

**SKYGATE SOLUTIONS BERHAD** (formerly known as *EWEIN BERHAD*)

Company No. 200601023136 (742890-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2024**

(The figures have not been audited)

	As at 30-Jun-2024 RM'000	As at 31-Dec-2023 RM'000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	15,750	6,098
Investment properties	88,996	85,001
Inventory properties	44,271	41,866
Rights-of-use-assets	3,242	3,329
Goodwill	15,144	-
Deferred tax assets	8,099	8,099
<b>Total non-current assets</b>	<u>175,502</u>	<u>144,393</u>
Inventories	81,496	92,066
Current tax assets	4,477	3,532
Trade and other receivables	23,364	18,041
Fixed deposit with licensed banks	92	92
Cash and cash equivalents	59,044	65,201
<b>Total current assets</b>	<u>168,473</u>	<u>178,932</u>
<b>TOTAL ASSETS</b>	<u>343,975</u>	<u>323,325</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	152,424	152,424
Reserves	95,596	98,063
<b>Total equity attributable to shareholders of the Company</b>	<u>248,020</u>	<u>250,487</u>
Non-controlling interests	(1)	-
<b>Total equity</b>	<u>248,019</u>	<u>250,487</u>
Long term borrowings	41,464	43,066
Other payables	1,293	1,288
Deferred tax liabilities	3,183	2,716
<b>Total non-current liabilities</b>	<u>45,940</u>	<u>47,070</u>
Loans and borrowings	3,841	3,825
Lease liabilities	-	119
Trade and other payables	46,175	21,768
Current tax liabilities	-	56
<b>Total current liabilities</b>	<u>50,016</u>	<u>25,768</u>
<b>TOTAL LIABILITIES</b>	<u>95,956</u>	<u>72,838</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>343,975</u>	<u>323,325</u>
Net Assets per ordinary share (RM)	<u>0.82</u>	<u>0.83</u>

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

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 30 JUNE 2024**

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 months ended			6 months ended		
	30-Jun			30-Jun		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	13,446	7,789	72.63	27,987	15,284	83.11
Cost of sales	(8,615)	(4,911)	75.42	(18,970)	(9,495)	99.79
Gross profit	<u>4,831</u>	<u>2,878</u>		<u>9,017</u>	<u>5,789</u>	
Other operating income	498	1,302	(61.75)	2,663	2,436	9.32
Distribution and administrative expenses	(4,771)	(3,086)	54.60	(9,254)	(5,891)	57.09
Finance costs	(215)	(263)	(18.25)	(447)	(511)	(12.52)
Profit before taxation	<u>343</u>	<u>831</u>	(58.72)	<u>1,979</u>	<u>1,823</u>	8.56
Tax expense	(119)	(222)	(46.40)	(270)	(498)	(45.78)
<b>Profit for the period</b>	<u>224</u>	<u>609</u>	(63.22)	<u>1,709</u>	<u>1,325</u>	28.98
<b>Other Comprehensive Income, net of tax</b>	-	-		-	-	
<b>Total Comprehensive Income for the period</b>	<u><u>224</u></u>	<u><u>609</u></u>	(63.22)	<u><u>1,709</u></u>	<u><u>1,325</u></u>	28.98
<b>Profit attributable to:</b>						
Owners of the Company	224	609		1,710	1,325	
Non-controlling interests	-	-		(1)	-	
	<u><u>224</u></u>	<u><u>609</u></u>		<u><u>1,709</u></u>	<u><u>1,325</u></u>	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	224	609		1,710	1,325	
Non-controlling interests	-	-		(1)	-	
	<u><u>224</u></u>	<u><u>609</u></u>		<u><u>1,709</u></u>	<u><u>1,325</u></u>	
Basic earnings per share (sen)	<u><u>0.08</u></u>	<u><u>0.20</u></u>		<u><u>0.57</u></u>	<u><u>0.44</u></u>	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 30 JUNE 2024**

(The figures have not been audited)

