preliminary works and earthworks, including site clearance, levelling, cut-and-fill operations and embankment works, undertaken by Tg Malim Hi-Tech Park Sdn. Bhd., the purchaser. The boundaries of Lot No. 20403 were not visibly demarcated with any form of fencing except near the northern and western sections were demarcated with spandex sheet hoarding. At the date of inspection, we also noted the presence of water bodies within certain parts of Lot No. 20403. Based on the topography plan provided by the client, the north-western and western portions of Lot No. 20403 comprise water bodies covering approximately 9,827.90 square metres and 1,330.70 square metres, respectively. Accordingly, the total estimated area of the water bodies, as stated in the topography plan, is about 11,158.60 square metres or approximately 2.66% of the total land area. We were unable to determine the exact boundaries of the Lot No. 20403 and the depth of the water body, as we have not conducted any boundary and demarcation checks and bathymetry survey. The determination of Lot No. 20403 is based on the visual landmarks from the map and survey plans; therefore, we advise that a licensed land surveyor be appointed to conduct a demarcation and bathymetry survey to determine the boundaries and characteristics of Lot No. 20403 should such data be required.



Proposed
Development

At the date of inspection, we noted that Lot No. 20403 had been granted planning permission with conditions by Majlis Daerah Tanjong Malim (MDTM) to Tg Malim Hi-Tech Park Sdn Bhd (the purchaser), under planning permission No. 12/2025 and reference No. Bll (13) dlm. MDTM09B/KM(PS)20403/08/25/ Jld.2, dated 28th May 2025. The proposed development components are tabulated below:

Development components	Unit	Area (square metres)	%
Industrial Plot (Low/Medium/Hi-Tech)	14	330,316.14	78.70
TNB Sub-Station	1	242.82	0.06
Water tank and suction pump	1	4,694.52	1.12
Water Treatment Plant	1	9,591.39	2.29
Telecommunication Tower	1	242.82	0.06
Retention Pond	-	12,586.17	3.00
Open Space	-	15,783.30	3.76
Buffer Zone Reserve	-	14,892.96	3.55
JKR Reserve	-	5,665.80	1.35
Road Reserve 40'	-	4,775.46	1.14
Proposed Road Reserve	-	20,908.62	4.99
Total	18	417,700.00	100

We also noted that Lot No. 20403 had been approved for surrender and re-alienation under Section 204A-H of the National Land Code by the State Government of Perak on 20th August 2025. We further noted that the application for surrender and re-alienation had been submitted by Tg Malim Hi-Tech Sdn. Bhd. (the purchaser) on behalf of Perak Corporation Berhad (the vendor), under a Power of Attorney granted by the vendor/registered proprietor.

However, at the date of inspection, the project had yet to be launched. The project will only be launched following the completion of the transfer of the Subject Property pursuant to the Sale and Purchase Agreement between Perak Corporation Berhad (the vendor) and Tg Malim Hi-Tech Sdn. Bhd. (the purchaser).

Land Use / Planning
Provision

As stated in the file, Lot No. 20403 is designated for residential use. Enquiries made at Jabatan Perancangan Pembangunan, Majlis Daerah Tanjong Malim (MDTM) revealed that Lot No. 20403 is zoned for industrial use with a permissible plot ratio of 1:2, as per the Rancangan Tempatan Majlis Daerah Tanjong Malim (MDTM) 2035. At the date of our inspection, we noted that planning permission for a proposed industrial development on Lot No. 20403 had been granted with conditions by Majlis Daerah Tanjong Malim (MDTM) to Tg Malim Hi-Tech Sdn. Bhd. under Planning Permission No. 12/2025 and reference No. Bll (13) dlm. MDTM09B/KM(PS)20403/08/25/ Jld.2 dated 28th May 2025.

Existing Use/
Occupancy

1 Vacant land.

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Particulars of Title

We have extracted particulars of title at the Perak Land Registry, Ipoh on 28th August 2025 and 2nd September 2025, noted the following salient particulars: -

Title Nos. (Pajakan Negeri)	Lot Nos.	Land Area (square metres)	Quit Rent (RM)
394964	20570	110,100.00	217,998.00
394965	20571	185,900.00	368,082.00
394961	20402	1,003,000.00	391,170.00
394962	20403	419,700.00	163,683.00

Mukim	:	Hulu Bernam Timar
District	:	Mualim
State	:	Perak Darul Ridzuan
Tenure	:	99-year leasehold interest expiring on 5 th May 2108 with an unexpired term of about 82 years
Category of Land Use	:	Bangunan
Express Conditions	:	<u>Lot Nos. 20570 & 20571</u> Perniagaan – Tapak Perniagaan
		<u>Lot No. 20402 & 20403</u> Kediaman – Tapak Kediaman
Restriction-in-Interest	:	Tanah ini hanya boleh dipindahmilik atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri Perak
Registered Proprietor	:	Perak Corporation Berhad -1/1 share
Encumbrance	:	<u>Lot No. 20402</u> Charged to CIMB Bank Berhad, vide Presentation No. 00SC37913/2012, dated 2 nd August 2012
		<u>Lot Nos. 20403, 20570 & 20571</u> Nil
Caveat	:	Private caveat lodged on Lot No. 20402 and 20403 by Tg Malim Hi-Tech Park Sdn. Bhd. vide Presentation No. 00822392/2024, dated 30 th October 2024
		<u>Lot Nos. 20570 & 20571</u> Nil
Others Endorsement	:	Application of surrender and re-alienation on Lot 20403, vide Presentation No. 00N3277/2025, dated 18 th July 2025

important note

The details of the title as extracted are not conclusive. It is based either on the extract of the title document provided by the client/client's representatives or as obtained from the District Land Office or Land Registry (including via online enquiries). The valuer does not hold any responsibility towards its legality, continuance, ownership, conditions, and encumbrances prior to proceeding with any dealings in the Subject Properties. The reference of title by the valuer is made specifically only to indicate and describe the property according to its location, size and legal identification.



Approach and Method of Valuation

In arriving at the market value of the Subject Properties, the Market/Comparison Approach has been adopted for Lot Nos. 20570, 20571 and 20402, whilst for Lot No. 20403, the Market/Comparison Approach and the Income Approach by way of the Residual Method have been adopted.

The Market/Comparison Approach entails a critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences. In valuing the Subject Properties, we have taken into consideration all relevant adjustment factors in this valuation, including time, general location, main road frontage/accessibility, shape, terrain, size, land use, planning/zoning, tenure, site improvement and physical encumbrance.

The Residual Method involves the deduction of the Gross Development Cost (GDC) and developer's profit from the Gross Development Value (GDV) of a proposed development to derive the residual value for the land.

Sale transactions data for Lot Nos. 20570 & 20571

From our analysis of the available sales transaction data, we noted several transactions involving industrial land within the surrounding area (State of Perak and Selangor). In particular, we have considered the following as suitable comparables for the Subject Properties:

Comparable	No. 1	No. 2	No. 3
Legal Description	Title No. PN 257946, Lot No. 304946, Mukim of Sungai Terap, District of Kinta, Perak Darul Ridzuan	Title No. HSD 214686, Lot No. PT 253417, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Title No. GM 3919 Lot Nos. 432 Mukim of Ulu Selangor, District of Serendah, Selangor Darul Ehsan
Location	Off Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II & IV, Pusing, Perak Darul Ridzuan	Off Jalan Kuala Kangsar, Chemar, Perak Darul Ridzuan	Off Kuala Lumpur – Tanjong Malim trunk road, Sungai Choh, Serendah, Selangor Darul Ehsan
Property Description	A parcel of vacant industrial land	A parcel of vacant industrial land	A parcel of vacant industrial land
Land Area	100,100.00 square metres	105,384.00 square metres	48,815.00 square metres
Tenure	Leasehold interest for 99-year expiring on 19 th March 2100 with an unexpired term of about 75 years as at the date of transaction	Leasehold interest for 99- year expiring on 28 th June 2112 with an unexpired term of about 87 years as at the date of transaction	Interest in perpetuity
Consideration	RM14,868,000.00	RM12,082,640.00	RM10,976,558.00
Analysis	RM148.71 per square metre	RM114.65 per square metre	RM224.86 per square metre
Date	15 th January 2025	12 th November 2024	19 th August 2024
Vendors	Ita Ikhlas Sdn Bhd	Perbadanan Kemajuan Negeri Perak	Wong Goh @ Wong See and Yee Siew Maay
Purchaser	Ember Estates Sdn Bhd	Kedang Quartz Sdn Bhd	Richfield Builder (M) Sdn Bhd
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

APPENDIX XXV – VALUATION CERTIFICATE FOR HULU BERNAM LANDS (Cont'd)



Lot No. 20570			
Comparable	No. 1	No. 2	No. 3
Adjustments	<u>Upward</u> *Shape – Comparable is irregular in shape *Land Use – Comparable under industrial land use *Planning/Zoning – Comparable is zoned for industrial *Tenure – Comparable has unexpired term of approximately 75 years	<u>Upward</u> *Main road frontage – Comparable is inferior lot without access from a main road frontage *Land Use – Comparable under industrial land use *Planning/Zoning – Comparable is zoned for industrial	<u>Upward</u> *Shape – Comparable is irregular in shape *Land Use – Comparable under industrial land use *Planning/Zoning – Comparable is zoned for industrial
	<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain	<u>Downward</u> *General Location – Comparable located at preferred area *Terrain – Comparable is undulating in terrain *Tenure – Comparable has unexpired term of approximately 67 years	<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain *Size – Comparable has a smaller land area *Tenure – Comparable interest in perpetuity
Adjusted Value	RM160.28 per sq.m	RM114.65 per sq.m	RM134.92 per sq.m

Using the Market/Comparison Approach, we noted the adjusted land values of the comparable ranges from RM114.65 per square metre to RM160.28 per square metre.

Based on the adjustment adopted, Comparable 2 resulted in the least adjustments as compared to the other comparables. Therefore, we have adopted the adjusted value in respect of Comparable 2 as the market value rate per square metre for the Lot No. 20570, based on RM114.65 per square metre.

APPENDIX XXV – VALUATION CERTIFICATE FOR HULU BERNAM LANDS (Cont'd)



Lot No. 20571				
Comparable		No. 1	No. 2	No. 3
Adjustments	1	<u>Upward</u> *Shape – Comparable is irregular in shape *Land Use – Comparable under industrial land use *Tenure – Comparable has unexpired term of approximately 75 years	<u>Upward</u> *Main road frontage – Comparable is interior lot without access from a main road frontage *Land Use – Comparable under industrial land use	<u>Upward</u> *Shape – Comparable is irregular in shape *Land Use – Comparable under industrial land use *Planning/Zoning – Comparable is zoned for industrial
		<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain *Size – Comparable has a smaller land area	<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is undulating in terrain *Size – Comparable has a smaller land area *Tenure – Comparable has unexpired term of approximately 87 years	<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain *Size – Comparable has a smaller land area *Tenure – Comparable interest in perpetuity
Adjusted Value	:	RM134.97 per sq.m	RM97.46 per sq.m	RM101.19 per sq.m

Using the Market/Comparison Approach, we noted the adjusted land values of the comparable ranges from RM97.46 per square metre to RM134.97 per square metre.

Based on the adjustment adopted, Comparable 2 resulted in the least adjustments as compared to the other comparables. Therefore, we have adopted the adjusted value in respect of Comparable 2 as the market value rate per square metre for the Lot No. 20571, based on RM97.46 per square metre.



