

Compugates Holdings Berhad
Company No. 200401030779 (669287 - H)
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2024**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS
("FRS") 134**

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financing Reporting Standard ("IFRSs") and the requirement of the Companies Act, 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

2. Changes in Accounting Policies

The accounting policies adopted in this interim financial report are consistent with the audited consolidated financial statements for the financial year ended 31 December 2023.

The Group and the Company adopted the amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2023.

The initial application of the amendments/improvement to standards did not have a material impact to the financial statements of the Group and of the Company. The details of the amendments are disclosed below:-

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

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2. Changes in Accounting Policies (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies (Cont'd)

The amendments have impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

Standards issued but not yet effective

The Group and the Company have not applied early the following MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

Amendments to MFRS effective 1 January 2024:

Amendments to MFRS 16*#	Lease - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*#	Presentation of Financial Statements - Non-current Liability with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 107*# and MFRS 7*#	Statement of Cash Flows and Financial Instruments: Disclosure – Supplier Finance Arrangements

MFRS and Amendments to MFRS effective 1 January 2025:-

Amendments to MFRS 121*#	The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operation

Not applicable to the Group's operations

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2. Changes in Accounting Policies (Cont'd)

Standards issued but not yet effective

The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective. The initial application of the above standards and amendments are not expected to have any material financial impact to the financial statements of the Group and the Company.

3. Status of Audit Opinions

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

4. Items of Unusual Nature and Amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter under review and financial year-to-date.

5. Seasonal or Cyclical Factors

The demand for certain imaging and information technology products are seasonal in nature and the sales of these products are usually higher towards the end of the financial year due to festive seasons.

6. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect in current quarter under review and financial year-to-date.

7. Debt and Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the current quarter under review and financial year-to-date.

8. Dividends Paid

There were no dividends paid during the current quarter under review and financial year-to-date.

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9. Segmental Information (Analysis by business nature of the Group Results)

	Current Year Quarter Ended 30 Sep 2024 RM'000	Corresponding Quarter Ended 30 Sep 2023 RM'000	Current Year To Date 30 Sep 2024 RM'000	Corresponding Period Ended 30 Sep 2023 RM'000
SEGMENT REVENUE				
Trading & Service	5,306	4,792	15,878	10,443
Agriculture & Energy	-	103	-	103
Property	-	-	-	-
	5,306	4,895	15,878	10,546
Inter-segment sales	-	-	-	-
TOTAL	5,306	4,895	15,878	10,546
SEGMENT RESULTS				
Trading & Service	(1,250)	(718)	(3,115)	(2,593)
Agriculture & Energy	(786)	(743)	(2,302)	(3,135)
Property	-	-	-	-
	(2,036)	(1,460)	(5,417)	(5,727)

The Group registered revenue of approximately RM 5.3 million for the quarter ended 30 September 2024, which was approximately RM 0.4 million higher as compared to the preceding year corresponding quarter ended 30 September 2023 of approximately RM 4.9 million.

10. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and assets of the Group since the last audited date of the statement of financial position.

11. Significant Related Party Transactions

There were no recurrent related party transactions enter during the current quarter under review and financial year-to-date.

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12. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

13. Significant Subsequent Events

The Group has no significant subsequent events as of 30 September 2024.

14. Capital Commitment

The Group has no capital commitment as of 30 September 2024.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Detailed Performance Analysis

	Individual Period (3rd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Correspond- ing Quarter	Changes		Current Year To Date	Preceding Year Correspond- ing Period	Changes	
	30 Sep 2024	30 Sep 2023	RM'000	%	30 Sep 2024	30 Sep 2023	RM'000	%
Revenue	5,306	4,895	411	83.9	15,878	10,546	5,332	50.6
Operating Losses	(2,096)	(1,472)	624	42.4	(5,361)	(5,758)	397	6.9
Loss Before Interest & Tax	(2,096)	(1,472)	624	42.4	(5,361)	(5,758)	397	6.9
Loss Before Tax	(2,049)	(1,473)	576	39.1	(5,455)	(5,766)	311	5.4
Loss After tax	(2,036)	(1,460)	576	39.4	(5,417)	(5,727)	310	5.4
Loss attributable to ordinary equity holder of the parent	(1,916)	(1,411)	505	35.8	(5,148)	(5,579)	431	7.7