	Share capital RM'000	Treasury shares RM'000	Non- Distributable Reverse acquisition reserve RM'000	Non- Distributable Revaluation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total equity RM'000
At 1 January 2024	152,424	-	-	3,632	94,431	250,487	-	250,487
Total comprehensive income for the period	-	-	-	-	1,710	1,710	(1)	1,709
Share buyback	-	(4,177)	-	-	-	(4,177)	-	(4,177)
At 30 June 2024	152,424	(4,177)	-	3,632	96,141	248,020	(1)	248,019
At 1 January 2023	152,424	-	(31,482)	3,632	124,794	249,368	-	249,368
Total comprehensive income for the period	-	-	-	-	1,325	1,325	-	1,325
At 30 June 2023	152,424	-	(31,482)	3,632	126,119	250,693	-	250,693

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED 30 JUNE 2024**

**(The figures have not been audited)**

	<b>6 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,979	1,823
Adjustments for:		
Non-cash items	-	445
Non-operating items	2,452	(1,429)
Operating profit before working capital changes	4,431	839
Changes in working capital		
Net changes in current assets	11,151	23,264
Net changes in inventory properties	(2,405)	-
Net changes in liabilities	802	1,011
Taxes paid	(502)	(299)
Net cash generated from operating activities	13,477	24,815
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Interest income	830	1,541
- Acquisition of property, plant and equipment	(4,599)	-
- Acquisition of investment property	(6,320)	-
- Acquisition of subsidiaries, net of cash and cash equivalents	(3,200)	-
- Proceeds from disposal of property, plant and equipment	-	122
Net cash (used in)/generated from investing activities	(13,289)	1,663
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Interest paid	(447)	(511)
- Repayment of loans and borrowings	(1,721)	(1,162)
- Share buyback	(4,177)	-
Net cash used in financing activities	(6,345)	(1,673)
Net change in cash and cash equivalents	(6,157)	24,805
Cash and cash equivalents at beginning of the period	65,293	48,412
Cash and cash equivalents at end of the period	59,136	73,217
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following:		
Cash and bank balances	59,044	41,172
Fixed deposits placed with licensed banks	92	32,045
	59,136	73,217

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



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**1. Basis of preparation**

The condensed consolidated interim financial information is unaudited and have been prepared in accordance with the applicable disclosure provisions of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2023.

**2. Significant accounting policies**

The significant accounting policies applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2023 except for the adoption of the new and revised Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 January 2024.

The Group plans to apply the following accounting standards, amendments and interpretations:

***MFRSs and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

***MFRSs and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

***MFRSs and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

- 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



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**3. Auditors' report on preceding annual financial statements**

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 December 2023 in their report dated 30 April 2024.

**4. Seasonality or cyclical factors**

The business of SkyGate Solutions Berhad and its subsidiaries (together referred to as the "Group" and individually referred to as "Company") is not significantly affected by any seasonality or cyclical factors.

**5. 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 quarter ended 30 June 2024.

**6. Changes in estimates**

There were no changes in estimates that had a material effect in the current quarter ended 30 June 2024.

**7. Debt and equity securities**

During the quarter ended 30 June 2024, the Company acquired 1,247,300 ordinary shares from the open market for a cash consideration of RM1,266,685. The repurchased shares are treated as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act, 2016.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter ended 30 June 2024.

**8. Dividend paid/payable**

There was no dividend announced by the Company in the current quarter and year to date as at date of this interim financial report.



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**Notes to the Unaudited Interim Financial Report**

9. **Segment information**

The following comprises the main business segments of the Group: -

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>				
Property development	9,220	3,005	19,446	5,805
Manufacturing	3,052	3,482	6,213	6,936
Investment holding, property management & letting and others	1,174	1,302	2,328	2,543
Total revenue	13,446	7,789	27,987	15,284
<b>Segment Results</b>				
Property development	2,156	(143)	5,333	(716)
Manufacturing	(817)	45	(1,622)	216
Investment holding, property management & letting and others	(1,180)	229	(2,115)	1,293
Profit before interest and taxation	159	131	1,596	793
Interest expense	(215)	(263)	(447)	(511)
Interest income	399	963	830	1,541
Profit before taxation	343	831	1,979	1,823
Taxation	(119)	(222)	(270)	(498)
Profit for the period	224	609	1,709	1,325



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10. **Group's financial performance review and segmental analysis**

10.1 **Overall review of group's financial performance**

Statement of financial position:

Overall, the Group continues to maintain a healthy current ratio that measures the Group's ability to pay off its short-term liabilities with its current assets. The current ratio of the Group at 30 June 2024 and 31 December 2023 were 3.37 times and 6.94 times respectively.