Sale transactions data for Lot Nos. 20402 & 20403

From our analysis of the available sales transaction data, we noted several transactions involving industrial land within the surrounding area (State of Perak and Selangor). In particular, we have considered the following as suitable comparables for the Subject Property:

Comparable	No. 1	No. 2	No. 3
Legal Description	Title No. PN 257946, Lot No. 306946, Mukim of Sungai Terap, District of Kinta, Perak Darul Ridzuan	Title No. HSD 214686, Lot No. PT 253417, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Title Nos. GRN 23070, GRN 23106 and GRN 49054, Lot Nos. 2063, 2064 and 2065, all within Mukim of Ulu Selangor, District of Serendah, Selangor Darul Ehsan
Location	Off Jalan Johan 2/6, Kawasan Perindustrian Pengkalen II & N, Pusing, Perak Darul Ridzuan	Off Jalan Kuala Kangsar, Chemor, Perak Darul Ridzuan	Off Kuala Lumpur – Tanjong Malim trunk road, Sungai Choh, Serendah, Selangor Darul Ehsan
Property Description	A parcel of vacant industrial land	A parcel of vacant industrial land	Three contiguous parcels of vacant industrial land
Land Area	100,100.00 square metres	105,384.00 square metres	553,558.00 square metres
Tenure	Leasehold interest for 99-year expiring on 19 th March 2100 with an unexpired term of about 75 years (as at the date of transaction)	Leasehold interest for 99-year expiring on 28 th June 2112 with an unexpired term of about 88 years (as at the date of transaction)	Interest in perpetuity
Consideration	RM16,888,000.00	RM12,682,640.00	RM131,086,000.00
Analysis	RM168.71 per square metre	RM114.65 per square metre	RM231.61 per square metre
Date	15 th January 2025	12 th November 2024	8 th April 2024
Vendor	Ira-Ikhas Sdn Bhd	Perbadanan Kemajuan Negeri Perak	Lian Hup Wood Products Sdn Bhd
Purchaser	Ember Estates Sdn Bhd	Kedang Quartz Sdn Bhd	Richfield Builder (M) Sdn Bhd
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

APPENDIX XXV – VALUATION CERTIFICATE FOR HULU BERNAM LANDS (Cont'd)



Lot No. 20402				
Comparable		No. 1	No. 2	No. 3
Adjustments	:	*Tenure – Comparable has unexpired term of approximately 75 years.	<u>Upward</u> *Main road frontage – Comparable is interior lot without access from a main road frontage *Terrain – Comparable is undulating in terrain	<u>Upward</u> Nil
		<u>Downward</u> *General Location – Comparable located within preferred area *Size – Comparable has a smaller land area *Land Use – Comparable under industrial land use	<u>Downward</u> *General Location – Comparable located within preferred area *Shape – Comparable is near rectangular in shape *Size – Comparable has a smaller land area *Land Use – Comparable under industrial land use *Tenure – Comparable has unexpired term of approximately 87 years	<u>Downward</u> *General Location – Comparable located within preferred area *Size – Comparable has a smaller land area *Land Use – Comparable under industrial land use *Tenure – Comparable interest in perpetuity
Adjusted Value	:	RM59.05 per sqm	RM57.33 per sqm	RM94.72 per sqm

Using the Market/Comparison Approach, we noted the adjusted land values of the comparable ranges from RM57.33 per square metre to RM94.72 per square metre.

Based on the adjustment adopted, Comparable 2 resulted in the least adjustments as compared to the other comparables. Therefore, we have adopted the adjusted value in respect of Comparable 2 as the market value rate per square metre for the Lot No. 20402, based on RM57.33 per square metre.

APPENDIX XXV – VALUATION CERTIFICATE FOR HULU BERNAM LANDS (Cont'd)



Lot No. 20403				
Comparable	:	No. 1	No. 2	No. 3
Adjustments	:	*Shape – Comparable is irregular in shape *Tenure – Comparable has unexpired term of approximately 73 years	<u>Upward</u> *Main road frontage – Comparable is interior lot without access from a main road frontage	<u>Upward</u> *Shape – Comparable is irregular in shape
		<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain *Size – Comparable has a smaller land area *Land Use – Comparable under industrial land use	<u>Downward</u> *General Location – Comparable located within preferred area *Size – Comparable has a smaller land area *Land Use – Comparable under industrial land use *Tenure – Comparable has unexpired term of approximately 87 years	<u>Downward</u> *General Location – Comparable located within preferred area *Terrain – Comparable is flat in terrain *Land Use – Comparable under industrial land use *Tenure – Comparable interest in perpetuity
Adjusted Value	:	RM72.55 per sq.m	RM74.52 per sq.m	RM89.99 per sq.m

Using the Market/Comparison Approach, we noted the adjusted land values of the comparable ranges from RM72.55 per square metre to RM89.99 per square metre.

Based on the adjustment adopted, Comparable 2 resulted in the least adjustments as compared to the other comparables. Therefore, we have adopted the adjusted value in respect of Comparable 2 as the market value rate per square metre for the Lot No. 20403, based on RM74.52 per square metre.



Income Approach by way of the Residual Method

In general, the Residual Method involves the deduction of the Gross Development Cost (GDC) and developer's profit from the Gross Development Value (GDV) of a proposed development to derive the residual value for the land.

Gross Development Value (GDV)

The Gross Development Value (GDV) has been compared with the transacted prices of similar industrial plots, as follows:

Development	Property Type	Land Area square feet	Transacted Price per square feet
Kawasan Perindustrian Behrang 2020	Vacant Land Industrial Land – Medium Industry	43,560 to 65,340	RM20.00 to RM30.00
Kawasan Perindustrian Proton	Vacant Land Industrial Land – Heavy Industry	439,209	RM19.00
Kawasan Perindustrian Proton	Vacant Land Industrial Land – Heavy Industry	43,560 to 65,340	RM20.00
Kawasan Perindustrian Proton	Vacant Land Industrial Land – Heavy Industry	260,163	RM30.00

Source : Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

Total Gross Development Value (GDV) is based on the following selling prices:-

Gross Development Value (GDV)			
	Land Area (acre)	Land Area (sq.ft.)	Total (RM)
Plot 1 (Medium Industry Zone)	5.66	246,550	4,440,000.00
Plot 2 (Medium Industry Zone)	5.98	260,489	4,690,000.00
Plot 3 (Medium Industry Zone)	5.98	260,489	4,690,000.00
Plot 4 (Medium Industry Zone) - Corner	5.71	248,728	4,970,000.00
Plot 5 (Light Industry Zone) - Corner	5.71	248,728	4,230,000.00
Plot 6 (Medium Industry Zone)	5.47	238,273	4,290,000.00
Plot 7 (Medium Industry Zone)	5.57	242,629	4,370,000.00
Plot 8 (Medium Industry Zone)	5.57	242,629	4,370,000.00
Plot 9 (Hi-Tech) - Corner	6.80	296,208	6,220,000.00
Plot 10 (Light Industry Zone) - Corner	5.71	248,728	4,230,000.00
Plot 11 (Medium Industry Zone)	5.47	238,273	4,290,000.00
Plot 12 (Medium Industry Zone)	5.58	243,065	4,380,000.00
Plot 13 (Medium Industry Zone)	5.58	243,065	4,380,000.00
Plot 14 (Hi-Tech) - Corner	6.83	297,515	6,250,000.00
TOTAL GDV	81.62	3,555,367.20	65,800,000.00

No Bumiputra quota discount on the Gross Development Value (GDV) is applicable, as it is not stated in the approval of the surrender and re-alienation letter from the Pejabat Pengarah Tanah dan Galian (PTG) Perak, under reference no. Bil. (9) dlm. P.T.G.PK.211/6-92 (D), dated 20th August 2025.

FA25/PH/V0329, V0342 & V0343/PCB/BMSB/FM/mz/mari



Gross Development Cost (GDC)

Total Gross Development Cost (GDC) of RM23,350,243.00 includes cost of preliminaries, site clearance, construction for infrastructure, contribution to authorities and fees, professional fees and project management fees.

The GDC adopted in the Residual Method is follows:-

Gross Development Cost (GDC)	
	Total (RM)
1) Preliminaries Cost (Preliminary Costs (Environmental Impact Assessment, Social Impact Assessment, Traffic Impact Assessment Report and etc).	1,316,000.00
2) Site Clearance	2,258,804.42
3) Road, drainage, street lighting, electricity and water reticulation, sewerage treatment plant and telecommunications	
3.1 Infrastructure	7,696,951.45
3.2 Landscaping	962,118.93
4) Authority Contribution & Fees	
4.1 Water, Electricity and Telecommunications Contribution	700,000.00
4.2 Sumbangan Saliran	311,130.08
4.3 Titles & Application Fees	42,000.00
4.4 Development Charges	361,861.20
4.5 Conversion Premium (Plot 1 to 14) (Plot 15)	6,580,000.00 1,000.00
5) Contingencies	545,893.74
6) Professional Fees	218,357.50
7) Project Management Fees	54,589.37
8) Marketing Sales & Legal	1,974,000.00
9) Bridging Finance	327,536.24
TOTAL GDC	23,350,243.00

The Gross Development Cost (GDC) has been assumed based on prevailing market rates, as no detailed information regarding the development was provided by the client. The assumed costs are derived from market enquiries and corroborated by inputs from quantity surveyors, contractors, and etc. Whilst the GDC appears to reasonably reflect the likely development cost of the project, we are not experts in the assessment of costs and recommend that the services of a suitably qualified independent Quantity Surveyor be engaged to accurately assess the likely development cost. In the event that there are major variations to the cost adopted herein, we reserve the right to review and amend our valuation accordingly.

A discount rate of 6% per annum (cost of borrowing) is adopted to derive the Net Present Value (NPV). For this small-scale development, a borrowing rate of 6% per annum is considered reasonable based on current market conditions and typical financing terms for similar projects.

Reconciliation of Value of Lot No. 204023

In valuing the Subject Property, we have adopted two valuation approaches: the Market/Comparison Approach and the Income Approach by way of the Residual Method.

After considering the results from both approaches, we have adopted the market value based on the Market/Comparison Approach as it is considered more reflective of prevailing market conditions.

FA251PH/V0329, V0342 & V0343/PCB/BMSB/FM/mr/mr



Based on the prevailing property market conditions and recent transactions, we have determined the said values for the unexpired leasehold interest (having an unexpired term of 82 years) in the Subject Properties.

Property : Title Nos. Pajakan Negeri 394961, Pajakan Negeri 394962, Pajakan Negeri 394964 and Pajakan Negeri 394965, Lot Nos. 20402, 20403, 20570 and 20571 respectively, all within Mukim of Hulu Bernam Timor, District of Mualim, Perak Darul Ridzuan.

Location : Lot Nos. 20570 and 20571
Sited on the southern side of Jalan Makmur Utama, off Jalan Instun, and approximately 100 metres south of Taman Sekiah Makmur, 35900 Tanjong Malim, Perak Darul Ridzuan.

Lot No. 20402
Sited on the southern side of Jalan Instun, 35900 Tanjong Malim, Perak Darul Ridzuan.

Lot No. 20403
Sited on the southern side of Jalan Instun and adjoining the eastern side of Taman Sekiah Makmur, 35900 Tanjong Malim, Perak Darul Ridzuan.

with vacant possession, good, marketable and registrable title and free from all encumbrances, as at 8th September 2025, are as follows:-

Title and Lot Number	Market Value
Pajakan Negeri 394964, Lot No. 20570	RM12,600,000.00
Pajakan Negeri 394965, Lot No. 20571	RM18,100,000.00
Pajakan Negeri 394961, Lot No. 20402	RM57,500,000.00
Pajakan Negeri 394962, Lot No. 20403	RM31,300,000.00

Yours faithfully,

FIRDAUS & ASSOCIATES
PROPERTY PROFESSIONALS



DATUK SR FIRDAUS BIN MUSA, *datuk sr firdaus bin musa, chairman and managing director of firdaus bin musa & associates*
Executive Chairman
Chartered Surveyor and
Registered Valuer – V430

Firdaus Bin Musa

Important note:-

The Certification of Value is not conclusive and must be read in context with the whole Valuation Report.

FA2509Y6/V0328, V0342 & V0343/PCB/BMSB/FM/bernamb

VALUATION CERTIFICATE

Date : 8 September 2025
Our Ref No. : LC/VAL/25/020604(A)/BRW, LC/VAL/25/020604(B)/BRW

PRIVATE & CONFIDENTIAL

The Board Of Directors
PERAK CORPORATION BERHAD ("Perak Corp")
No. 1-A, Blok B, Menara PKNP,
Jalan Meru Casuarina,
Bandar Meru Raya,
30020 Ipoh,
Perak Darul Ridzuan, Malaysia

Dear Sirs,

VALUATION CERTIFICATE OF: -

- A) THREE (3) PARCELS OF INDUSTRIAL LAND IDENTIFIED AS PLOT 1 (3.600 ACRES), PLOT 2 (5.952 ACRES) AND PLOT 3 (7.703 ACRES), ALL HELD UNDER WILAYAH BATU UNDAN, MUKIM OF LUMUT, DISTRICT OF MANJUNG, STATE OF PERAK ("HINTERLAND");
- B) THE JOINT DEVELOPMENT RIGHTS ("JDR") OF A STATE ALIENATED LAND APPROVED FOR THE DEVELOPMENT OF TWO HUNDRED TWENTY-SIX (226) UNITS OF TWO-STOREY TERRACED HOUSES, ONE HUNDRED SIX (106) UNITS OF TWO-STOREY SEMI-DETACHED HOUSES, TWENTY-SEVEN (27) UNITS OF TWO-STOREY DETACHED HOUSES, AND ONE (1) TNB SUB-STATION HELD UNDER PART OF GOVERNMENT LAND ZONE 1 - F, G (PART OF PLOT 8A AND 10A), AT BANDAR MERU RAYA, MUKIM OF HULU KINTA, DISTRICT OF KINTA, STATE OF PERAK ("ZONE 1 BANDAR MERU RAYA");

ALL OF WHICH ARE REFERRED TO AS THE "SUBJECT PROPERTIES"

We refer to the instructions by Perak Corp to provide an opinion on the **Market Value** of the Subject Properties for the purpose of submission to Bursa Malaysia Securities Berhad ("Bursa") and for inclusion in the circular to the shareholders of Perak Corp, in relation to the proposed regularisation plan.