The Group registered revenue of approximately RM 5.3 million for the current quarter ended 30 September 2024, which was approximately RM 0.4 million higher as compared to the preceding year corresponding quarter ended 30 September 2023 of approximately RM 4.9 million. The increased in revenue mainly contributed by higher turnover in IT hardware and related products.

The Group recorded a loss before taxation (“LBT”) during the current quarter ended 30 September 2024 of approximately RM 2.0 million, which was approximately RM 0.6 million higher as compared to the preceding year corresponding quarter ended 30 September 2023 of approximately RM 1.5 million. The higher LBT was mainly due to increase of administrative expenses and marginally offset with higher other income and lower finance cost.

The Group recorded a loss after taxation (“LAT”) during the current quarter ended 30 September 2024 of approximately RM 2.0 million, which was approximately RM 0.6 million higher as compared to the preceding year corresponding quarter ended 30 September 2023 of approximately RM 1.5 million. The underlying factors for higher LAT are similar to the explanation mentioned above for LBT.

The Group registered revenue of approximately RM 15.9 million for the current year to date ended 30 September 2024, which was approximately RM 5.3 million higher as compared to the preceding year to date ended 30 September 2023 of approximately RM 10.5 million. The increase in revenue mainly contributed by higher turnover in IT hardware and related products.

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15. Detailed Performance Analysis (cont'd)

The Group recorded a LBT during the current year to date ended 30 September 2024 of approximately RM 5.5 million, which was approximately RM 0.3 million lower as compared to the preceding year to date ended 30 September 2023 of approximately RM 5.8 million. The lower LBT was mainly attributable to lower expenditure incurred on administrative expenses and higher other income.

The Group recorded a LAT during the current year to date ended 30 September 2024 of approximately RM 5.4 million, which was approximately RM 0.3 million lower as compared to the preceding year to date ended 30 September 2023 of approximately RM 5.7 million. The underlying factors for lower LAT are identical with the explanation mentioned above for year to date LBT.

	Current Quarter	Immediate Preceding Quarter	Changes	
			RM'000	%
	30 Sep 2024	30 Jun 2024		
Revenue	5,306	5,221	85	1.6
Operating Losses	(2,096)	(1,493)	603	40.4
Loss Before Interest & Tax	(2,096)	(1,493)	603	40.4
Loss Before Tax	(2,049)	(1,521)	528	34.7
Loss After tax	(2,036)	(1,508)	528	35.0
Loss attributable to ordinary equity holder of the parent	(1,916)	(1,461)	455	31.1

The Group registered revenue of approximately RM 5.3 million for the quarter ended 30 September 2024, which was approximately RM 0.1 million higher as compared to the immediate preceding quarter ended 30 June 2024 of approximately RM 5.2 million and revenue for both quarters remain relatively consistent.

The Group recorded LBT of approximately RM 2.0 million for the quarter ended 30 September 2024, which was approximately RM 0.5 million higher as compared to the immediate preceding quarter ended 30 June 2024 by approximately RM 1.5 million. The higher LBT for current quarter was mainly due to higher administrative expenses incurred and marginally offset by higher other income.

The Group recorded a LAT of approximately RM 2.0 million for the quarter ended 30 September 2024, which was approximately RM 0.5 million higher as compared to the immediate preceding quarter ended 30 June 2024 of approximately RM 1.5 million. The factors leading to higher LAT for the current quarter are identical to those factors mentioned above for the current quarter LBT.

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16. Current Year Prospect

The Board is of the view that, barring any unforeseen circumstances, the trading and distribution business is expected to remain very challenging given the competitive market environment. To bolster the effects, the Company is expanding its sale and marketing channels by leveraging into e-commerce platforms.