**Comparison with previous year's corresponding quarter**

The Group recorded a revenue of RM13.45 million in the second quarter ended June 2024 (2Q24) as compared to RM7.79 million in the second quarter ended June 2023 (2Q23). The Group reported a profit before interest and tax of RM0.16 million in 2Q24 against profit before interest and tax of RM0.13 million in 2Q23. The increases in revenue and profit before interest and tax was mainly due higher sales of completed properties in property segment but lower source of revenue in the manufacturing segment. In addition, one of the investment property that rented out last year was demolished and currently in construction stage, hence it caused the decreased in revenue and profit of property management & letting segment.

**Comparison with previous year's corresponding cumulative period to date**

The Group recorded a revenue of RM27.99 million in the six-month period ended June 2024 (1H24) as compared to RM15.28 million in the six-month period ended June 2023 (2H23). The Group reported a profit before interest and tax of RM1.60 million in 1H24 against profit before interest and tax of RM0.79 million in 1H23. In the property development segment, there are more property sold compare to corresponding quarter. In the manufacturing segment, decrease in revenue and profit before interest and tax was mainly due to lower demand in the overall Electrical & Electronics (E&E) industry. In the property management & letting segment, one of the investment property that rented out last year was demolished and currently in construction stage, hence it caused the decreased in revenue and profit of property management & letting segment.

10.2 **Segmental analysis**

**Comparison with previous year's corresponding quarter**

(i) **Property development**

The revenue recorded in 2Q24 was RM9.22 million and profit before interest and tax of RM2.16 million. In comparison, the revenue of RM3.01 million and loss before interest and tax of RM0.14 million reported in 2Q23. The increase in revenue and profit was mainly due to higher developed properties sold compare to corresponding year. The Group is actively marketing and seeking for potential buyer for the completed project City of Dreams.





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(ii) Manufacturing

The revenue recorded in 2Q24 was RM3.05 million as compared to RM3.48 million in 2Q23. The loss before interest and tax in 2Q24 was RM0.82 million compared to profit before interest and tax of RM0.04 million in 2Q23. This was due to lower revenue source of the Company. By enhancing revenue segment, the Company entered into a share sale agreement to acquire entire equity interest in VS Solution Services Sdn Bhd as disclosed in note 19 (iii) in this report.

(iii) Investment holding, property management & letting and others

The revenue recorded in 2Q24 was RM1.17 million as compared to RM1.30 million in 2Q23. The loss before interest and tax in 2Q24 was RM1.18 million as compared to profit before interest and tax in 2Q23 of RM0.23 million. The decrease in revenue and profit before interest and taxation was mainly due to one of the investment property that rented out last year was demolished and currently in construction stage.

**Comparison with previous year's cumulative period to date**

(iv) Property development

The revenue recorded in 1H24 was RM19.45 million and profit before interest and tax of RM5.33 million. In comparison, the revenue of RM5.81 million and loss before interest and tax of RM0.72 million reported in 1H23. The increase in revenue and profit was mainly due to higher developed properties sold compare to corresponding year. The Group is actively marketing and seeking for potential buyer for the completed project City of Dreams.

(v) Manufacturing

The revenue recorded in 1H24 was RM6.21 million as compared to RM6.94 million in 1H23. The loss before interest and tax in 1H24 was RM1.62 million compared to profit before interest and tax of RM0.22 million in 1H23. This was due to lower revenue source of the Company. By enhancing revenue segment, the Company entered into a share sale agreement to acquire entire equity interest in VS Solution Services Sdn Bhd as disclosed in note 19 (iii) in this report.