The Subject Properties were inspected on 8 September 2025. The relevant date of valuation for this valuation exercise coincides with their respective date of inspection.

The Valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined in Standard 4 of the Malaysian Valuation Standards [Market Value Basis of Valuation] to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation Certificate should be read in conjunction with the full Reports (Ref Nos: LC/VAL/25/020604(A)/BRW, LC/VAL/25/020604(B)/BRW, prepared by Laureicap Sdn. Bhd. for the purpose of submission to Bursa, which detailed the basis under which the valuations have been prepared.



Laureicap Sdn. Bhd.

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APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



A) (i) IDENTIFICATION OF HINTERLAND	
Address:	Wilayah Batu Undan in Lumut, Perak
Interest To Be Valued:	Leasehold interest with an unexpired term of approximately 99 years
Type of Property:	Three (3) parcels of industrial land
Date of Inspection:	8 September 2025
Date of Valuation:	For the purpose of this valuation exercise, the material date of valuation is the date of inspection, i.e. 8 September 2025
Beneficiary Owner:	Perak Corp
Title Particulars:	Yet to be issued
Mukim/District:	Wilayah Batu Undan, Mukim of Lumut, District of Manjung, State of Perak
Tenure:	Leasehold for 99 years.
Category of Land Use:	"Perindustrian"
Express Condition:	"Perusahaan Ringan – Lot Industri"
Restriction in Interest:	"Tanah ini hanya boleh dipindahmilik, dipajak, digadal, atau dicagar dengan kebenaran bertulis oleh Pihak Berkuasa Negeri"
Alienated Land Area	Plot 1 : 3.702 acres ("ac") (approximately 161,259.12 square feet ("sq. ft.")) Plot 2 : 5.948 ac (approximately 259,094.88 sq. ft.) Plot 3 : 7.700 ac (approximately 335,412.00 sq. ft.)
Surveyed Land Area	Plot 1 : 3.600 ac (approximately 156,816.00 sq. ft.) Plot 2 : 5.952 ac (approximately 259,289.12 sq. ft.) Plot 3 : 7.703 ac (approximately 335,542.68 sq. ft.)
Location:	HINTERLAND is situated in an area known as Wilayah Batu Undan in Lumut, Perak, and is located approximately 12 kilometres ("km") due north of Manjung town centre and about 10 km to the north-east of the Damai Laut Golf & Country Club. They are accessible from Manjung town via Jalan Iskandar Shah, turning onto Jalan Manjung-Changkat Jering, crossing the Permaisuri Bainun Bridge and continuing onto the main access road leading to Lumut Maritime Terminal 2, where the Lumut Port Industrial Park is currently under development. HINTERLAND is strategically located within a dynamic mixed-use development area, characterized by a blend of industrial, commercial, residential, and institutional developments. The area comprises a range of properties, including single-storey and double storey terraced houses, detached houses, institutional office buildings, double storey shophouses, individually designed detached factories, and vacant industrial lots.

Location: (cont'd)	To the north, the area is home to prominent landmarks such as Segari, Balai Polis Segari, Masjid Segari, and Pantai Remis. The southern boundary is anchored by the Lumut Port Industrial Park, which is a key hub for industrial activities, with various ongoing developments to expand its capacity. Further south, Kampung Acheh and Bandar Seri Manjung provide residential neighborhoods and local amenities. To the east, the region is supported by key educational and healthcare facilities, such as Universiti Kuala Lumpur Malaysian Institute of Marine Engineering Technology (UNIKL-MIMET), Kampung Baru, and Klinik Desa Kampung Baru. The western side features established commercial and industrial areas, including Malaysian Flour Mills Berhad, Kampung Batu Undan, Kampung Batu Tiga, Pusat Latihan Khidmat Negara Akademi and the prestigious Damai Laut Golf & Country Club. HINTERLAND benefits from its strategic location along major transport routes, including easy access to Lumut Maritime Port 2, a vital regional port facilitating both commercial and industrial shipping. The area is well-connected to major trunk roads such as Jalan Iskandar Shah and Jalan Manjung-Changkat Jering, providing seamless connectivity to surrounding urban centres, residential zones, and industrial areas. Furthermore, the West Coast Expressway (E32), when fully completed, will improve accessibility, offering a direct route from Banting in Selangor to Taiping in Perak, enhancing connectivity to other parts of the West Coast of Peninsular Malaysia. Nearby, the towns of Ayer Tawar and Setiawan offer additional residential and commercial amenities, further enriching the area's development potential. Setiawan, in particular, is known for its growing commercial activities and residential areas, making it a key town in the region. To the west, Pangkor Island, a popular tourist destination, is easily accessible via the Lumut and Ferry Terminal, adding to the region's appeal with its tourism-driven economy and recreational offerings. This combination of residential, industrial, and tourism-driven developments makes the area a highly attractive location for both business and living.
Description of the HINTERLAND:	HINTERLAND comprise three (3) parcels of industrial land, identified as Plot 1, Plot 2 and Plot 3, with a total surveyed land area of about 17.255 ac (approximately 751,627.80 sq. ft. or 69,827.93 square metres ("sq. m.")). The plots are generally adjacent to each other, separated by a road reserve that serves as an access corridor. Plot 1 is an irregular shaped parcel of land encompassing a surveyed land area of about 3.600 ac (approximately 156,816.00 sq. ft. or 14,568.56 sq. m.). The terrain of the land is predominately flat with a mix of open grassy areas, dense mangrove vegetation and waterbody to Manjung River. The site transitions from grass-covered terrain to a mangrove area, indicating water-retaining soil and natural wetland characteristics. The coastal boundary consists of a combination of sandy and muddy terrain, suggesting potential tidal influences. Plot 2 is an elongated triangular shaped parcel of land encompassing a surveyed land area of about 5.952 ac (approximately 259,269.12 sq.ft. or 24,086.69 sq.m.). The terrain of the land is predominately flat with a mix of open grassy areas and dense mangrove vegetation. Plot 3 is an almost rectangular shaped parcel of land encompassing a surveyed land area of about 7.703 ac (approximately 335,542.68 sq.ft. or 31,172.68 sq.m.). The terrain of the land is predominately flat with a mix of open grassy areas and wild trees.
Planning Details:	Verbal enquiries at the Planning Department of Majlis Perbandaran Manjung ("MPM") and reference made to the "Rancangan Tempatan Daerah Manjung 2030" revealed that the HINTERLAND are located within an area zoned for industrial use.
Breach of relevant laws & rules in respect of Hinterland:	As at the material date of valuation, there is no breach of relevant laws, regulations, rules and requirements in relation to the HINTERLAND.

A) (ii) METHOD OF VALUATION FOR HINTERLAND

In arriving at the Market Values of HINTERLAND, we have adopted single valuation approach. We are of the opinion that the **Comparison Approach** is the best and only approach in this instance, due to the following factors:-

- There are recent transactions of industrial properties located in the vicinity which solidifies the price trend and thus favours the Comparison Approach.
- There is no Development Order or any development planning of any sort at the moment. Thus, the Residual Method would not be a suitable method of valuation in this instance.
- There is a limited demand for the rental of vacant industrial land in the area surrounding the HINTERLAND. As a result, the Investment Method is not applicable in this case.

This method involves comparing the HINTERLAND with recently transacted properties of a similar nature or offers for sale/rental of similar properties in the area. Adjustments are then made for differences in location, size, site facilities available, market conditions and other factors in order to arrive at a common basis for comparison.

Recent transactions of vacant lands of similar nature within the neighbourhood which are pertinent to substantiate a value indication for the HINTERLAND are reviewed and these sales are listed below.

Comparison Approach

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	Jabatan Penilaian dan Perkhidmatan Harta Malaysia ("JPPH")	JPPH	JPPH
Description	A parcel of industrial land	A parcel of industrial land	A parcel of industrial land
Remarks	The transaction of the comparable is based on the vacant land status. The structures on the site were constructed after the completion of the land transaction.	The transaction of the comparable is based on the vacant land status. The structures on the site were constructed after the completion of the land transaction.	Nil
Address	Lot 15603, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak Darul Ridzuan	Lot 15515, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak Darul Ridzuan	Lot 15570, Lumut Port Industrial Park, Kawasan Perusahaan Kampung Acheh, Mukim of Lumut, District of Manjung, Perak Darul Ridzuan
Distance from Hinterland	Approximately 5.50 km due south-east of the Hinterland	Approximately 3.50 km due south-east of the Hinterland	Approximately 5.00 km due south-east of the Hinterland
Title Particulars	PN 296184, Lot 15603, Mukim of Lumut, District of Manjung, State of Perak	PN 296068, Lot 15515, Mukim of Lumut, District of Manjung, State of Perak	PN 298151, Lot 15570, Mukim of Lumut, District of Manjung, State of Perak
Transaction Date	3 January 2022	10 May 2022	13 September 2024
Vendor	We On Engineering Sdn Bhd	Lhoist (Malaysia) Sdn Bhd	Destini Berhad
Purchaser	Mechskill Sdn Bhd	Cemerlang Coke Industrial Sdn Bhd	LHY Engineering & Machinery Sdn Bhd

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Tenure	Leasehold for 99 years. Term expiring on 9 July 2105. Leaving an unexpired term approximately 83 years as at the date of transaction.	Leasehold for 99 years. Term expiring on 9 July 2105. Leaving an unexpired term approximately 83 years as at the date of transaction.	Leasehold for 99 years. Term expiring on 9 July 2105. Leaving an unexpired term approximately 81 years as at the date of transaction.
Land Area	10,472.00 sq. m. (about 112,720.61 sq. ft.)	96,550.00 sq. m. (about 1,060,792.20 sq. ft.)	4,049.00 sq. m. (about 43,583.44 sq. ft.)
Consideration	RM 2,850,000.00	RM 15,700,000.00	RM 1,000,000.00
Price per square feet ("psf")	RM 25.26 psf	RM 14.80 psf	RM 22.94 psf
Adjustments	General adjustments are made for time and various factors inclusive of location, access, tenure, size and market uncertainty (Impact of Covid-19) factor.		
Adjusted Price (psf)	RM 26.55 psf	RM 21.46 psf	RM 22.03 psf

In arriving at the Market Values of the Hinterland Property, we have adopted a two-step approach to the valuation.

Step 1 : We have selected Plot 3 as the reference land for determining the Market Value rate per square foot due to the non-swampy land condition and regular land shaped. Comparable properties are adjusted against Plot 3 to account for differences in attributes, ensuring a fair valuation. Since the comparable lands have been cleared and developed with infrastructure, the cost of these improvements is deducted. The net amount is then discounted over a six-month period to establish the raw land value per square foot, or base rate.

Step 2 : The base rate serves as the benchmark for comparing Plot 1 and Plot 2, with adjustments made to account for differences between the respective lands. Since Plot 1 and Plot 2 are below ground level, swampy, and located adjacent to the Manjung River, the cost of land filling has been deducted from the adjusted values. A six-month discount is then applied to determine the Market Value of Plot 1 and Plot 2.

We would like to highlight that a portion of Plot 1 is submerged and connected to the Manjung River. Consequently, for this valuation exercise, we have excluded this section and based on the measurements provided by Messrs. Jurukur Bersama, the usable area is approximately 2,400 acres (equivalent to about 104,544.00 sq. ft. or 9,712.37 sq. m.), which has been adopted to determine the Market Value of Plot 1).

ANALYSIS

Analysis of the three (3) selected transactions revealed that land prices within the surrounding neighbourhood were hovering between RM 14.80 psf and RM 25.26 psf. Adjustments were made to reflect the differences between the HINTERLAND and the comparables to arrive at a final adjusted price of RM 21.46 psf to RM 26.55 psf. The total adjustments made between the comparables ranges from 16% to 45%.

Taking into consideration the dissimilarities between the HINTERLAND and the comparables, we have placed greater emphasis on Comparable 3 as the most appropriate comparable due to the following characteristics: -

- a) Comparable 3 was transacted most recently in comparison to the other two (2) sales evidence; and
- b) Comparable 3 shares the least total adjustments in comparison to the other two (2) sales evidence.

Based on the above analysis, we have adopted a value of **RM 22.94 psf** after adjustments for the time factor. Additional adjustments were made for location, access, tenure, size, and market uncertainty (due to the impact of Covid-19) to reflect the differential pricing of the land. This results in a final value of **RM 22.03 psf**, which has been rounded up to **RM 22.00 psf**.