With the shareholders approval for diversification of Group existing business to include property development, The Group, through its 70% owned subsidiary namely Compugates Development and Mining Sdn Bhd ("CDMSB") has entered into a Joint Venture Agreement ("JVA") with Jade Classic Sdn Bhd ("JCSB"). As at the LPD, the JVA Development has completed earthworks in the first quarter of 2024 and has commenced the piling stage. The JVA Development has commenced phase 1 sales in stages via a soft launch, whereby stage 1 comprises 130 townhouse units and 33 double-storey units, stage 2 comprises of 66 townhouse units and 21 double-storey units and stage 3 comprises 142 townhouse units and 26 double-storey units.

Furthermore, as at the LPD, all the units in stage 1 and stage 2 for phase 1 of the JVA Development (comprising 196 townhouse units and 54 double-storey units) have been fully booked, and the Board anticipates to commence sales for stage 3 of phase 1 by the third quarter of 2024. As per the JVA, CDMSB shall entitled to 20% of the total Gross Development Value ("GDV") of RM230.0 million, pursuant thereto, the board is forecasting to receive a total of RM46.0 million for Phase 1.

Moreover, the Board is currently negotiating a potential joint venture agreement to develop a mixed-use project on the Group's 35 acres of land within the Cybersouth Lands. Upon finalisation and execution of the joint venture agreement, the Group will make the requisite announcements and/or seek shareholders' approval in accordance with the Listing Requirements. Pursuant to this, the Group intends to allocate RM0.80 million from the Proposed Private Placement to fund the aforementioned joint venture and to pursue additional potential joint venture agreements and/or land bank acquisitions within Malaysia.

Lastly, the Company's agarwood plantation spans over 54 acres of land in Kuala Kangsar, Perak, which houses approximately 20,312 agarwood trees. Upon the successful process of inoculation on the 20 agarwood trees and collaboration with Mega Agarwood Trading (M) Sdn Bhd ("MATMSB"), Loh Kim Yong ("KY Loh") and Yeo Tien Kiong ("TK Yeo") this may provide the Company with a window to further expand its agarwood capacity.

The Board opines that through expanding its property development and agarwood plantation segments, the Group may reduce its reliance on its trading and services business, and create an additional revenue stream in order to improve the financial performance and financial position of the Group moving forward.

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17. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variance of actual profit and forecast profit and on shortfall in profit guarantee are not applicable.

18. Tax Expense

	Current Year Quarter Ended 30 Sep 2024 RM'000	Corresponding Quarter Ended 30 Sep 2023 RM'000	Current Year To Date 30 Sep 2024 RM'000	Corresponding Period Ended 30 Sep 2023 RM'000
Current tax expense:				
- for the quarter	-	-	-	-
Deferred taxation				
- Origination and reversal of temporary differences	(13)	(13)	(38)	(38)
	<u>(13)</u>	<u>(13)</u>	<u>(38)</u>	<u>(38)</u>

The Group's recognised tax expense despite loss before taxation mainly due to certain expenses being disallowed for taxation purposes, and losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

19. Status of Corporate Proposals

On 23 September 2024, the Board announced that Bursa Malaysia Securities Berhad ("**Bursa Securities**") had, vide its letter dated 23 September 2024 ("**Approval Letter**"), resolved to approve the listing and quotation for up to 550,037,068 Placement Shares to be issued pursuant to the Proposed Private Placement.

The above approval by Bursa Securities is subject to the following conditions:-

- i. CHB and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") pertaining to the implementation of the Proposed Private Placement;
- ii. UOBKH is required to inform Bursa Securities upon completion of the Proposed Private Placement; and
- iii. UOBKH is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

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19. Status of Corporate Proposals (cont'd)

On 14 October 2024, the Board announced that the Board had on 14 October 2024 resolved to fix the issue price for the Private Placement at RM0.009 per Placement Share. The issue price of RM0.0090 per Placement Share represents a discount of approximately 10.00% to the 5-day VWAP of CHB Shares up to and including 11 October 2024, being the last traded day of CHB Shares immediately preceding the price-fixing date of RM0.010 per CHB Share.