(vi) Investment holding, property management & letting and others

The revenue recorded in 1H24 was RM2.33 million as compared to RM2.54 million in 1H23. The loss before interest and tax in 1H24 was RM2.12 million as compared to profit before interest and tax in 1H23 of RM1.29 million. The decrease in revenue and profit before interest and taxation was mainly due to one of the investment property that rented out last year was demolished and currently in construction stage.



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11. **Variation of results against preceding quarter**

	<b>3 Months Ended 30 June 2024 RM'000</b>	<b>3 Months Ended 31 March 2024 RM'000</b>	<b>Changes</b>
Revenue	13,446	10,226	+31.49%
Profit before interest and taxation	159	1,437	-88.94%
Profit before taxation	343	1,636	-79.03%
Profit after taxation	224	1,485	-84.92%

The Group recorded a revenue of RM13.45 million in 2Q24 as compared to RM10.23 million in first quarter ended 31 March 2024 (1Q24) and the Group reported a profit before tax of RM0.34 million in 2Q24 against profit before tax of RM1.64 million in 1Q24.

12. **Valuation of property, plant and equipment and investment properties**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The valuation of investment properties has been brought forward without amendment since 31 December 2023.

13. **Other investment**

There is no other significant investment made by the Company except as disclosed in note 19 (iii) of this report.



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**Notes to the Unaudited Interim Financial Report**

**14. Changes in Group's composition**

On 15 May 2024, the Company entered into a share sale agreement for the acquisition of 500,000 ordinary shares in VS Solution Services Sdn Bhd ("VSS"), representing the entire equity interest in VSS for a total purchase consideration of RM32,000,000. (refer to note 19(iii) for further explanation). On 28 June 2024, the acquisition has been approved in the Extraordinary General Meeting.

There were no other significant changes in the Group's composition as of the date of this report.

**15. Changes in contingent liabilities**

There were no material contingent liabilities to be disclosed as at the date of this report.

**16. Commitments**

	<b>RM'000</b>
Contracted but not provided for:	
Properties	<u>58,786</u>

There were no other material capital commitments as at 30 June 2024 to be disclosed as at the date of this report.

**17. Prospects for 2024**

The Group's prospects for the year 2024 in the respective operating segments are explained as follows:

**(i) Property development**

The company is actively marketing the unsold units to monetise its inventory of completed units.



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(ii) Manufacturing

Relate to note 19 (iii), SkyGate Solutions Berhad has acquired VSS's Rackform Business and its client base. This will provide the Group with an additional source of revenue and earnings stream for its manufacturing business. Further, the enlarged Group is expected to achieve synergies and economies of scale by the sharing of commonalities as the Group and VSS both serves the Electrical and Electronics ("E&E") industry, utilise similar raw materials and have access to an enlarged clientele. Therefore, the enlarged Group will be able to negotiate for better deals with suppliers, streamline business processes, and optimise resource allocation which could potentially reduce production costs and operational expenses, and ultimately boosting profitability.

In addition, the Vendors have provided the Group with a profit guarantee, where VSS targets to achieves a minimum cumulative profit after tax of RM9.3 million by FYE 2026 which is expected to contribute positively to the Group's future earnings.

(iii) Investment holding, property management and letting

SkyGate Properties Sdn Bhd (formerly known as Ewein Land Sdn Bhd)- The prospect of this segment remains positive due to the strategic location and take up rate of Menara IJM Land.

Skydorm Sdn Bhd- The Company intend to commence the construction of the properties into factory building.

Delight Island Sdn Bhd- Refer to note 19(i), the Group will develop the subject land into a 16- storey workers' dormitory which serves as the entry point for the Group's first foray into workforce management services sector. The land is located in a strategic location in the state of Penang and through the development, the Group is poised to capitalise on the growing demand for foreign workers' dormitory accommodation in the state of Penang.

18. **Variance between actual profit and forecast profit**

This is not applicable as no profit forecast has been published.