To reflect the current situation and condition of Plot 3, the cost of infrastructure and earthworks has been deducted, as the selected comparables are supported by ready infrastructure and have completed earthworks. A cost of **RM 270,000.00 per ac**, along with a **10% discount factor (present value)** for a six (6) month period (time required for the infrastructure and earthworks to be completed), as advised by professional surveyors and contractors, has been deducted. This results in a Market Value of **RM 5,055,579.96**, which has been rounded up to **RM 5,000,000.00 (RM 14.90 psf)** for Plot 3.

This figure (**RM 14.90 psf**) also serves as the base value to determine the Market Value of the adjacent plots, Plot 1 and Plot 2. Further adjustments were made to account for differences in size and shape, resulting in a rate of **RM 16.39 psf** for Plot 1 and **RM 11.92 psf** for Plot 2. To reflect the current condition of Plot 1 and Plot 2, a filling cost of **RM 3.00 psf** has been applied for both Plot 1 and Plot 2, along with a **10% discount factor (present value)** for a six (6) month period (time required for the ponds to be fully filled and soil settlement to occur), which is in line with the Cost Opinion Letter professional surveyors and contractors, has been deducted. This results in a Market Value of **RM 1,335,026.88**, rounded up to **RM 1,330,000.00 (RM 12.72 psf)** for Plot 1 and **RM 2,206,380.21**, rounded up to **RM 2,200,000.00 (RM 8.49 psf)** for Plot 2.

The combined industrial land value for Plot 1, Plot 2, and Plot 3 under the Comparison Approach totals **RM 8,530,000.00**.

PERTINENT FACTORS

1. We have considered the costs of infrastructure, earthworks, and filling the swamp area, all of which are in line with the Cost Opinion Letter and prevailing market rates, in order to determine the Market Value of the Hinterland Property.
2. In assessing shape adjustment, Plot 3, being almost rectangular in shape, is considered the most efficient in terms of development potential due to its flexibility in design, optimal space utilisation, and ease of infrastructure planning. Plot 2 is considered less efficient as its configuration largely restricts development design, particularly at the narrow triangular ends; hence, a negative shape adjustment of 20% was applied. Although Plot 1 is irregularly shaped, the adopted land area of approximately 2,400 acres is relatively squarish and is deemed to offer comparable development efficiency to Plot 3. Therefore, no adjustment was made for Plot 1.
3. We would like to highlight that a portion of Plot 1, particularly along its eastern boundary, is submerged and connected to the Manjung River. This area was excluded from the adopted land area due to its limited accessibility, tidal influence, irregular shape, and unsuitable ground conditions, which render it inefficient and unusable for conventional development without significant and costly reclamation and stabilisation works. Based on the measurements provided by Messrs. Juruukur Bersama, the adopted usable land area is approximately 2,400 acres (equivalent to about 104,544.00 sq. ft. or 9,712.37 sq. m.), consisting primarily of flat, open grassy areas and sections with dense mangrove vegetation. This efficient and practical land envelope forms the basis for our assessment in determining the Market Value of Plot 1.
4. We have analysed the usable area for Plot 1 by applying ratio between the usable area and the gross area, against the estimated fill volume as per the surveyor plan. The total volume of the net area is 56,737m³. The cost to fill up the net land area based on the contractor's opinion is between RM 3.00 to RM 5.00 per sq. ft. In this instance, we have adopted RM 3.00 per sq. ft., based on an average depth of 4 to 6 metres.
5. We have analysed the area for Plot 2 as per the surveyor plan. The total volume of the area is 96,360 m³. The cost to fill up the land area based on the contractor's opinion is between RM 3.00 to RM 5.00 per sq. ft. In this instance, we have adopted RM 3.00 per sq. ft., based on an average depth of 4 to 6 metres.
6. The Present Value (PV) at a discount rate of 10% per annum over six (6) months reflects the commercial risk in the property development business as a whole and adequately accounts for the time value of money and the time frame required for construction and completion of the infrastructure, earthworks, filling works and soil settlement.
7. The rationale for adopting the cost of filling based on land area, rather than volume, is primarily for consistency and ease of reference throughout the report. Land area is typically measured in square metres or square feet, which aligns with the rest of the report's data. In contrast, volume is measured in cubic metres (m³), which would introduce complexity in comparison.



We performed a cross-check using the RM 8 per cubic metre ("pm³") rate provided in the opinion letter. For Plot 1, the adopted rate of RM 3.00 psf yields an estimated filling cost of RM 313,632.00, while the volumetric calculation using RM 6 pm³ produces an equivalent rate of RM 3.26 psf.

For Plot 2, the same RM 6 pm³ rate produces an equivalent of RM 2.23 psf. Averaging both volumetric equivalents (RM 3.26 psf and RM 2.23 psf) give approximately RM 2.75 psf, which reasonably rounds to RM 3.00 psf. Accordingly, RM 3.00 psf has been adopted for both Plot 1 and Plot 2 as a consistent and reasonable representation of filling cost for this valuation exercise.

8. We have noted the restriction in interest as stated in the title which reads "Tanah ini hanya boleh dipindahmilik, dipajak, digada, atau dicagar dengan kebenaran bertulis oleh Pihak Berkuasa Negeri." This statement is a common feature in a leasehold title nationwide, and hence we do not envisage the restriction to hinder the transfer of ownership of the Hinterland Property.

A) (iii) VALUATION CONCLUSION FOR HINTERLAND

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Values** of the leasehold interest with an unexpired term of approximately 99 years in three (3) parcels of industrial land identified as **Plot 1 (3,600 Acres)**, **Plot 2 (5,952 Acres)** and **Plot 3 (7,703 Acres)**, all held under Wilayah Batu Undan, Mukim of Lumut, District of Manjung, State of Perak, and subject to their to-be-issued title documents being free from encumbrances, good and, marketable and registrable as of **8 September 2025** is as below:-

Market Values:

Plot 1	-	RM 1,330,000.00	(Ringgit Malaysia : One Million Three Hundred And Thirty Thousand Only)
Plot 2	-	RM 2,200,000.00	(Ringgit Malaysia : Two Million And Two Hundred Thousand Only)
Plot 3	-	RM 5,000,000.00	(Ringgit Malaysia : Five Million Only)
TOTAL	-	RM 8,530,000.00	(Ringgit Malaysia : Eight Million Five Hundred And Thirty Thousand Only)

B) (i) IDENTIFICATION OF ZONE 1 BANDAR MERU RAYA

Address:	Pekeliling Meru Indah within Gerbang Meru Indah, Perak
Interest To Be Valued:	Grant in perpetuity interest
Type of Property:	JDR of a state alienated land approved for the development of two hundred twenty-six (226) units of double storey terraced houses, twenty-seven (27) units of double storey detached houses, one hundred six (106) units of double storey semi-detached houses and two (2) TNB sub-stations.
Date of Inspection:	8 September 2025
Date of Valuation:	For the purpose of this valuation exercise, the material date of valuation is the date of inspection, i.e. 8 September 2025
Land Owner/ Master Developer:	Perbadanan Kemajuan Negeri Perak ("PKNP") / Perak Corp
Title Particulars:	Phase 1 – 171 individual titles issued Phase 2 – Yet to be issued Phase 3 – Yet to be issued
Mukim/District:	Part of government land Zone 1 - F, G (Part of Plot 8A and 10A), at Bandar Meru Raya, Mukim of Hulu Kinta, District of Kinta, State of Perak

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Tenure:	Grant in perpetuity interest
Category of Land Use:	i. "Bangunan" ii. "Perindustrian"
Express Condition: Express Condition: (cont'd)	i. "Tapak Kediaman" "(Plot 1-226): Kediaman – Rumah Teres" "(Plot 227-253): Kediaman – Sebuah Rumah Kediaman" "(Plot 254-359): Kediaman – Rumah Berkembar" ii. "Tapak Perindustrian" "(Plot 360-361): Tapak Pencawang Elektrik (PE)" "Perusahaan Berat – Tapak Pencawang Elektrik"
Restriction in Interest:	i. "Tanah ini hanya boleh dipindahmilik atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri." ii. "Tanah ini hanya boleh dipindahmilik, digadai atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri." "Sekatan ini dikecualikan kepada kaum bumiputera bagi pindahmilik kedua dan seterusnya." "(Sekatan ini hanya bagi plot-plot yang dikenakan kuota bumiputera sahaja)" iii. "Tanah ini hanya boleh dipindahmilik, digadai atau dipajak dengan kebenaran bertulis oleh Pihak Berkuasa Negeri." "(Sekatan ini hanya bagi plot pencawang elektrik sahaja)"
Pre-Surrendered Land Area:	49.84 ac (approximately 2,171,030.40 sq. ft. or 201,693.64 sq. m.)
Surrendered Land Area:	6.04 ac (approximately 263,102.40 sq. ft. or 24,442.81 sq. m.)
Adopted Net Land Area	43.80 ac (approximately 1,907,928.00 sq. ft. or 177,250.84 sq. m.)
Location:	Gerbang Meru Indah area is characterised by a mixed-use development, comprising residential, commercial, and industrial properties. The residential component includes a combination of terraced houses, detached houses, and apartments, while the commercial segment consists of shop-offices. Industrial properties in the vicinity include terraced factories, semi-detached factories, and detached factories. Additionally, the area is home to a range of educational institutions, government offices, and retail establishments, contributing to its diverse land use and vibrant environment. Gerbang Meru Indah is strategically located within an expanding industrial hub in Ipoh. The area hosts various manufacturing companies, particularly in sectors such as electronics, automotive parts, and consumer goods. The nearby Meru Raya Industrial Area is a key contributor to the local economy, housing numerous factories and warehouses. Furthermore, Perak Techno Trade Centre, located nearby, supports the growth of high-tech industries and innovation, positioning the area as an important industrial and commercial centre.

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Location: (cont'd)	The surrounding retail environment includes several established shopping malls and retail outlets. Ipoh Parade and AEON Kinta City are major regional shopping centres, offering a wide range of retail outlets, dining options, and entertainment facilities. Additionally, Lotus Bercham provides a retail option focused on groceries and essential household goods for the surrounding community. Mydin Mall Meru Raya, a large hypermarket and retail complex, serves as a key shopping destination in the area, catering to the daily needs of the residents and visitors alike. Gerbang Meru Indah is well-served by a variety of educational institutions. Several secondary schools, including SMK Meru Raya and SMK Tasek, are situated nearby, providing accessible education to local students. The prominent Yuk Choy High School, a well-regarded Chinese secondary school, is also located in the vicinity. For higher education, Universiti Tunku Abdul Rahman (UTAR) Perak Campus offers undergraduate and postgraduate programmes, while Institut Pendidikan Guru (IPG) Perak serves as a teacher training institution, further enriching the area's educational offerings. The area benefits from proximity to key government offices in Ipoh. Ipoh District Office oversees various administrative functions related to local governance, while Perak State Secretariat Building serves as the central hub for state-level administration. Additionally, Jabatan Pengangkutan Jalan (JPJ) office in Perak, which provides services related to road transport and vehicle registration, is easily accessible from Gerbang Meru Indah. In terms of residential developments, Meru Valley Resort, located nearby, provides an upscale living environment with scenic views, offering a more tranquil lifestyle. Taman Meru Indah residential area, located in close proximity, consists of a mix of terrace houses and semi-detached homes, making it a desirable location for families seeking comfortable living spaces in a well-established community. Gerbang Meru Indah area benefits from strong connectivity, with several major roads linking it to Ipoh city centre and other parts of the region. Jalan Raja Musa Aziz is a significant road that connects the area to the city centre, facilitating easy access to commercial and business districts. Jalan Kuala Kangsar is another key arterial road, providing access to other towns in Perak. Federal Route 239 connects various towns within the state, further enhancing regional connectivity. Lebuhraya Meru Raya offers direct access to Gerbang Meru Indah, ensuring convenient travel within the local development area.
Description of the ZONE 1 BANDAR MERU RAYA:	ZONE 1 BANDAR MERU RAYA resembles an irregular shaped parcel of land encompassing a pre-surrendered land area of about 49.84 ac (approximately 2,171,030.40 sq. ft. or 201,893.64 square metres sq. m. as stated in the alienation letter vide Ref No. Bil.(72)dlm.PTG.PK602/5-189(26)(B), dated 26 January 2023. The physical terrain of the ZONE 1 BANDAR MERU RAYA generally varies from flat to undulating, with earthworks ongoing. This results in a mix of cleared and vegetated areas. Certain sections have been excavated and levelled, exposing bare soil, whilst other sections retain patches of grass and natural vegetation. The site boundaries are demarcated by brick wall fencing along the northern boundary, while the other boundaries are partially demarcated by metal hoarding fencing.