On 23 October 2024, the Board announced that in relation to the private placement announced dated 6 August 2024, 12 August 2024, 20 August 2024, 6 September 2024, 12 September 2024, 23 September 2024, 14 October 2024 and 22 October 2024 have marks the completion of the Private Placement with 550,037,068 Placement Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on 23 October 2024.

20. Utilisation of proceed

- i. Private Placement of up to 20% of the issued shares, involving up to 763,940,372 new CHB Shares ("Placement Shares") was approved by the shareholders of CHB at an extraordinary general meeting held on 4 February 2022 ("Proposed Private Placement").

Bursa Securities had, vide its letter dated 4 January 2022, resolved to approve the listing and quotation for up to 763,940,372 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 23 March 2022, the Private Placement was deemed completed with the listing of 763,940,372 new CHB Shares raising total gross proceeds of RM6.88 million. The details and status of the utilisation of proceeds as at 15 November 2024 are as follows:

Detail of utilisation	Approved Limit	Proceed Raised	Actual Utilisation	Balance
	RM	RM	RM	RM
Working capital requirements	8,802,000.00	4,600,463.35	4,204,223.18	396,240.17
Purchase of Integrated Water Supply Scheme	2,200,000.00	2,200,000.00	-	2,200,000.00
Expenses for private placement exercise	75,000.00	75,000.00	75,000.00	-
Total	11,077,000.00	6,875,463.35	4,279,223.18	2,596,240.17

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20. Utilisation of proceed (Cont'd)

- ii. Private Placement of up to 20% of the issued shares, involving up to 916,728,447 new Placement Shares was approved by the shareholders of CHB at an extraordinary general meeting held on 23 December 2022 (“Proposed Private Placement”).

Bursa Securities had, vide its letter dated 22 November 2022, resolved to approve the listing and quotation for up to 916,728,447 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 23 February 2023, the Private Placement was deemed completed with the listing of 916,728,447 new CHB Shares raising total gross proceeds of RM 9.87 million. The details and status of the utilisation of proceeds as at 15 November 2024 are as follows:

Detail of utilisation	Approved Limit	Proceed Raised	Actual Utilisation	Variation of the Utilisation of Proceeds	Balance
	RM	RM	RM	RM	RM
Working capital requirements	10,655,834.03	8,145,988.02	9,427,070.05	1,600,000.00	318,917.97
Repayment to Lead Developers for construction cost of the Access Road	1,600,000.00	1,600,000.00	-	(1,600,000.00)	-
Expenses for private placement exercise	120,000.00	120,000.00	120,000.00	-	-
Total	12,375,834.03	9,865,988.02	9,547,070.05	-	318,917.97

- iii. Private Placement of up to 10% of the issued shares, involving up to 550,037,068 new Placement Shares was approved by the shareholders of CHB at an annual general meeting held on 30 May 2024 (“Proposed Private Placement”).

Bursa Securities had, vide its letter dated 23 September 2024, resolved to approve the listing and quotation for up to 550,037,068 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 23 October 2024, the Private Placement was deemed completed with the listing of 550,037,068 new CHB Shares raising total gross proceeds of RM 4.95 million. The details and status of the utilisation of proceeds as at 15 November 2024 are as follows:

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20. Utilisation of proceed (Cont'd)

Detail of utilisation	Approved Limit	Proceed Raised	Actual Utilisation	Balance
	RM	RM	RM	RM
Working capital requirements	6,168,900.42	4,085,706.61	3,004,756.82	1,080,949.79
Expansion of the Group's Property Development	1,176,600.00	784,627.00	-	784,627.00
Expenses for private placement exercise	80,000.00	80,000.00	56,699.79	23,300.21
Total	7,425,500.42	4,950,333.61	3,061,456.61	1,888,877.00

