



28 NOV, 2022

## Is there any light at the end of the tunnel for Perak Corp?

The Edge, Malaysia



Page 1 of 2

### Is there any light at the end of the tunnel for Perak Corp?

Last week, Perak Corp Bhd announced its fourth straight quarterly loss. Earlier this month, it announced that there were no updates to a memorandum of understanding with its 52.9% parent Perbadanan Kemajuan Negeri Perak signed in mid-August, which is aimed at helping the company exit the cash-strapped Practice Note 17 (PN17) category.

Perak Corp has been in PN17 status since February 2020, more than two years and nine months now, and has an extension until February 2023 to extricate itself from the category.

But will it be able to get out of the mess it's in?

The company has yet to appoint a new CEO since Zainal Iskandar Ismail left in mid-September. Adding to the company's

woes is a slew of resignations at board level that has also left it without any executive directors. Its seven-man board is now made up of non-executive directors.

A ruling by the Ipoh Magistrates' Court in September, which decided that there were elements of crime detected in Perak Corp's restructuring exercise with creditors, is another issue the company is grappling with. The Magistrates' Court has referred the matter back to the police for further investigation.

But Perak Corp has assets, such as a 50% plus one share in Lumut Maritime Terminal, which manages Lumut Port in Perak. The remainder stake in Lumut Maritime is owned by state-controlled utility giant Tenaga Nasional Bhd. Lumut Maritime and Lekir Bulk Terminal were at one time the key assets in a listed company called Integrax Bhd, which was doing very well financially.

But why Perak Corp is incurring losses with an asset that was very profitable in the past is unclear.

Perak Corp's balance sheet indicates that as at end-September, it had total assets of RM614.01 million, which would indicate that there should still be something in the company worth salvaging.