



**MPHB CAPITAL BERHAD**  
**201201025763 (1010253-W)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENT**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	<b>3 months ended</b>		<b>Changes</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>		<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
	<b>Unaudited</b>	<b>Unaudited</b>		
Revenue	8,772	9,522	(7.9)	
Cost of sales	<u>(2,177)</u>	<u>(2,194)</u>	(0.8)	
Gross profit	6,595	7,328	(10.0)	
Other income	11,605	9,363	23.9	
Administrative expenses	(1,676)	(1,677)	(0.1)	
Other expenses	<u>(4,515)</u>	<u>(4,844)</u>	(6.8)	
<b>Operating profit</b>	12,009	10,170	18.1	
Finance costs	(33)	(13)	>100.0	
<b>Profit before tax</b>	<u>11,976</u>	<u>10,157</u>	17.9	
Income tax expense	<u>(3,508)</u>	<u>(1,322)</u>	>100.0	
<b>Profit for the period, representing total comprehensive income for the period</b>	<u>8,468</u>	<u>8,835</u>	(4.2)	
<b>Profit for the period, representing total comprehensive income attributable to:</b>				
Owners of the Company:	8,294	8,733	(5.0)	
Non-controlling interests:	<u>174</u>	<u>102</u>	70.6	
	<u>8,468</u>	<u>8,835</u>	(4.2)	
<b>Basic earnings per share attributable to owners of the Company:</b>				
<b>(sen per share)</b>				
Basic and diluted	<u>1.2</u>	<u>1.2</u>		

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	<b>As at</b> <b>31.03.2024</b>	<b>As at</b> <b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,001	58,660
Right-of-use ("ROU") assets	2,134	2,242
Investment properties	838,564	771,937
Investment securities	47,708	5,108
Intangible assets	22,320	22,320
Receivables	-	22,500
Deferred tax assets	9,233	10,988
Tax recoverable	16,698	16,698
	<b>995,658</b>	<b>910,453</b>
<b>Current assets</b>		
Investment securities	591,420	582,534
Inventories	129	138
Receivables	94,925	149,771
Tax recoverable	1,453	1,173
Cash and bank balances	66,267	96,607
	<b>754,194</b>	<b>830,223</b>
<b>Total assets</b>	<b>1,749,852</b>	<b>1,740,676</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	725,091	725,091
Treasury shares	(12,601)	(12,601)
Capital reserve	403	403
Merger deficit	(28,464)	(28,464)
Retained earnings	1,027,158	1,018,864
	<b>1,711,587</b>	<b>1,703,293</b>
Non-controlling interests	6,548	6,374
<b>Total equity</b>	<b>1,718,135</b>	<b>1,709,667</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,611	7,611
Lease liabilities	1,786	1,886
	<b>9,397</b>	<b>9,497</b>
<b>Current liabilities</b>		
Lease liabilities	394	388
Payables	21,621	20,511
Tax payable	305	613
	<b>22,320</b>	<b>21,512</b>
<b>Total liabilities</b>	<b>31,717</b>	<b>31,009</b>
<b>Total equity and liabilities</b>	<b>1,749,852</b>	<b>1,740,676</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.4</b>	<b>2.4</b>