21. Borrowings and Debt Securities

The Group's borrowings denominated in RM are as follows:

	As at 30 Sep 2024 RM'000	As at 31 Dec 2023 RM'000
Long and Short term borrowings – unsecured - Loans from director /Chief Executive Officer/person related to director/ bank	1,658	1,472

22. Realised and Unrealised (Losses)/Profit Disclosure

	As at 30 Sep 2024 RM'000	As at 31 Dec 2023 RM'000
Total accumulated losses of Compugates Holdings Berhad and subsidiaries:		
Realised	(149,849)	(144,209)
Unrealised	94,349	94,345
	(55,500)	(49,864)
Less: Consolidation adjustments	44,256	43,634
Total retained earnings	(11,244)	(6,230)

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23. Material Litigation

Compugates Development and Mining Sdn Bhd (“CDMSB”) had on 18 August 2015 entered into a joint venture agreement (“MUSB JVA”) with Main Uptown Sdn Bhd (“MUSB”), as the developer, for the joint development of a parcel of leasehold land owned by CDMSB identified as H.S. (D) 13828, PT 26800, Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan, measuring approximately 154,990 square metres (“MUSB JV Land”) into a mixed development. On 13 December 2017, CDMSB received a letter from Lembaga Lebuhraya Malaysia informing that based on the land acquisition plan received from MEX II Sdn Bhd, the MUSB JV Land is affected by the construction of Lebuhraya MEX2. Subsequently, on 15 October 2018, CDMSB received a compensation offer of RM9,397,400.00 (“Compensation Sum”) for the compulsory acquisition of 0.9892 hectares of the land which was part of the MUSB JV Land and a further sum of RM750,014.25 for incidental costs payable to CDMSB, which CDMSB accepted with objection. The Compensation Sum was paid to the Shah Alam High Court by the land administrator as there was a caveat lodged on the MUSB JV Land by MUSB pursuant to the MUSB JVA.

On 26 March 2019, CDMSB filed an originating summons against MUSB at the Shah Alam High Court for a declaration that CDMSB was entitled to the full Compensation Sum and for the entire Compensation Sum to be released to CDMSB. In the meantime, CDMSB had on 8 May 2019 served a notice on MUSB to formally terminate the MUSB JVA as MUSB had failed to comply with the terms of the MUSB JVA but MUSB was insisting that though it failed to comply with the conditions precedent, the MUSB JVA was still on-going. The CDMSB's originating summons against MUSB in Shah Alam High Court had been converted to a writ by order of the Court and a writ of claims had been filed on 31 October 2019.

- **In respect of the Civil Suit No. BA-22NCVC-425-09/2019 CDMSB vs MUSB**

The full trial for the matter had been completed on 13 January 2022 and the Shah Alam High Court had ruled in favor of CDMSB and declared that CDMSB was entitled to the whole Compensation Sum of RM9,397,400.00 in respect of the land acquisition of 0.9892 hectares of land and that the MUSB JVA is terminated, not valid and binding. The sum of RM3,000,000.00 from the deposit paid by MUSB is forfeited as liquidated damages and

the balance sum of RM2,000,000.00 paid under the MUSB JVA is to be refunded before or on 21 February 2022 and 5% interest per annum will be imposed from 22 February 2022 if there is a failure to refund. The private caveat is to be removed/ cancelled immediately and the counter claim is dismissed with cost of RM30,000.00 to be paid by MUSB to CDMSB.

On 28 January 2022, MUSB had filed an appeal to the Court of Appeal against part of the decision made by High Court of Malaya at Shah Alam on 13 January 2022 (“**Court Order**”). On 31 January 2022, MUSB also filed a stay of execution of the Court Order dated 13 January 2022 until the disposal of their appeal against this decision.