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Proposed Development:	The ZONE 1 BANDAR MERU RAYA has obtained the necessary approvals for the proposed development, as outlined below: - An exemption letter from PTG vide Ref No. BL(31)dlm.PTG.PK602/5-189(26)(B), dated 28 December 2017. - A planning approval (Kebenaran Merancang) from Majlis Bandaraya Ipoh ("MBI") on 5 April 2022, vide Ref No. KM01/0353/22, for the proposed development; - Subsequently, the pre-computation plan was approved on 28 June 2022, vide Ref No. JBP/PU/A25/8/22 by MBI; - An alienation letter was issued on 26 January 2023, vide Ref No. Bil.(72)dlm.PTG.PK602/5-189(26)(B), confirming that the land had been alienated PKNP; and - Amended planning approval (Kebenaran Merancang) from MBI on 15 November 2024, vide Ref No. KM01/2264/24. - Approved amended pre-computation plan letter from PTG vide Ref No. Bil.(7)dlm.PTG.PK.602/5-189(26) (B) BHG. 2, dated 7 May 2025. <u>Surrendered Portion</u> As stated in the alienation letter, the proposed development is required to surrender a portion of the land to the State Government, totaling 6.05 ac, which is designated for Rizab Kawasan Lapang (Plot 362), Rizab Kawasan Lapang/ Padang Permainan (Plots 365 and 366), and Rizab Kerajaan (Plot 367) under Seksyen 42(1)(b) and Seksyen 62(1) Kanun Tanah Negara (Akta 828). In line with this requirement, the initially submitted planning approval vide Ref No. KM01/0353/22, dated 5 April 2022 reflected these provisions and the amended planning approval vide Ref No. KM01/2264/24 dated 15 November 2024 incorporated the subsequent changes related to the surrendered portion. <table border="1" data-bbox="544 1122 1307 1375"> <thead> <tr> <th>Components</th><th>Land Area</th></tr> </thead> <tbody> <tr> <td><u>Planning Approval (KM01/0353/22)</u></td><td></td></tr> <tr> <td>Kawasan Lapang/ Padang Permainan/ Kawasan Hijau</td><td>5.05 acres</td></tr> <tr> <td>Rizab Kerajaan</td><td>1.00 acres</td></tr> <tr> <td>Total</td><td>6.05 acres</td></tr> <tr> <td><u>Amended Planning Approval (KM01/2264/24)</u></td><td></td></tr> <tr> <td>Kawasan Lapang/ Padang Permainan/ Kawasan Hijau</td><td>5.04 acres</td></tr> <tr> <td>Rizab Kerajaan</td><td>1.00 acres</td></tr> <tr> <td>Total</td><td>6.04 acres</td></tr> </tbody> </table> <u>Components Of The Proposed Development</u> Based on the alienation letter, planning approval plan, pre-computation plan and amended planning approval plan, the development has been granted planning approval for the construction of double storey terraced houses, double storey detached houses and double storey semi-detached houses. The details of the development components, as reflected in the latest amended planning approval plan are tabulated overleaf for ease of reference:	Components	Land Area	<u>Planning Approval (KM01/0353/22)</u>		Kawasan Lapang/ Padang Permainan/ Kawasan Hijau	5.05 acres	Rizab Kerajaan	1.00 acres	Total	6.05 acres	<u>Amended Planning Approval (KM01/2264/24)</u>		Kawasan Lapang/ Padang Permainan/ Kawasan Hijau	5.04 acres	Rizab Kerajaan	1.00 acres	Total	6.04 acres
Components	Land Area																		
<u>Planning Approval (KM01/0353/22)</u>																			
Kawasan Lapang/ Padang Permainan/ Kawasan Hijau	5.05 acres																		
Rizab Kerajaan	1.00 acres																		
Total	6.05 acres																		
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Kawasan Lapang/ Padang Permainan/ Kawasan Hijau	5.04 acres																		
Rizab Kerajaan	1.00 acres																		
Total	6.04 acres																		

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Proposed Development: (cont'd)	Development Components	Plot No.	Total Unit	Total Area (Acres)
	Residential			
	I. Double Storey Terraced House	1 – 226	226	11.49
	II. Double Storey Detached House	227 – 253	27	4.81
	III. Double Storey Semi-Detached House	254 – 359	106	10.53
	Industrial			
	I. TNB Sub-Station	360 – 361	2	0.13
	Others			
	I. Road Reserves	-	-	16.84
	Total			43.80
PLANNING APPROVAL VALIDITY				
Based on the amended planning approval letter vide Ref No. KM01/2264/24, dated 15 November 2024, the approval is valid for twelve (12) months, expiring on 15 November 2025. Confirmation from Perak Corp has verified that the amended planning approval remains valid, as earthwork had commenced and was ongoing as at our date of inspection. This is further supported by the earthwork plan approval vide Ref. No. Bil.(35)dm.MBI OSC/F2/10/63/118/24 dated 13 November 2024.				
Planning Details:	Verbal enquiries at the Planning Department of MBI and reference made to the "Rancangan Tempatan Bandaraya Ipoh 2035 (Penggantian)" revealed that the ZONE 1 BANDAR MERU RAYA is located within an area zoned for residential use with low density (1-20 units).			
Breach of relevant Laws & rules in respect of the ZONE 1 BANDAR MERU RAYA :	As at the material date of valuation, there is no breach of relevant laws, regulations, rules and requirements in relation to the ZONE 1 BANDAR MERU RAYA.			
Joint Development Agreement ("JDA"), Joint Venture Agreement ("JVA") and Supplementary Agreement ("SA") collectively known as ("Agreements")	Pertinent information extracted from the Agreements are summarized below A. JDA i. The JDA is executed between PKNP and Perak Corp, dated 8 March 2024. ii. PKNP shall be designated as the landowner, whilst Perak Corp is recognized as the Master Developer. iii. PKNP agrees not to receive any share of revenue from the Sale Proceeds. However, PKNP will be reimbursed for costs and expenses incurred for the project. B. JVA On the same day as the signing of the JDA, a JVA was also executed between PKNP and Perak Corp, along with Uni-Poh Construction Works Sdn Bhd ("Project Developer"). The contents of this agreement are generally similar to the JDA, but with additional terms and conditions, considering the Project Developer's role as the party responsible for carrying out the development of the ZONE 1 BANDAR MERU RAYA. i) The JVA is executed between PKNP, Perak Corp and Project Developer, dated 8 March 2024. ii) Project Developer is required to contribute forty percent (40%) of the portion of premiums that exceed RM359,000.00.			

Agreements (continued):	iii) Perak Corp's Entitlement to Proceeds - Perak Corp is entitled to 20.90% of the proceeds from the minimum sale price of all units in the development. - Additionally, it is entitled to 20.90% of the excess portion of proceeds from units sold above the minimum price, after deducting enhancement, upgrading, and construction costs. iv) Project Developer's Entitlement To Proceed The Project Developer is entitled to a share and interest in the Development as compensation for executing and financing the project. The entitlement consists of two components: 79.10% of the Proceeds from Minimum Prices - Covers recovery of development and construction costs. - Includes profit for undertaking and completing the Development. 79.10% of Excess Proceeds from Sales Above Minimum Prices - Acts as additional profit for the Project Developer. - Any enhancement, upgrading, and additional construction costs must first be deducted before payment to the Project Developer, as outlined in Clause 11.3 of the JVA. C. SA i) The SA was executed between PKNP, Perak Corp and Project Developer, dated 13 February 2025. ii) Under the JVA, Perak Corp is responsible for covering 80% of the chargeable premium, totaling RM4,858,503.20 (hereinafter referred to as "Perak Corp's Premium"). However, this amount has not yet been settled by Perak Corp. iii) Pre-Agreed Entitlement - Perak Corp's Entitlement is pre-agreed at RM40,377,531.00. - This amount is subject to deductions for the sewerage treatment plant ("STP") Contract Price and Perak Corp's Premium, which are costs borne by Perak Corp. - The remaining balance will be paid according to a fixed schedule. iv) The Project Developer agrees to make payments on behalf of Perak Corp as follows: - RM1,797,240.00 – Payment for the balance of premium under Form 5A Fasa 1. This amount is treated as part of Perak Corp's Premium deducted from Perak Corp's Entitlement. - RM3,059,263.20 – Full settlement of the remaining Perak Corp's Premium from Perak Corp's Entitlement. v) STP Contract Price - The STP Contract Price payable by Perak Corp to the Project Developer for contract performance will be deducted from Perak Corp's Entitlement. - As construction progresses, each certified claim for the STP Contract Price will be offset against the Entitlement owed to Perak Corp. - This will continue until the STP Contract Price is fully discharged. - If the STP Contract is terminated, Perak Corp has 30 days to appoint a new contractor to complete the project. - The Project Developer will be liable for any additional costs incurred due to the price increase in completing the STP Contract. - The Project Developer must pay the additional costs within 30 days upon demand by Perak Corp.

B) (ii) METHOD OF VALUATION FOR ZONE 1 BANDAR MERU RAYA

In arriving at the Market Value of ZONE 1 BANDAR MERU RAYA we have adopted single valuation approach. We are of the opinion that the **Income Approach by way of "Residual Method"** is the best and only approach in this instance due to the following factors:

- The proposed development has obtained the planning approval (Kebenaran Merancang), amended planning approval and the pre-computation from MBI as well as the approval for alienation, which clearly define the developments components and requirements/ conditions for developments.
- PKNP, Perak Corp and Project Developer had on 8 March 2024 entered a JVA to develop the land which further solidify the intention on this project.

The Residual Method involves determining the Gross Development Value ("GDV"), which represents the total expected Market Value of the completed development. From this projected value, the Gross Development Cost ("GDC") is deducted. The GDC includes preliminary expenses, external and common infrastructure works, construction costs, professional fees, sales, marketing and administration expenses, authority contributions, land expenses, interest on borrowed capital and contingencies. The residual land value is then determined and adjusted to reflect its current market value, accounting for the time required for development.

Determining The GDV

In determining the GDV, we have adopted the Comparison Approach for transacted prices of similar properties within the surrounding neighbourhood as a guide in deriving the proposed selling price. This method involves comparing the ZONE 1 BANDAR MERU RAYA with recently transacted properties of a similar nature or offers for sale of similar properties in the area.

Adjustments are then made for differences in time, location, access, size and tenure factor, in order to arrive at a common basis for comparison.

Recent comparable transactions of double storey terraced houses, double storey detached houses and double storey semi-detached houses within the neighbourhood which are pertinent to substantiate a market value indication for the proposed development components are reviewed and these sales are shown overleaf:

Double Storey Terraced House

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	JPPH	JPPH	JPPH
Address	17, Lintasan Meru Permai 3, Taman Halaman Meru Permai, Perak.	48, Jalan Meru Idaman 4, Taman Meru Idaman (Scientex Meru), Perak.	7, Jalan Meru Suria 4, Suria @ Meru, Bandar Meru Raya, Perak.
Type	Double storey terraced house	Double storey terraced house	Double storey terraced house
Tenure	Grant in perpetuity	Grant in perpetuity	Grant in perpetuity
Transaction Date	10/05/2024	16/05/2024	05/09/2024
Built-up Area	127.09 sq. m. (1,367.96 sq. ft.)	160.00 sq. m. (1,722.22 sq. ft.)	126.52 sq. m. (1,361.85 sq. ft.)
Consideration	RM 380,000.00	RM 480,000.00	RM 380,000.00
Price PSF	RM 277.78 psf	RM 278.71 psf	RM 279.03 psf
Adjustments	General adjustments are made for time and various factors inclusive of location, access, size and tenure factor.		
Adjusted Price PSF	RM 263.89 psf	RM 278.71 psf	RM 265.06 psf

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Double Storey Detached House

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	JPPH	JPPH	JPPH
Address	521681, Laluan Meru Indah F7, Taman Gerbang Meru Indah, Perak.	521682, Laluan Meru Indah F7, Taman Gerbang Meru Indah, Perak.	8, Laluan Meru Indah F7, Taman Gerbang Meru Indah, Perak.
Type	Double storey detached house	Double storey detached house	Double storey detached house
Tenure	Grant in perpetuity	Grant in perpetuity	Grant in perpetuity
Transaction Date	12/05/2023	03/07/2023	02/02/2024
Built-up Area	378.20 sq. m. (4,070.91 sq. ft.)	378.20 sq. m. (4,070.91 sq. ft.)	378.20 sq. m. (4,070.91 sq. ft.)
Consideration	RM 1,500,000.00	RM 1,530,000.00	RM 1,538,000.00
Price PSF	RM 368.47 psf	RM 375.84 psf	RM 377.80 psf
Adjustments	General adjustments are made for time and various factors inclusive of location, access, size and tenure factor.		
Adjusted Price PSF	RM 368.47 psf	RM 375.84 psf	RM 377.80 psf

