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PKNPk shifts from recovery to sustainable growth phase

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PETALING JAYA: Perak State Development Corp (PKNPk) is shifting its focus from financial recovery to sustainable growth after a five-year transformation that strengthened controls, streamlined businesses and restored profitability.

Its chief executive Datuk Redza Rafiq Abdul Razak *(pic)* said PKNPk had initially faced several challenges, including financial issues, an unclear business direction, operational inefficiencies and low stakeholder confidence.

The corporation recorded accumulated losses of RM311.62mil in 2019 and 2020.

"At the start of the journey, our main focus was survival and recovery. Over time, as we improved our controls and became more disciplined in the way we operated, the results began to show," he told *StarBiz*.

PKNPk has since generated profits for five consecutive years at both the corporation and group levels, while achieving five straight clean audit certificates from the Auditor-General between 2020 and 2024.

"This demonstrates that PKNPk has moved beyond fixing the past and is now ready to build for the future," Redza Rafiq noted. The transformation began in March 2021, when PKNPk formulated a roadmap covering four areas – business functions, stakeholder management, organisational skillsets and culture.

Redza Rafiq said the roadmap had three phases – mitigation/recovery, consolidation and moving forward – aimed at rebuilding stakeholder confidence and restoring PKNPk's role as a key driver of Perak's economy.

"The mitigation/recovery stage was the most challenging, where we had to review contracts and documentation, institute group-wide control measures, address legacy issues as well as restrategise PKNPk's public-listed companies some of which were facing financial distress."

During the consolidation stage, Redza Rafiq said companies under PKNPk were reviewed and developed to maximise their business potential, with some consolidated based on their activities and expertise, while about 26 were identified for closure.

"However, PKNPk's transformation is not only about the numbers. We now have clearer responsibilities, better monitoring and stronger accountability," he said.

He added that the stronger foundation has enabled PKNPk to pursue strategic partnerships with established corporations, bringing in expertise and capabilities to support its growth plans.

These include collaborations with Tenaga Nasional Bhd (TNB), Petroliam Nasional Bhd, Port of Antwerp-Bruges International (PoABI), Gamuda Bhd and Advancecon Holdings Bhd.

The turnaround of its listed subsidiaries, Majuperak Holdings Bhd and Perak Corp Bhd, was another key part of the transformation, given the financial and operational challenges both faced at the outset.

"We had to deal with old debts, strengthen management capabilities and rebuild their core businesses step by step. The progress can now be seen," Redza Rafiq said.

For instance, in May 2026, Majuperak exited Practice Note 17 (PN17) status.

For the first half ended June 30, 2026 (1H26), its revenue rose 47.8% to RM43.2mil from RM29.2mil previously, while net profit gained 28.4% to RM1.87mil from RM1.46mil.

Perak Corp, meanwhile, received Bursa's approval for its proposed regularisation plan in January 2026, paving the way for it to work towards exiting PN17.

For 1H26, revenue more than doubled to RM190.08mil from RM80.66mil a year earlier, while net profit surged to RM40.44mil from RM399,000.

Redza Rafiq said execution will be PKNPk's immediate priority, with projects like Lumut Maritime Industrial City (LuMIC), Silver Valley Technology Park, the Hydro Life Extension Programme (HLEP) and the Northern Perak Water Supply Scheme moving from planning into delivery.

"These are not standalone projects. Each one is intended to unlock new economic activity, attract investment and support Perak's wider development plans," he said.

One of the key projects is LuMIC, which aims to integrate port operations, logistics, manufacturing, energy, technology and supporting services into a single maritime and industrial ecosystem.

Redza Rafiq said the development will be driven by private-sector investment, with the public sector providing basic infrastructure and catalytic facilities to support the ecosystem.

The project has attracted international expertise through PKNPk's collaboration with PoABI, and has been recognised under the European Union's Global Gateway agenda, which provided RM9.5mil to kick-start the project.

Its importance is further underscored in the 13th Malaysia Plan, which highlighted the proposed Third Regasification Terminal complex at LuMIC, Redza Rafiq said

Another key initiative is HLEP, which PKNPk is undertaking with TNB at the Temengor, Bersia, Kenering and Chenderoh dams. Redza Rafiq said the programme will upgrade ageing hydroelectric facilities and extend their operating life.

Separately, PKNPk is working with TNB Generation to explore seven potential solar photovoltaic developments at selected Sungai Perak hydroelectric reservoirs, including hybrid floating solar solutions.

Beyond new projects, Redza said PKNPk will also focus on better utilising assets held by the group and the state, moving away from reliance on land sales and one-off income towards projects capable of generating recurring, long-term revenue.

"This will strengthen PKNPk financially and allow us to provide more meaningful and sustainable returns to the state."

Ultimately, he said the next phase is not simply about making PKNPk bigger. "It is about making PKNPk more effective and valuable to the state, as a trusted organisation that can turn Perak's assets and opportunities into investment, income and jobs."