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23. Material Litigation (Cont'd)

- **In respect of the application of stay of judgement dated 13 January 2022.**

On 10 June 2022, the High Court of Malaya at Shah Alam had ordered that the whole compensation sum of RM 9,397,400.00 to be deposited into an interest bearing account in MBB under the High Court of Shah Alam until the disposal of MUSB appeal (No-B-

02(NCvC)-(W)-209-02/2022). No order for stay of Order dated 13 January 2022 was granted by the High Court.

- **In respect of the full Appeal at the Court of Appeal (No-B-02(NCvC)-(W)-209-02/2022) and Ad Interim Motion for stay of execution of Order dated 13 January 2022 filed by MUSB to the Court of Appeal**
- **In respect of the Federal Court of Malaysia leave application No. 08(f)309-09/2023(B) filed by CDMSB against MUSB**

In respect of the above matters, the final outcome is determined as follows:

1. Compugates Development and Mining Sdn Bhd ("CDMSB") is entitled to the whole compensation sum awarded amounting to RM9,397,400.00 of the land acquisition of 0.9892 hectares of land together with all accruing interest;
 2. The Joint Venture Agreement ("JVA") dated 18 August 2015 is terminated;
 3. CDMSB to refund the sum of RM2,000,000.00 to Main Uptown Sdn Bhd ("MUSB") from the initial deposit paid under the JVA pursuant to Court Order dated 13 January 2022;
 4. As the Federal Court leave application No.08(f)309-09/2023(B) filed by CDMSB against MUSB for the RM3,000,000 initial deposit forfeited as liquidated damages based on the JVA terms was dismissed, CDMSB is to return the RM3,000,000 deposit pursuant to the Court of Appeal Order dated 28 August 2023.
- **In respect of the Originating Summons No. BA-24NCVC-1150-07/2022 (CDMSB vs MUSB) Removal of new caveat**

In respect of CDMSB appeal against the injunction granted pending MUSB appeal against the order granting the removal of the 2nd private caveat, the Court of Appeal set aside the injunction and ordered the matter be remitted back to High Court for inquiry as to damages suffered if any by CDMSB between the period of 14 December 2022 to 4 September 2023. The application for assessment of damages has been filed by CDMSB. The trial commenced on 12 Jul 2024 and was completed on 21 October 2024. The Court had set 13 March 2025 as the date for its decision.

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23. Material Litigation (Cont'd)

- **In respect of the High Court of Shah Alam Originating Summons No. BA-24NCvC-1718-09/2023 (CDMSB vs MUSB & Pentadbir Tanah Daerah Sepang)**

On 3 January 2024, the High Court ordered the compensation sum to be released to CDMSB and further dismissed MUSB application to be paid the judgement sum from the compensation sum pursuant to Order 49 Rule 9 Rules of Court 2012. MUSB has filed appeals against both order to the Court of Appeal.

On 1 February 2024, on application by MUSB, the High Court granted a stay of the release of compensation sum to CDMSB pending the hearing of both appeals filed by MUSB (Appeal Civil No.B-01(NCvC)(A)-20-01/2024 & No. B-01(IM)(NCvC)-21-01/2024). CDMSB has appealed against the stay order to the Court of Appeal (Appeal Civil No. B-01-(IM)(NCvC)-92-02/2024).

- **In respect of Appeal Civil No.B-01(NCvC)(A)-20-01/2024 & No. B-01(IM)(NCvC)-21-01/2024 filed by MUSB and Appeal Civil No. B-01-(IM)(NCvC)-92-02/2024 to the Court of Appeal**

On 26 March 2024, CDMSB has entered into a Consent Judgment with MUSB and Pentadbir Tanah Daerah Sepang on following terms among others :-