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2024

I-----Attributable to owners of the Company-----I

	I--Non-distributable--I				Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2024</b>	725,091	(12,601)	403	(28,464)	1,018,864	1,703,293	6,374	1,709,667
Profit for the period, representing total comprehensive income for the period	-	-	-	-	8,294	8,294	174	8,468
<b>At 31 March 2024</b>	<b>725,091</b>	<b>(12,601)</b>	<b>403</b>	<b>(28,464)</b>	<b>1,027,158</b>	<b>1,711,587</b>	<b>6,548</b>	<b>1,718,135</b>
<b>At 1 January 2023</b>	725,091	(2,878)	403	(28,464)	1,028,713	1,722,865	5,960	1,728,825
Profit for the period representing total comprehensive income for the period	-	-	-	-	8,733	8,733	102	8,835
Purchase of treasury shares	-	(7,487)	-	-	-	(7,487)	-	(7,487)
<b>At 31 March 2023</b>	<b>725,091</b>	<b>(10,365)</b>	<b>403</b>	<b>(28,464)</b>	<b>1,037,446</b>	<b>1,724,111</b>	<b>6,062</b>	<b>1,730,173</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
	Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,976	10,157
Adjustments for:		
Depreciation of property, plant and equipment	854	663
Depreciation of ROU assets	108	174
Depreciation of investment properties	421	427
Dividend income on shares and unit trusts	(434)	(302)
Compensation from compulsory acquisition of investment property	(1,967)	-
Interest income	(9,507)	(9,932)
Interest expense on lease liabilities	33	13
Net gain arising from fair value changes in financial assets at FVTPL	(1,846)	(2,287)
Realised loss from financial assets at FVTPL	-	309
<b>Operating loss before working capital changes</b>	<u>(362)</u>	<u>(778)</u>
Changes in working capital:		
Inventories	9	54
Receivables	7,118	9,285
Payables	1,110	(1,255)
<b>Cash generated from operations</b>	<u>7,875</u>	<u>7,306</u>
Income tax paid	(2,341)	(1,957)
<b>Net cash generated from operating activities</b>	<u>5,534</u>	<u>5,349</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of:		
- investment securities	-	50,000
- investment property	3,318	-
Purchase of:		
- property, plant and equipment	(1,195)	(335)
- investment securities	(49,640)	(4,496)
Net dividend received from shares and unit trusts	434	302
Interest received	11,336	9,077
Net movement in fixed deposits with licensed banks	24,000	103,974
<b>Net cash (used in)/generated from investing activities</b>	<u>(11,747)</u>	<u>158,522</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	(7,487)
Payment of principal portion of lease liabilities	(127)	(204)
<b>Net cash used in financing activities</b>	<u>(127)</u>	<u>(7,691)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(6,340)	156,180
<b>Cash and cash equivalents at beginning of period</b>	72,607	62,978
<b>Cash and cash equivalents at end of period</b>	<u>66,267</u>	<u>219,158</u>
<b>Cash and cash equivalents comprise:</b>		
Short-term deposits with licensed banks, cash at banks and cash on hand	66,267	265,184
Short-term deposits with licensed banks with original maturity of more than 3 months	-	(46,026)
	<u>66,267</u>	<u>219,158</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

## **A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

### **A1 Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting*, International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the requirements of the Companies Act, 2016 in Malaysia, where applicable.

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

### **A2 Significant Accounting Policies**

#### **A2.1 Adoption of Amendments to Standards**

The accounting standards adopted in the preparation of the unaudited interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2023, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

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

#### **A2.2 Standards Issued but not yet effective**

As at the date of authorisation of this unaudited interim financial statement, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective.

##### **Effective for financial periods beginning on or after 1 January 2025**

Amendments to MFRS 121 The Effects of Changes in Foreign Rates – *Lack of Exchangeability*

##### **Effective date of these Amendments to Standards has been deferred, and yet to be announced**

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

These pronouncements are expected to have no material impact to the financial statements of the Group upon their initial application.

### **A3 Seasonal or Cyclical Factors**

The performance of the Group is not affected by any seasonal or cyclical factors but is generally dependent on the prevailing economic environment.

### **A4 Unusual Items Due To Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 31 March 2024.

### **A5 Significant Estimates and Changes in Estimates**

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2024.

### **A6 Debt and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 31 March 2024.

**A7 Dividends Paid**

No dividend was paid during the current quarter under review. (1Q2023: Nil)

**A8 Segmental Information**

	3 months ended		Changes %
	31.03.2024 RM'000	31.03.2023 RM'000	
<b>Segmental Revenue</b>			
Credit	2,483	3,349	(25.9)
Hospitality	4,944	4,970	(0.5)
Investments	1,345	1,203	11.8
<b>Total</b>	<b>8,772</b>	<b>9,522</b>	(7.9)
<b>Segmental Results</b>			
Credit	10,060	11,485	(12.4)
Hospitality	(195)	(243)	(19.8)
Investments	2,111	(1,085)	>100.0
	11,976	10,157	17.9
Profit before tax	(3,508)	(1,322)	>100.0
Income tax expense			
Profit for the period, representing total comprehensive income for the period	8,468	8,835	(4.2)