Double Storey Semi-Detached House

COMPARABLES	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	JPPH	JPPH	JPPH
Address	11, Jalan Desa Meru 10, Taman Meru Desa Park, Perak.	13, Jalan Meru Mutiara 24, Taman Meru Mutiara, Perak.	46, Laluan Sri Klebang C/12, Bandar Baru Sri Klebang, Perak.
Type	Double storey semi-detached house	Double storey semi-detached house	Double storey semi-detached house
Tenure	Grant in perpetuity	Grant in perpetuity	Grant in perpetuity
Transaction Date	06/12/2023	29/12/2023	20/08/2024
Built-up Area	293.30 sq. m. (3,157.06 sq. ft.)	179.19 sq. m. (1,928.83 sq. ft.)	220.76 sq. m. (2,376.24 sq. ft.)
Consideration	RM 915,000.00	RM 550,000.00	RM 700,000.00
Price PSF	RM 289.83 psf	RM 285.89 psf	RM 294.56 psf
Adjustments	General adjustments are made for time and various factors inclusive of location, access, size, and tenure factor.		
Adjusted Price PSF	RM 289.83 psf	RM 271.59 psf	RM 309.31 psf

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APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



Summary of Income Approach by way of "Residual Method"

No	Description	Type	Units	Net Saleable Area Per Unit (sq. ft.)	Average Price (RM P.S.F)	Average Selling Price Per Unit (RM)	GDV (RM)	Less: Bumi-Discount (RM)	Net GDV (RM)
1.	Double Storey Terraced House	Intermediate Lot	186	2,310.00	279.85	646,000.00	120,156,000.00	3,364,368.00	116,791,632.00
		End Lot	24	2,310.00	305.86	706,541.67	16,957,000.00	474,796.00	16,482,204.00
		Corner Lot	16	2,310.00	424.16	979,812.50	15,677,000.00	438,956.00	15,238,044.00
Sub-Total			226				152,790,000.00	4,278,120.00	148,511,880.00
2.	Double Storey Detached House	-	27	4,130.00	380.00	1,569,407.41	42,374,000.00	1,186,472.00	41,187,528.00
Sub-Total			27				42,374,000.00	1,186,472.00	41,187,528.00
3.	Double Storey Semi-Detached House	Intermediate Lot	99	3,020.00	288.88	875,424.24	86,687,000.00	2,426,676.00	84,240,324.00
		Corner Lot	7	3,020.00	366.59	1,113,142.86	7,792,000.00	216,176.00	7,575,824.00
Sub-Total			106				94,459,000.00	2,644,852.00	91,814,148.00
GDV			359				289,623,000.00	8,109,444.00	281,513,556.00

Summary

Net GDV	RM 281,513,556.00
Less : GDC	RM 204,204,281.84
Net Profit Before Land Cost	RM 77,309,274.16
Less : Developer's Profit (15% of GDV)	RM 42,227,033.40
Land Value In 3.50 Years' Time	RM 35,082,240.76
PV for 3.50 years @ 10% p.a	0.716350555
Market Value Under Residual Method	RM 25,131,182.65
Say	RM 25,000,000.00

GDV	We have derived the total GDV of RM 281,513,556.00 after deducting the bumi-discount. The GDV calculation is based on our market compilation of the latest transactions of terraced houses, detached houses and semi-detached houses, within the surrounding area as comparables. The summary and breakdown of the GDV composition are shown overleaf.

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APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



A. Double Storey Terraced House (24' X 80') -Intermediate Lot : 186 Units (2,310.00 sq. ft. each) -End Lot : 24 Units (2,310.00 sq. ft. each) -Corner Lot : 16 Units (2,310.00 sq. ft. each) Total Net Saleable Area: (522,080.00 sq. ft.)	The GDV calculation is based on our market compilation of the latest transactions of terraced houses within the surrounding area as comparable. From our compilation, adjustments have been made for time, location, access, size and tenure factor, of the development project to arrive at the proposed selling price of the terraced houses. From our analysis, we have concluded that the best comparable is Comparable 2 due to the following: - - The location of Comparable 2 is in close proximity to the ZONE 1 BANDAR MERU RAYA; and - Comparable 2 has the lowest adjustment (0%) compared to all other comparables. Based on the analysis above, we have set a proposed selling price of RM 280.00 psf, which equates to an average selling price of RM 646,000.00 per unit for intermediate lots, RM 305.86 psf (RM 706,541.67) for end lots and RM 424.16 psf (RM 979,812.50) for corner lots in our terraced houses GDV calculation. The total GDV (before bumi discount) for this component amounts to RM 152,790,000.00, while the net GDV, after applying the 7% bumi discount at the 40% quota, is RM 148,511,880.00.
B. Double Storey Detached House 27 Units (4,130 sq. ft. each) Total Net Saleable Area: (111,510.00 sq. ft.)	The GDV calculation is based on our market compilation of the latest transactions of detached houses within the surrounding area as comparable. From our compilation, adjustments have been made for time, location, access, size and tenure factor, of the development project to arrive at the proposed selling price of the detached houses. From our analysis, we have concluded that the best comparable is Comparable 3 due to the following: - - The location of Comparable 3 is in close proximity to the ZONE 1 BANDAR MERU RAYA; and - Comparable 3 was transacted most recently compared to the other two comparables. Based on the analysis above, we have set a proposed selling price of RM 380.00 psf, which equates to an average selling price of RM 1,569,407.41 per unit in our detached houses GDV calculation. The total GDV (before bumi discount) for this component amounts to RM 42,374,000.00, while the net GDV, after applying the 7% bumi discount at the 40% quota, is RM 41,187,528.00.
C. Double Storey Semi-Detached House (45' X 90') -Intermediate Lot : 99 Units (3,020.00 sq. ft. each) -Corner Lot : 7 Units (3,020.00 sq. ft. each) Total Net Saleable Area: (320,120.00 sq. ft.)	The GDV calculation is based on our market compilation of the latest transactions of semi-detached houses within the surrounding area as comparable. From our compilation, adjustments have been made for time, location, access, size and tenure factor, of the development project to arrive at the proposed selling price of the semi-detached houses. From our analysis, we have concluded that the best comparable is Comparable 1 due to the following: - - The location of Comparable 1 is in close proximity to the ZONE 1 BANDAR MERU RAYA; and - Comparable 1 has the lowest adjustment (0%) compared to all other comparable. Based on the analysis above, we have set a proposed selling price of RM 289.88 psf, which equates to an average selling price of RM 875,424.24 per unit for intermediate lots and RM 368.59 psf (RM 1,113,142.86) for corner lots in our semi-detached houses GDV calculation. The total GDV (before bumi discount) for this component amounts to RM 94,459,000.00, while the net GDV, after applying the 7% bumi discount at the 40% quota, is RM 91,814,148.00.
GDC	The total estimated GDC for the whole project amounts to RM 204,204,281.84 which is about 72.54% of the total net GDV. We have made reference to JUBM Construction Handbook Malaysia 2024 and also engaged Quantity Surveyor Messrs Basar & Harun ("B&H"), Chartered Quantity Surveyor, a registered Quantity Surveying firm and obtained their opinion in our adoption of the GDC. The breakdown of the GDC is as overleaf:

APPENDIX XXVI – VALUATION CERTIFICATE FOR HINTERLAND AND ZONE 1 BANDAR MERU RAYA (Cont'd)



1. Preliminary Expenses	The total preliminary expenses including the alienation premium, is about RM 5,990,777.50 . This amount is analysed to 2.93% of the total Construction Cost. This is in line with the opinion of construction cost by B&H, which states that the preliminary expenses for the proposed commercial development ranges between 2.00% to 5.00% of the construction cost.																				
2. External & Common Infrastructure Works	The total external & common infrastructure works is about RM 21,732,800.00 which is analysed to 10.64% of the total Construction Cost, which is equivalent to RM 436,051.36/ac and in line with the opinion by B&H of RM 250,000.00 to RM 500,000.00/ac .																				
3. Construction Cost Building Cost (Inclusive of Piling & Mechanical & Electronic) Main Building Works	The total construction cost is about RM 133,322,100.00 which is analysed to 65.29% of the total GDV. <table><tr><td></td><td>Main Building Works</td><td>No of Units</td><td>Gross Built-Up (sq. ft.) Per Unit</td><td>Cost (psf)</td></tr><tr><td>a</td><td>Terraced Houses</td><td>226</td><td>2,310.00</td><td>RM 110.00</td></tr><tr><td>b</td><td>Detached Houses</td><td>27</td><td>4,130.00</td><td>RM 250.00</td></tr><tr><td>c</td><td>Semi-Detached Houses</td><td>106</td><td>3,020.00</td><td>RM 150.00</td></tr></table>		Main Building Works	No of Units	Gross Built-Up (sq. ft.) Per Unit	Cost (psf)	a	Terraced Houses	226	2,310.00	RM 110.00	b	Detached Houses	27	4,130.00	RM 250.00	c	Semi-Detached Houses	106	3,020.00	RM 150.00
	Main Building Works	No of Units	Gross Built-Up (sq. ft.) Per Unit	Cost (psf)																	
a	Terraced Houses	226	2,310.00	RM 110.00																	
b	Detached Houses	27	4,130.00	RM 250.00																	
c	Semi-Detached Houses	106	3,020.00	RM 150.00																	
4. Professional Fees	The professional fees & insurance is about RM 9,458,348.90 which is analysed to 4.63% of the total Construction Cost, which is close to the opinion cost letter by B&H of 5.00% to 10.00% of the construction cost.																				
5. Sales Marketing & Administration	The sales marketing and administration is about RM 13,092,604.80 , which is analysed to 6.41% of the total GDV, which is in line to the opinion cost letter by B&H of 3.00% to 7.00% of the construction cost.																				
6. Authorities Contribution	The authorities' contributions are about RM 5,448,976.54 which is analysed to 2.67% of the total Construction Cost, which is in line to the opinion cost letter by B&H of 1.50% to 3.00% of the construction cost.																				
7. Land Expenses	The land expenses are about RM 456,000.00 which is analysed to 0.22% of the total Construction Cost, which is in line to the opinion cost letter by B&H of 0.10% to 2.00% of the construction cost.																				
8. Interest Cost	The bridging loan interest is about RM 8,754,974.38, which is analysed to 4.29% of the total Construction Cost. a) 33% loan margin (Bridging Loan Financing) b) At an interest rate of 8.00% p.a c) At half of the development period (3.50 years)																				
9. Contingencies	The contingencies are about RM 5,947,697.53 , which is analysed to 2.91% of the total Construction Cost, which is in line to the opinion cost letter by B&H of 1.00% to 5.00% of the construction cost.																				
10. Developer's Profit	15.00% of GDV In an article titled "Types of Property Developers and Their Functions in Development," published in Star Property by Foo Chee Hung on 31 March 2020, the developer stated that, in terms of profitability, most companies have seen a narrowing net profit margin. This is attributed to reduced revenue and increased business costs. Generally, the net profit margin for developers has been declining, reaching an industry average of 14.00% in 2018/2019, compared to its peak of 21.00% in 2015. The developer's profit has decreased from its 21.00% peak in 2015, hence we have adopted a conservative developer's profit of 15.00% of the GDV in our calculations. We believe this rate is reasonable, considering the risks associated with residential development in the current economic climate, as well as the complexities of developing in a high-traffic and confined neighbourhood.																				



11. Present Value	10.00% per annum for 3.50 years We have adopted a development period of 3.50 years (42 months) for the project to be completed and fully sold. Under Schedule H of the Housing Developer (Control and Licensing) Act, the development period is 24 months for landed properties and 36 months for strata properties. Given the prime location, strong public amenities, and access, but a more measured demand conditions, we anticipate full sales within 3.50 years. Considering current bridging loan finance costs of 8.00% to 9.00%, we have applied a present value rate of 10.00% to reflect the commercial risks in property development.