1. CDMSB shall pay the MUSB the judgment sums totaling RM5,317,123.29 pursuant to the High Court's Judgment dated 13.1.2022 ("**Judgment**") and the Court of Appeal's Order dated 28.8.2023 ("**COA Order**"), which consists of:
 - 1.1. The sum of RM 2,000,000.00 pursuant to the Judgment;
 - 1.2. The sum of RM 3,000,000.00 pursuant to the COA Order;
 - 1.3. The sum of RM 218,904.11 being the interest at the rate of 5% per annum on the sum of RM 2,000,000.00 calculated from 22.2.2022 until 1.5.2024; and
 - 1.4. The sum of RM 98,219.18 being the interest at the rate 5% per annum on the sum of RM 3,000,000.00 calculated from the date of 5.9.2023 until 1.5.2024.
(collectively, "**Judgment Sum**");
2. Upon receipt of the full Judgment Sum, MUSB Solicitors shall place a sum of RM 500,000.00 from the Judgment Sum, in an interest bearing account under MUSB Solicitors' name as stakeholder ("**Stakeholder Sum**"), and release the remaining balance Judgment Sum to MUSB ;
3. The Stakeholder Sum shall be maintained until the disposal of the assessment of damages proceeding in the Shah Alam High Court Originating Summon No. BA-24NCvC-1150-07/2022 ("**Assessment Proceeding**") before the High Court only.

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23. Material Litigation (Cont'd)

4. In the event MUSB Solicitors receives the full Judgment Sum after 1.5.2024, CDMSB Solicitors undertake to pay within 10 working days from the date CDMSB Solicitors receives the Judgment Sum, the shortfall in the interests payable pursuant to the Judgment and the COA Order, to be calculated from 2.5.2024 until the date of actual receipt of the full Judgment Sum by CDMSB Solicitors, failing which, the Stakeholder Sum shall be released by MUSB's Solicitors to MUSB immediately and MUSB reserves its right to claim for such shortfall in the interests payable by Appellant;

On 2 August 2024, the Court has released the compensation sum amounting to RM5,317,123.29 to Messrs Raja, Darryl & Loh, the solicitors for Main Uptown Sdn Bhd and RM 4,310,098.93 to Messrs Dhyhan & Co, the solicitors for Compugates Development and Mining Sdn Bhd.

24. Dividend

The Board does not recommend any dividend for the quarter ended 30 September 2024.

25. Profit / (Loss) per Share

The profit / (loss) per share is calculated by dividing the Group's loss attributable to equity holders of the parent for the financial period over the number of ordinary shares in issue during the financial period as follows:-

	Current Year Quarter Ended 30 Sep 2024	Corresponding Quarter Ended 30 Sep 2023	Current Year To Date 30 Sep 2024	Corresponding Period Ended 30 Sep 2023
Profit / (loss) attributable to equity holders of parent (RM'000)	(1,916)	(1,411)	(5,148)	(5,579)
Number of ordinary shares in issue ('000) (FY2016:RM0.10) each	5,500,371	5,189,936	5,500,371	5,189,936
Basic profit / (loss) per share (sen)	(0.03)	(0.03)	(0.09)	(0.11)

The diluted profit / (loss) per share is equivalent to basic profit / (loss) per share as there were no potential ordinary shares outstanding which are dilutive in nature at the end of reporting period.

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26. Loss before taxation

Loss before taxation includes the following items:-

	Current Year Quarter Ended 30 Sep 2024 RM'000	Corresponding Quarter Ended 30 Sep 2023 RM'000	Current Year To Date 30 Sep 2024 RM'000	Corresponding Period Ended 30 Sep 2023 RM'000
Depreciation of property and equipment	81	81	242	242
Unrealised gain on foreign exchange	4	*	3	(2)
Interest expense	99	1	240	8
Interest income	(243)	(35)	(302)	(193)

Save as disclosed above, the other items as required under Appendix 9B Part A (1B) of the Main Market Listing Requirements of Bursa Securities are not applicable.

Note:

* *Less than RM500*

27. Authorisation

This interim financial report for the financial period ended 30 September 2024 has been seen and approved by the Board of the Company on 28 November 2024 for release to the Bursa Securities.

By Order of the Board
Chang Ngee Chuang
Hew Chee Hau
Company Secretaries

Date: 28 November 2024