**Assets and Liabilities as at 31 March 2024**

	Assets RM'000	Liabilities RM'000
Credit	831,045	1,748
Hospitality	97,470	4,959
Investments	821,337	25,010
	<b>1,749,852</b>	<b>31,717</b>

**Assets and Liabilities as at 31 December 2023**

	Assets RM'000	Liabilities RM'000
Credit	821,872	2,273
Hospitality	96,603	3,386
Investments	822,201	25,350
	<b>1,740,676</b>	<b>31,009</b>

## A8 Segmental Information (cont'd.)

As at 31 March 2024, the status of utilisation of proceeds raised from the Disposal are as follows:

Purpose	Gross Proceeds RM'000	Actual Utilisation RM'000	Balance RM'000	Deviation RM'000	Expected utilisation timeframe from completion date
Distribution to entitled shareholders					
- Proposed Capital Reduction and Repayment	286,000	286,000	-	-	Within 6 months
- Dividend	35,750	35,750	-	-	Within 6 months
Expansion of property business	160,802	54,174	106,628	-	Within 36 months
Working capital	37,000	24,786	12,214	-	Within 24 months
Repayment of bank borrowings	500	500	-	-	Within 6 months
Estimated expenses	2,007	1,179	828 *	-	Within 6 months
	<u>522,059</u>	<u>402,389</u>	<u>119,670</u>		

\* The excess from the proceeds allocated for the estimated expenses will be adjusted to the proceeds allocated for working capital purposes.

## A9 Other Income

	3 months ended		Changes %
	31.03.2024 RM'000	31.03.2023 RM'000	
Interest income	7,547	6,970	8.3
Rental income from properties	58	54	7.4
Net gain arising from fair value changes in financial assets at FVTPL	1,846	2,287	(19.3)
Compensation from compulsory acquisition of investment property	1,967	-	100.0
Others	187	52	>100.0
<b>Total</b>	<u>11,605</u>	<u>9,363</u>	23.9

## A10 Financial Instruments

### (i) Classification

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
<b>Assets</b>		
<b>Financial assets at FVTPL</b>		
Investment securities:		
- quoted shares	27,214	25,632
- unquoted shares	5,248	5,108
- unquoted risk participation	42,460	-
- unquoted unit trust funds	564,206	556,902
	<u>639,128</u>	<u>587,642</u>
<b>Financial assets at amortised cost</b>		
Receivables	94,040	172,095
Cash and bank balances	66,267	96,607
	<u>160,307</u>	<u>268,702</u>
<b>Liabilities</b>		
<b>Liabilities at amortised cost</b>		
Lease liabilities	2,180	2,274
Payables	21,621	20,511
<b>Total financial liabilities</b>	<u>23,801</u>	<u>22,785</u>

## A10 Financial Instruments (con'd.)

### (ii) Fair Values

#### (a) Financial instruments that are carried at fair value

The table below analyses those financial instruments carried at fair value by their valuation methods and non-financial assets which are carried at cost in the statements of financial position, but for which fair values are disclosed. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) of identical assets in active markets

Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (derived from prices)

Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As at 31 March 2024</b>				
<b>Current</b>				
Financial assets at FVTPL	27,214	564,206	-	591,420
Loans and advances	-	-	68,517	68,517
<b>Non-current</b>				
Financial assets at FVTPL	-	-	47,708	47,708
	<b>27,214</b>	<b>564,206</b>	<b>116,225</b>	<b>707,645</b>
<b>As at 31 December 2023</b>				
<b>Current</b>				
Financial assets at FVTPL	25,632	556,902	-	582,534
Loans and advances	-	-	112,491	112,491
<b>Non-current</b>				
Financial assets at FVTPL	-	-	5,108	5,108
Loans and advances	-	-	22,500	22,500
	<b>25,632</b>	<b>556,902</b>	<b>140,099</b>	<b>722,633</b>

#### (b) Financial instruments that are not carried at fair value

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values due to their short-term nature.

## A11 Related Party Disclosures

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
<u>Affiliated companies:</u>		
Dividend received	403	302
Management fee receivables	87	129
Professional fees payable	(5)	(5)
IT management fees paid/payable	(20)	(20)

The above transactions are entered into in the normal course of business based on negotiated and mutually agreed terms.