Rationale of Income Approach by way of "Residual Method"

- I. We have considered the confirmation provided by Perak Corp, which verifies that the planning approval vide Ref No. KM01/0353/22, dated 22 April 2022, remains valid as site clearance has commenced, despite the initial expiry on 5 April 2024. The subsequent amended planning approval vide Ref No. KM01/2264/24, dated 15 November 2024, has further extended the validity of the proposed development by one (1) year, expiring on 15 November 2025.
- II. The absence of any mention of affordable housing components or their equivalent implies that no provision for affordable housing is required for the proposed development. In addition, verbal enquiries with the Planning Department of MBI had also concurred with the notion that the development of affordable housing is not imposed on the proposed development. Having considered the foregoing, we have not taken into account any affordable housing provision in our Residual Method to arrive at the Market Value of the ZONE 1 BANDAR MERU RAYA.
- III. We have applied a Bumiputera quota of 40% of the total development units, with a 7% discount on the selling price, in accordance with the alienation letter vide Ref No. Bil.(72) dim. PTG.PK802/5-189(25)(B), dated 26 January 2023. The total value of the Bumiputera discount amounts to **RM 8,109,444.00**.
- IV. We have taken into consideration an alienation premium amounting to **RM 4,856,503.20** (Outstanding Premium To Be Paid) in our development cost, which is payable but has not yet been settled, in line with the Recital F of SA.
- V. We noted that 171 individual titles have been issued, comprising 158 double-storey terraced houses, 5 double-storey detached houses, 6 double-storey semi-detached houses and 2 TNB substations. Accordingly, in arriving at the Market Value of the JDR, we have only taken into consideration the remaining 190 individual titles which have yet to be issued.
- VI. Under Clause 6.1 of the JDA, PKNP is only entitled to reimbursement of project costs and expenses, with no share of sales proceeds. That said, based on the confirmation by Perak Corp, no cost and expenses are anticipated to be borne by PKNP. The clause was included in the JDA to safeguard PKNP from any financial exposure related to the housing project developments. As such, there is no landowner's remuneration under this JDA. This has been considered in determining the Market Value of the JDR.
- VII. We have adopted a Present Value rate of 10.00% to reflect the commercial risk involved in property development.
- VIII. The GDC were based on an opinion letter from the registered quantity surveying firm, Messrs Basar & Harun Sdn Bhd vide Ref No. BHS/MISC/15/2025, dated 11 September 2025 and cross-checked with the JUBM & Arcadis Construction Cost Handbook Malaysia 2024. Furthermore, the development costs and expenses outlined in the JVA were prepared several years ago and are deemed outdated as at the date of valuation. As a result, an independent assessment of the GDC has been adopted to reflect a more realistic and up-to-date estimation of costs.
- IX. Under the JDA, PKNP is agreeable not to receive any share of revenue in relation to the sales proceeds other than reimbursement of cost and Perak Corp shall be entitled solely to the realised proceeds of sales of the development.



Rationale of Income Approach by way of "Residual Method" (cont'd)

- X. We have not taken into consideration Perak Corp's obligation to construct STP 3 & 4 as per the JVA because these two (2) STPs do not form part of the infrastructure connected to the proposed development of the Subject site. We were advised by Perak Corp that the ZONE 1 BANDAR MERU RAYA will be tapped from the existing STP Maju Telok Batik in which has been constructed and completed.

The construction of STP 3 & 4 are meant for the future phases of Taman Meru Raya in which Perak Corp is the master developer. Based on the JVA, the Project Developer has been awarded the contract at RM 17,500,000.00. Hence, we have not taken into consideration this cost in our valuation model in arriving at the Market Value of the JDR.

- XI. Nevertheless, after careful analysis, we are of the opinion that the pricing stated in the JVA, is not in line with the current Market Value of the surrounding neighbourhood. Having considered the foregoing, we have analysed the transaction sales data extracted from JPPH to form a pattern of values which is in line with the current market condition. These transactions are then further adjusted and applied in our Residual Method to arrive at the Market Value of the JDR.

Similarly, we have determined the built-up areas of the properties using data from JPPH in our valuation model, as our analysis reveals that the proposed building design plans in the JVA feature unusually larger built-up areas compared to the surrounding neighborhood. Since these building plans have not received approval from the local council, we have adopted the average built-up area of comparable properties in the vicinity in our valuation model to accurately determine the Market Value of the JDR.

B) (iii) VALUATION CONCLUSION FOR ZONE 1 BANDAR MERU RAYA

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Value** of the grant in perpetuity interest of the JDR of a state alienated land approved for the development of two hundred twenty-six (226) units of double storey terraced houses, twenty-seven (27) units of double storey detached houses, one hundred six (106) units of double storey semi-detached houses and two (2) TNB sub-stations held under part of government land Zone 1 - F, G (Part of Plot 8A and 10A), at Bandar Meru Raya, Mukim of Hulu Kinta, District of Kinta, State of Perak, and subject to their to-be-issued title documents being free from encumbrances, good, marketable and registrable as of **8 September 2025** is:-

Market Value : RM 25,000,000.00 (Ringgit Malaysia : Twenty Five Million Only)

The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,
For and on behalf of laurelcap Sdn. Bhd.



Sr STANLEY TOH KIM SENG
BSc (Hons) Estate Management,
MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM
Registered Valuer (V-927)

Note : This Report was peer reviewed by Sr Tan San Yew (Peer Reviewer)(V-607) from Laurelcap Sdn. Bhd.

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

**(i) Ipoh High Court Suit No. AA-24NCC-1-01/2025
Paramount Grace Sdn Bhd and 10 others - Plaintiffs
Perak Corp and PCB Development - Defendants**

On 6 January 2025, the Plaintiffs, who are subcontractors for the Movie Animation Park Studios project, filed an originating summons in the High Court Ipoh against the Defendants. This was in relation to undertaking letters previously issued by Perak Corp, wherein Perak Corp had agreed to pay the Plaintiffs in consideration of the completion of their respective works.

Through the summons, the Plaintiffs sought the following relief from the High Court Ipoh:

- i. an order to vary the Plaintiffs to be removed as scheme creditors pursuant to an order granted by the Court on 23 July 2020 vide Ipoh High Court Originating Summon No.: AA-24NCC-3-09-07/2020;
- ii. to set aside an order the scheme of arrangement dated 21 March 2020 vide Ipoh High Court Originating Summon No.: AA-24NCC-3-05/2021;
- iii. a declaration that the Defendants breached the terms of the scheme of arrangement; and
- iv. a declaration that the Plaintiffs are not tied by the scheme of arrangement or sanction order.

On 11 September 2025 the High Court Ipoh delivered its judgement whereby the Plaintiffs' originating summons were dismissed with costs of RM10,000.00 awarded to the Defendants. In summary, the grounds of judgement are as follows:

- (a) the sanction order which was granted on 7 May 2021 was made formally under a proper judicial process and remains a final and perfected order. Therefore, the High Court Ipoh is now functus officio and has no jurisdiction to revisit that position;
- (b) the Plaintiffs' application is further barred by the doctrine of res judicata as the same issues have already been raised and dismissed in the earlier proceedings brought by Mohamed Shafeii bin Abdul Gaffoor;

- (c) the High Court Ipoh finds the Plaintiffs’ allegations of irregularities, wrongful classification, and lack of implementation are either unproven, speculative, or based on hindsight;
- (d) the delay of 4 years before filing the application is an inordinate delay. This inordinate delay is also unexplained. This delay coupled with the Plaintiffs’ prior knowledge and conduct points to acquiescence;
- (e) the SOA was approved by 97.76% in value of the unsecured creditors and remains ongoing with regular updates with Bursa Securities; and
- (f) there is no clear evidence of fraud or material irregularities which would justify setting aside of the SOA at this late stage.

On 9 October 2025, the Plaintiffs collectively 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. As at the LPD, the Court of Appeal has yet to schedule a case management date for the Plaintiffs’ appeal proceedings.

On 6 January 2026, the Defendants have filed a notice of motion to strike out the appeal on the reason that the record of appeal was filed out of time.

On 20 January 2026, The Defendants have received the draft notice of discontinuance from the Plaintiffs. The Defendants agree to the notice of discontinuance with no liberty to file afresh to be filed forthwith, and the hearing date fixed on 4 February 2026 to be vacated.

(ii) Ipoh Sessions Court Suit No. AA-A52NCVC-140-12/2024
CMSB – Plaintiff
Zurich Infrastructure Sdn Bhd - Defendant

CMSB filed a summon against Zurich Infrastructure Sdn Bhd (“**ZISB**”) for failure of paying an outstanding amount amounting to RM225,717.00 for staying at the hotel.

On 13 March 2025, CMSB filed a summary judgement application against ZISB, and to date, ZISB has not filed its affidavit in reply to the application.

CMSB has obtained a summary judgement against ZISB on 18 June 2025 (“**Summary Judgement**”). Vide the Summary Judgement, the Ipoh Sessions Court has given its order that ZISB is liable to pay CMSB the following:

- (a) the outstanding balance sum of RM225,717.00;
- (b) interest rate of 1.5% per month on the said RM225,717.00 from 29 March 2024 to the date of Summary Judgement;
- (c) interest rate of 5% per annum from the date of Summary Judgement until the date of full and final settlement; and
- (d) costs of RM2,000.00.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments, incurred or known to be incurred by our Group that has been provided for which, upon becoming enforceable, may have a material impact on the financial results/position of our Group.

	Unaudited As at 30 September 2025
Purchase of property, plant and equipment	11,906
Purchase of port facilities	34,405

3.2 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities, incurred or known to be incurred, by our Group which, upon becoming due and enforceable, may have a material impact on the financial results or position of our Group.

4. CONSENT AND DECLARATION**4.1 M&A Securities**

M&A Securities being the Principal Adviser for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Principal Adviser of our Company for the Proposed Regularisation Plan.

4.2 SCA

SCA, being the Independent Adviser for the Proposed Joint Development, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

SCA do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Independent Adviser of our Company for the Proposed Joint Development, Proposed Disposal of Hinterland and Proposed Disposal of Zone 1 Bandar Meru Raya.

4.3 Protege

Protege, being the IMR for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IMR Report and all references thereto in the form and context in which they appear in this Circular.

Protege do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the IMR of our Company for the Proposed Regularisation Plan.

4.4 Crowe Malaysia PLT

Crowe Malaysia PLT, being the Reporting Accountants for the Proposed Regularisation Plan, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Reporting Accountants' letter on the pro forma consolidated statement of financial position of Perak Corp Group as at 31 December 2024, and all references thereto in the form and context in which they appear in this Circular.

Crowe Malaysia PLT do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Reporting Accountants of our Company for the Proposed Regularisation Plan.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at No. 1 Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the EGM:

- (i) Constitution of Perak Corp;
- (ii) the audited consolidated financial statements of Perak Corp for the FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FYE 2024;
- (iii) the letters of consent and declaration referred to in Section 4 above;
- (iv) IMR report;
- (v) relevant cause papers in respect of the material litigation referred to in Section 3 above; and
- (vi) pro forma consolidated statement of financial position of Perak Corp Group as at 31 December 2024 together with the Reporting Accountants' letter thereon.

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PERAK CORPORATION BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Perak Corporation Berhad ("**Perak Corp**" or 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 Friday, 27 February 2026 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF PERAK CORPORATION BERHAD ("PERAK CORP" OR THE "COMPANY") PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SHARE CAPITAL REDUCTION")

"THAT, subject to the passing of Special Resolutions 2 and 3, Ordinary Resolutions 1 to 7 as well as all approvals being obtained from the relevant authorities and/or parties, if applicable, including but not limited to the confirmation by the High Court of Malaya pursuant to Section 116 of the Companies Act 2016 ("**Act**"), approval be and is hereby given to the Company to implement the Proposed Share Capital Reduction and reduce the issued share capital of the Company by the cancellation of RM185,000,000.00 of the issued share capital of the Company and that the credit arising from such share capital reduction shall be utilised to eliminate the accumulated losses of the Company.

THAT, the surplus credit after the elimination of the Company's accumulated losses pursuant to the Proposed Share Capital Reduction, if any, shall be credited to the retained earnings account of the Company which may be utilised in such manner as the Board of Directors of the Company ("**Board**") deems fit and in the best interest of the Company, as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") as well as the Company's Constitution.

AND THAT the Board be and is hereby authorised to assent to any modifications, variations and/or amendments as they may deem fit and/or as may be required by the relevant authorities and/or as may be required to comply with any applicable laws and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Share Capital Reduction."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP TO FACILITATE THE PROPOSED ISSUANCE OF REDEEMABLE PREFERENCE SHARES SERIES B ("RPS-B") ("PROPOSED AMENDMENTS I")

"THAT, subject to the passing of the Special Resolutions 1 and 3, Ordinary Resolutions 1 to 7 and the relevant approvals being obtained from the relevant authorities/parties, approval be and is hereby given to the Board to amend the Constitution of the Company in the form and manner as set out in Appendix XIX of the Circular to Shareholders dated 5 February 2026;

AND THAT the Board and the Secretary of the Company be and are hereby empowered and authorised to do all such acts, deeds, and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and steps as they may deem necessary, expedient and/or appropriate to implement and to give full effect to the Proposed Amendments I, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may deem fit in the best interests of the Company and/or as may be required by the relevant authorities in connection with the Proposed Amendments I.”