**A11 Related Party Disclosures (cont'd.)**

Affiliated companies during the financial quarter refer to the following:

- MWE Properties Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.
- Metra Management Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.
- Magnum Berhad, incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.

**A12 Contingent Liabilities**

As at 27 May 2024, the Board is not aware of any material contingent liabilities which have become enforceable or are likely to become enforceable which will affect the ability of the Company or any of its subsidiaries to meet its obligations as and when they fall due.

**A13 Event After The Reporting Period**

There was no material event subsequent to the current quarter ended 31 March 2024.

**A14 Significant Event During The Financial Period**

There was no significant event during the current quarter ended 31 March 2024.

**A15 Changes in Composition of The Group**

There were no changes in the composition of the Group during the current quarter ended 31 March 2024.

**A16 Capital Commitment**

There was no capital commitment during the current quarter ended 31 March 2024.

**A17 Operating Lease Arrangements****The Group as lessor**

The future aggregate minimum lease payments receivable under operating leases contracted for but not recognised as receivables are as follows:

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Not later than 1 year	4,359	4,945
Later than 1 year and not later than 5 years	<u>1,591</u>	<u>2,400</u>
	<b><u>5,950</u></b>	<b><u>7,345</u></b>

## B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B1 Review of Performance of The Group

	3 months ended		Changes %
	31.03.2024 RM'000	31.03.2023 RM'000	
Revenue	8,772	9,522	(7.9)
Operating profit	12,009	10,170	18.1
Profit before tax	11,976	10,157	17.9
Profit for the period, representing total comprehensive profit for the period	8,468	8,835	(4.2)
Profit, total comprehensive profit attributable to owners of the Company	8,294	8,733	(5.0)

#### 1Q2024 vs 1Q2023

The Group posted revenue of RM8.8 million in 1Q2024, a decrease of 7.9% compared to the revenue of RM9.5 million achieved in 1Q2023 due to lower interest income from loans upon partial repayment of loans.

Profit before tax ("PBT") for 1Q2024 at RM12.0 million, was higher by 17.9% higher compared to RM10.2 million achieved in 1Q2023 due to compensation from compulsory acquisition of investment property in 1Q 2024.

#### **Credit**

In 1Q2024, Credit segment reported revenue of RM2.5 million which was lower than revenue of RM3.3 million recorded in 1Q2023 mainly due to lower interest income from loans.

In tandem with the above, PBT at RM10.1 million is lower compared to RM11.5 million achieved in 1Q2023.

#### **Investments**

The revenue of the Investments Segment was slightly higher at RM1.3 million in 1Q2024 compared to revenue of RM1.2 million reported in 1Q2023.

However, it posted PBT of RM2.1 million in 1Q2024 as compared to loss before tax ("LBT") of RM 1.1 million in 1Q2023 mainly due to compensation from compulsory acquisition of investment property in 1Q2024.

#### **Hospitality**

The revenue from Hospitality Segment was RM4.9 million which is marginally lower than RM5.0 million in 1Q2023.

The Hospitality segment reported lower LBT of RM0.19 million in 1Q2024 as compared to RM0.24 million recorded in 1Q2023.

**B2 Material Change in Performance of the current quarter compared with the immediate preceding quarter**

	3 months ended		Changes %
	31.03.2024	31.12.2023	
	RM'000	RM'000	
Revenue	8,772	11,295	(22.3)
Operating profit	12,009	11,356	5.8
Profit before tax	11,976	11,308	5.9
Profit for the period, representing total comprehensive income for the period	8,468	10,042	(15.7)
Profit for the period, total comprehensive income attributable to owners of the Company	8,294	9,960	(16.7)

**1Q2024 vs 4Q2023**

In 1Q2024, the Group reported revenue of RM8.8 million, which was 22.3% lower than revenue of RM11.3 million posted in 4Q2023 as interest income from loans and revenue from hospitality segment were lower.

PBT achieved at RM11.9 million was RM0.6 million higher than RM11.3 million recorded in 4Q2023 due to improvements in fair value gain.