SPECIAL RESOLUTION 3

PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP TO FACILITATE THE REVISIONS OF THE REDEMPTION DATE OF REDEEMABLE PREFERENCE SHARES SERIES A1 (“RPS-A1”) AND REDEEMABLE PREFERENCE SHARES SERIES A2 (“RPS-A2”), REVISIONS OF THE CUMULATIVE COMPOUNDED GROSS PREFERENTIAL DIVIDEND RATE OF RPS-A1 AND RPS-A2 AS WELL AS THE SUBSTITUTION OF THE SECURITY DOCUMENTS PROVIDED UNDER THE SUPPLEMENTAL AGREEMENT DATED 11 SEPTEMBER 2023 TO THE DEBT SETTLEMENT AGREEMENT ENTERED INTO BETWEEN PERAK CORP AND CIMB BANK BERHAD (“CIMB”) DATED 8 NOVEMBER 2021 TO SECURE THE ISSUANCE OF 20,900,309 RPS-A1 TO CIMB (“PROPOSED AMENDMENTS II”)

“**THAT**, subject to the passing of the Special Resolutions 1 and 2, Ordinary Resolutions 1 to 7 as well as relevant approvals being obtained from the relevant authorities/parties, approval be and is hereby given to the Board to amend the Constitution of the Company in the form and manner as set out in Appendix XX of the Circular to Shareholders dated 5 February 2026;

AND THAT the Board and the Secretary of the Company be and are hereby empowered and authorised to do all such acts, deeds, and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and steps as they may deem necessary, expedient and/or appropriate to implement and to give full effect to the Proposed Amendments II, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may deem fit in the best interests of the Company and/or as may be required by the relevant authorities in connection with the Proposed Amendments II.”

ORDINARY RESOLUTION 1

PROPOSED JOINT VENTURE BETWEEN PERAK CORP AND PERBADANAN KEMAJUAN NEGERI PERAK (“PKNP”), A MAJOR SHAREHOLDER OF THE COMPANY, TO JOINTLY CARRY OUT THE DEVELOPMENT OF THE SILVER VALLEY TECHNOLOGY PARK INDUSTRIAL HUB, SALE OF INDUSTRIAL PLOTS AND OTHER PRODUCT OFFERINGS TO END PURCHASERS AND END USERS ON THIRTY-NINE PIECES OF PKNP’S LEASEHOLD LANDS MEASURING 746.73 ACRES (“PROPOSED JOINT DEVELOPMENT”)

“**THAT**, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolutions 2 to 7 as well as the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given to the Company and PKNP to undertake and jointly carry out the Proposed Joint Development upon the terms and conditions as stipulated in the Joint Venture Agreement dated 8 January 2024 entered into between the Company and PKNP.

AND THAT the Board (save for Datuk Redza Rafiq bin Abdul Razak) be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to implement and give full effect to the Proposed Joint Development with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Joint Development as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities.”

ORDINARY RESOLUTION 2

PROPOSED DISPOSAL OF TWO PARCELS OF LEASEHOLD LANDS, HELD UNDER PN394964, LOT 20570 AND PN394965, LOT 20571, BOTH LOCATED AT MUKIM HULU BERNAM TIMOR, DAERAH MUALLIM, NEGERI PERAK ("PARCEL 1 LANDS"), TO MAKMUR IMPIAN PROPERTY SDN BHD ("MIP") FOR A TOTAL CASH CONSIDERATION OF RM21.13 MILLION ("PROPOSED DISPOSAL OF PARCEL 1 LANDS")

"THAT, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolution 1 and Ordinary Resolutions 3 to 7 as well as the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given for the Company to dispose of Parcel 1 Lands to MIP for a total cash consideration of RM21.13 million upon the terms and conditions as stipulated in the sale and purchase agreement dated 10 September 2019 ("**SPA I**"), supplemental agreement to the SPA I dated 17 August 2023 and second supplemental agreement to the SPA I dated 13 November 2024 entered into between the Company and MIP.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to finalise and give full effect to the Proposed Disposal of Parcel 1 Lands with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal of Parcel 1 Lands as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities."

ORDINARY RESOLUTION 3

PROPOSED DISPOSAL OF A PARCEL OF LEASEHOLD LAND, HELD UNDER PN394961, LOT 20402, LOCATED AT MUKIM HULU BERNAM TIMOR, DAERAH MUALLIM, NEGERI PERAK ("PARCEL 2 LAND"), TO TG MALIM HI-TECH PARK SDN BHD (FORMERLY KNOWN AS ARX-YSC SDN BHD) ("TMHTP") FOR A TOTAL CASH CONSIDERATION OF RM49.50 MILLION ("PROPOSED DISPOSAL OF PARCEL 2 LAND")

"THAT, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolutions 1 and 2, Ordinary Resolutions 4 to 7 as well as the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given for the Company to dispose of Parcel 2 Land to MIP for a total cash consideration of RM49.50 million upon the terms and conditions as stipulated in the joint venture agreement dated 10 September 2019 ("**JVA I**"), supplement agreement to the JVA I dated 13 November 2024 and sale and purchase agreement dated 13 November 2024 entered into between the Company and TMHTP.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to finalise and give full effect to the Proposed Disposal of Parcel 2 Land with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal of Parcel 2 Land as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities."

ORDINARY RESOLUTION 4

PROPOSED DISPOSAL OF A PARCEL OF LEASEHOLD LAND, HELD UNDER PN394962, LOT 20403, LOCATED AT MUKIM HULU BERNAM TIMOR, DAERAH MUALLIM, NEGERI PERAK ("PARCEL 3 LAND"), TO TMHTP FOR A TOTAL CASH CONSIDERATION OF RM18.94 MILLION ("PROPOSED DISPOSAL OF PARCEL 3 LAND")

"THAT, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolutions 1 to 3 and Ordinary Resolutions 5 to 7 as well as the approvals from the relevant authorities being obtained where

necessary, approval be and is hereby given for the Company to dispose of Parcel 3 Land to MIP for a total cash consideration of RM18.94 million upon the terms and conditions as stipulated in the JVA I, supplement agreement to the JVA I dated 13 November 2024 and sale and purchase agreement dated 13 November 2024 entered into between the Company and TMHTP.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to finalise and give full effect to the Proposed Disposal of Parcel 3 Land with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal of Parcel 3 Land as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities."

ORDINARY RESOLUTION 5

PROPOSED DISPOSAL OF THREE PIECES OF LANDS LOCATED AT WILAYAH BATU UNDA, MUKIM LUMUT, DISTRICT OF MANJUNG ("HINTERLAND") TO LUMUT MARITIME TERMINAL SDN BHD ("LMTSB") FOR A TOTAL CASH CONSIDERATION OF RM8.53 MILLION ("PROPOSED DISPOSAL OF HINTERLAND")

"**THAT**, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolutions 1 to 4 and Ordinary Resolutions 6 and 7 as well as the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given for the Company to dispose of Hinterland to LMTSB for a total cash consideration of RM8.53 million upon the terms and conditions as stipulated in the sale and purchase agreement dated 13 February 2025 entered into between the Company and LMTSB.

AND THAT the Board (save for Datuk Redza Rafiq bin Abdul Razak) be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to finalise and give full effect to the Proposed Disposal of Hinterland with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal of Hinterland as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities."

ORDINARY RESOLUTION 6

PROPOSED DISPOSAL VIA SETTLEMENT OF THE COMPANY'S ENTITLEMENT PURSUANT TO THE JOINT VENTURE AGREEMENT ENTERED INTO WITH PKNP AND UNI-POH CONSTRUCTION WORKS SDN BHD ("UNIPOH") FOR A PARCEL OF STATE LAND LOCATED AT MUKIM HULU KINTA, DAERAH KINTA, NEGERI PERAK FOR A TOTAL CASH CONSIDERATION OF RM40.38 MILLION ("PROPOSED DISPOSAL OF ZONE 1 BANDAR MERU RAYA")

"**THAT**, subject to the passing of the Special Resolutions 1 to 3, Ordinary Resolutions 1 to 5 and Ordinary Resolution 7 as well as the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given to the Company, PKNP and Unipoh to stipulate and specify the agreed liquidated value of the Company's entitlement at RM40.38 million pursuant to Joint Venture Agreement dated 8 March 2024 ("**JVA III**") and the new mode of payment of the same upon the terms and conditions as stipulated in the supplemental agreement to the JVA III dated 13 February 2025 entered into between the Company, PKNP and Unipoh.

AND THAT the Board (save for Datuk Redza Rafiq bin Abdul Razak) be and is hereby empowered and authorised to do all acts, deeds and things as they may deem fit, necessary or expedient in the best interest of the Company and to execute, sign and deliver for and on behalf of the Company all such documents and/or agreements as may be necessary to finalise and give full effect to the Proposed Disposal of Zone 1 Bandar Meru Raya with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Disposal of Zone 1 Bandar Meru Raya as they may deem fit in the best interest of the Company and/or as may be required or imposed by the relevant authorities.”

ORDINARY RESOLUTION 7

PROPOSED ISSUANCE OF RPS-B FOR THE SETTLEMENT OF THE OUTSTANDING LIABILITIES AND DEBT OBLIGATIONS OWING TO SCHEME CREDITORS AMOUNTING TO RM39.73 MILLION PURSUANT TO THE SCHEME OF ARRANGEMENT UNDER SECTION 366 AND OTHER PROVISIONS OF THE ACT BETWEEN PERAK CORP, PCB DEVELOPMENT SDN BHD AND ITS SCHEME CREDITORS (“PROPOSED ISSUANCE OF RPS-B”)

“**THAT**, subject to the passing of the Special Resolutions 1 to 3 and Ordinary Resolutions 1 to 6, the Board be and is hereby authorised, pursuant to Sections 75 and 76 of the Act, to allot up to 39,733,680 RPS-B to the respective scheme creditors (consisting of non-financial institutions of the Company and PCB Development Sdn Bhd that are owed to) (“**Scheme Creditors**”) pursuant to the Scheme of Arrangement under Section 366 and other relevant provisions of the Act between the Company, PCB Development Sdn Bhd and the Scheme Creditors, which was approved by the Scheme Creditors on 19 April 2021 and sanctioned by the High Court Ipoh on 7 May 2021, upon such terms and conditions and for such purposes as the Board may in their absolute discretion deem fit, subject always to the approval of all relevant regulatory authorities being obtained for such allotment and issue.”

BY ORDER OF THE BOARD OF PERAK CORPORATION BERHAD

Cheai Weng Hoong
Company Secretary

Ipoh
5 February 2026

Notes:

1. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions at the EGM will be put to vote by way of poll.
2. For the purposes of determining a member who shall be entitled to attend, speak and vote (collectively, “**Participate**”) in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 19 February 2026. Only members whose names appear in the Record of Depositors as at 19 February 2026 will be entitled to Participate in this EGM.
3. A member of the Company who is entitled to Participate at the meeting may appoint any person to be his/her proxy to Participate in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to Participate at the meeting.
4. 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.

5. 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.
6. 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.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 1 Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan at least 48 hours before the time appointed for holding the EGM or at any adjournment thereof.
8. The registration for this EGM will commence on Friday, 27 February 2026 at 9.00 a.m.

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PERAK CORPORATION BERHAD

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

FORM OF PROXY

(Before completing the form please refer to the notes below)

CDS Account Number	
No. of ordinary shares held	

I/We.....[NRIC/Passport/Company No.]
(FULL NAME IN BLOCK CAPITALS)

of.....Tel No.
(FULL ADDRESS)

being a member of **PERAK CORPORATION BERHAD**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

and/or

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 Extraordinary General Meeting ("**EGM**") 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 Friday, 27 February 2026 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

NO.	RESOLUTIONS	For	Against
1.	Special Resolution 1	Proposed Share Capital Reduction	
2.	Special Resolution 2	Proposed Amendments I	
3.	Special Resolution 3	Proposed Amendments II	
4.	Ordinary Resolution 1	Proposed Joint Development	
5.	Ordinary Resolution 2	Proposed Disposal of Parcel 1 Lands	
6.	Ordinary Resolution 3	Proposed Disposal of Parcel 2 Land	
7.	Ordinary Resolution 4	Proposed Disposal of Parcel 3 Land	
8.	Ordinary Resolution 5	Proposed Disposal of Hinterland	
9.	Ordinary Resolution 6	Proposed Disposal of Zone 1 Bandar Meru Raya	
10.	Ordinary Resolution 7	Proposed Issuance of RPS-B	

(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

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Then fold here

Affix
Stamp

The Company Secretary
PERAK CORPORATION BERHAD
[Registration No. 199101000605 (210915-U)]
No. 1 Jalan Lasam
30350 Ipoh
Perak Darul Ridzuan

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