**B3 Group's Prospects**

The International Monetary Fund has revised the outlook for Malaysia's real gross domestic product by a notch to 4.4% this year from its earlier prediction of 4.3%. Meanwhile, BNM expects Malaysian economy to grow between 4 to 5% in 2024, supported by resilient domestic demand and recovery in exports.

**Credit**

The Credit segment will continue to finance reputable niche clients with low-risk exposure.

**Investments**

The Group maintains its policy to conserve and safeguard its resources whilst evaluating viable options to create long term sustainable value to generate optimum returns. The Group evaluates and considers viable joint venture arrangements with niche reputable partners or outright disposal.

**B4 Profit Forecast and Profit Guarantee**

There was no profit forecast or profit guarantee issued by the Company and the Group.

**B5 Income Tax Expense**

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Income tax	1,753	1,322
Deferred tax	1,755	-
<b>Total income tax expense</b>	<b>3,508</b>	<b>1,322</b>

Income tax is calculated at the Malaysian statutory rate of 24% (2022: 24%) of the estimated assessable profit for the current and previous corresponding periods.

The effective tax rate for the Group for the current quarter was higher than the statutory rate due to certain expenses that were not deductible for tax purposes.

The effective tax rate for the Group for the previous corresponding period was lower than the statutory rate due to non-taxable income.

**B6 Profit Before Tax**

Included in the profit before tax are the following items:

	3 months ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Depreciation of property, plant and equipment	854	663
Depreciation of ROU assets	108	174
Depreciation of investment properties	421	427
Service fees & storage fees	4	26
Interest expense on lease liabilities	33	13
Realised loss from financial assets at FVTPL	-	309

**B7 Receivables**

	As at	As at
	31.03.2024	31.12.2023
	RM'000	RM'000
Trade receivables	82,988	150,003
Less: allowance for ECL	(14,085)	(14,054)
Total trade receivables	<u>68,903</u>	<u>135,949</u>
Other receivables	26,165	36,465
Less: allowance for ECL	(143)	(143)
Total other receivables	<u>26,022</u>	<u>36,322</u>
<b>Total receivables</b>	<b><u>94,925</u></b>	<b><u>172,271</u></b>

**B8 Corporate Proposals  
Non-Compliance (Property)**

Pursuant to the listing of the Company, the Group undertakes to rectify the following non-compliances as at 31 March 2024. As at current date, the non-compliances are as follows:

- I) The condition imposed on the land title

Syarikat Perniagaan Selangor Sdn. Bhd. ("SPSSB") is the registered proprietor of a land held under PM 345, Lot 13501, Mukim Hulu Kelang, District of Gombak, State of Selangor Darul Ehsan. This land can only be used for guards' and keepers' quarters. However, a Tenaga Nasional Berhad ("TNB") sub-station and network pumping station has been erected on the said land. Despite numerous efforts over time, SPSSB has not been successful in resolving the impasse between TNB and the Gombak land office. The management of SPSSB is now exploring other options including an application to the local authorities for change of land use; and

- II) The undetermined status of the certificate of fitness for occupation

The Group was unable to determine the status of the certificate of fitness for occupation to the buildings erected on GRN 28274, Lot 643 and GRN 9036, Lot 1199, Sekyen 67, Town of Kuala Lumpur, District and State of Wilayah Persekutuan Kuala Lumpur, properties registered under Mulpha Kluang Maritime Carriers Sdn. Bhd.

The buildings situated on GRN 28274, Lot 643 and GRN 9036, Lot 1199, remained unoccupied.

## B9 Material Litigation

(i) **Legal suit filed by ISM Sendirian Berhad - Kuala Lumpur High Court Civil Suit No. WA-22NCC-68-02/2016 [consolidated with Civil Suit no. WA-22NCC-69-02/2016, WA-22NCC-70-02/2016, WA-22NCC-71-02/2016 and WA-22NCC-72-02/2016]**

ISM Sendirian Berhad ("ISM or the Plaintiff") had filed five suits against the Company and its subsidiaries, namely, Queensway Nominees (Asing) Sdn. Bhd., Queensway Nominees (Tempatan) Sdn. Bhd., West-Jaya Sdn. Bhd., Mulpha Kluang Maritime Carrier Sdn. Bhd. and Leisure Dotcom Sdn. Bhd. ("the subsidiaries"), as well as its respective directors (collectively referred to hereinafter as "the Defendants"), alleging minority shareholders' oppression under Section 181 of the Companies Act 1965. ISM is a minority shareholder of the subsidiaries.

In the five suits, the Plaintiff seeks damages, both general and punitive against the Defendants, several declarations regarding the manner in which the affairs of the Company and its subsidiaries are conducted, several injunctions to restrain the conduct of the Company with regards to the subsidiaries as well as an order that ISM's shares in the subsidiaries are to be purchased by the Defendants at a value to be fixed by an independent auditor and valuer.

In response, the Defendants contended that the Plaintiff is in breach of the joint venture arrangement between the parties in failing to fulfil its financial obligations under the same. Hence, the Defendants have filed a Defense and Counterclaim (in each suit) against the Plaintiff for losses and damages suffered by the Defendants due to the Plaintiff's breach of the joint venture arrangement.

On 21 June 2019, the High Court allowed the Plaintiff's claim premised on minority shareholders' oppression under Section 181 of the Companies Act 1965.

The High Court has made the following orders:

1. The Company (as the majority shareholder) is to buy out the Plaintiff's 30% shares in the subsidiaries;
2. The buyout price is to be determined by an independent firm of accountants by taking into account the value of the land owned by the subsidiaries as determined by a licensed valuer;
3. The identities of the firm of accountants and the valuers are to be determined by agreement between the parties within 30 days from 21 June 2019 or if no agreement by the parties, the High Court will make the appointment based on nominations by the 2 parties;
4. ISM and the Company to mutually execute the terms and engagement of the accountant and valuer and shall equally bear the costs of the accountant and valuer;
5. Interest on the buyout sum will accrue at the rate of 5% per annum from the date expiring 7 days from the final determination of the buyout price by the independent accountant until full payment;
6. Nominal damages in the sum of RM10,000.00 to be paid to the Plaintiff with interest of 5% per annum to be calculated from 22 June 2019 to the date of full and final settlement;
7. Costs of RM100,000.00 to be paid to the Plaintiff, subject to payment of allocator;
8. Both parties are given liberty to apply; and
9. The Plaintiff's claim for punitive and exemplary damages and the Defendants' counterclaim are dismissed.

On 28 June 2019, the Defendants have appealed to the Court of Appeal against the judgement made by the High Court on 21 June 2019. On 18 July 2019, the Plaintiff has appealed to the Court of Appeal against certain parts of the judgement made by the High Court on 21 June 2019 (collectively referred to hereinafter as "the Appeals").

The Defendants have filed to the High Court for a stay of the execution of the High Court's judgement dated 21 June 2019 ("Judgement") and all the proceedings relating thereto pending the disposal of the Appeals.

On 13 September 2019, the High Court ordered by consent of the parties ("Consent Order") that the execution of the Judgment and all the proceedings relating thereto be stayed pending the disposal of both the Appeals before the Court of Appeal. The Appeals were partially heard by the Court of Appeal on 21 November 2023, 30 January 2024, 4 March 2024 and 6 March 2024. The hearing date on 21 May 2024 was vacated, and the hearing will be continued on 28 May 2024.

The Company and its subsidiaries are of the view that they stand a good chance in defending against the claims made by ISM hence, no provision has been made for those claims as at 31 March 2024.

**B10 Dividend**

The Board of Directors is pleased to declare a single tier interim of 3.0 sen per ordinary share for the current quarter, for the year ending 31 December 2024 (1Q2023: 5.0 sen).

The interim dividend is to be paid on 26 June 2024 to shareholders registered on the Record of Depositors at the close of business on 12 June 2024.

**B11 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

**B12 Earnings Per Share**

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
Profit for the period attributable to the owners of the Company (RM'000)	<u>8,294</u>	<u>8,733</u>
Weighted average number of ordinary shares in issue ('000)	<u>702,054</u>	<u>709,110</u>
Basic and diluted earnings per share (sen)	<u>1.2</u>	<u>1.2</u>

**By Order Of The Board**  
**Ng Sook Yee**  
**Company Secretary**  
**27 May 2024**