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**19. Status of corporate proposals**

- (i) Delight Island Sdn Bhd, a wholly-owned indirect subsidiary of the Company had on 26 March 2024 entered into a conditional sale and purchase agreement with Magnum Heritage Sdn Bhd, a related party, for the acquisition of a parcel of vacant industrial land formed by 14 contiguous lots located in Seberang Perai Utara, Pulau Pinang for a total cash consideration of RM25,839,818.34 (“Proposed Land Acquisition”).
- (ii) In conjunction with the Proposed Land Acquisition above, the Company intends to undertake proposed diversification of the existing principal activities of the Group and its subsidiaries to include the provision of workers’ dormitory accommodation and manpower management related services.
- (iii) On 15 May 2024, the Company entered into a share sale agreement with, Ooi Eng Leong, Goh Kiang Teng, Goh Yin Ze and Chew Tien Kee, (“Vendors”) for the acquisition of 500,000 ordinary shares in VS Solution Services Sdn Bhd (“VSS”), representing the entire equity interest in VSS for a total purchase consideration of RM32,000,000 (“Proposed VSS Acquisition”) to be satisfied via the following:
  - (a) a cash payment of RM15,999,580; and
  - (b) an allotment and issuance of 17,978,000 ordinary shares in SkyGate Solutions Berhad (“SkyGate Share(s)” or the “Share(s)”) at an issue price of RM0.89 per SkyGate Share, for a total shares consideration of RM16,000,420.

In addition, the Vendors have provided the Company with a profit guarantee, where VSS targets to achieves a minimum cumulative profit after tax of RM9.3 million by FYE 2026 which is expected to contribute positively to the Group’s future earnings.

On 28 June 2024, the above Corporate Proposals has been approved in the Extraordinary General Meeting and the conditions precedent has been fulfilled.

There were other no corporate proposals as at 30 June 2024 to be disclosed as at the date of this report.

**20. Events subsequent to the balance sheet date**

- (i) Following on Note 19 (iii), on 15 July 2024, 17,978,000 Consideration Shares issued pursuant to the VSS Acquisition were listed and quoted on the Main Market of Bursa Securities and the balance purchase consideration of RM15,999,580 pursuant to the VSS Acquisition has been paid in full to the VSS Vendors.
- (ii) On 11 July 2024, the Company has change of name from “Ewein Berhad” to “SkyGate Solutions Berhad”.

There was no other event subsequent to the balance sheet date to be disclosed as at the date of this report.



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21. **Borrowings**

	As at 30 June 2024			As at 31 December 2023				
	Interest rate %	Secured		Total RM '000	Interest rate %	Secured		Total RM '000
		RM '000 RM denomination	RM '000 USD denomination			RM '000 RM denomination	RM '000 USD denomination	
Current:								
Term loans	4.30% - 7.47%	-	3,841	3,841	4.30% - 7.47%	-	3,825	3,825
		-	3,841	3,841		-	3,825	3,825
Non-current:								
Term loans	4.30% - 7.47%	33,800	7,664	41,464	4.30% - 7.47%	33,800	9,266	43,066
		33,800	7,664	41,464		33,800	9,266	43,066
Total		33,800	11,505	45,305		33,800	13,091	46,891



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22. **Material litigation**

SkyGate City of Dreams Sdn Bhd (formerly known as Ewein City of Dreams Sdn Bhd) (“SCOD”), a wholly owned subsidiary of SkyGate Properties Sdn Bhd, which is in turn a wholly owned subsidiary of SkyGate Solutions Berhad and CRCC Malaysia Berhad (“CRCC”)

On 31 January 2022, the adjudicator delivered his decision in relation to CRCC claims on SCOD, a subsidiary of SkyGate Solutions Berhad. SCOD decided to comply with the adjudication decision and paid CRCC a sum of RM6.3 million where the said amount has been recognised in the financial year ended 2021. In December 2021, SCOD commenced the arbitration proceedings at the Asian International Arbitration Centre claiming CRCC on the following:

- the sum of RM19 million being the Liquidated Ascertained Damages (“LAD”) for the late completion of the works;
- in the alternative, general damages for the amount of LAD that SCOD is liable to pay to the purchasers of City of Dreams Project (“the Project”);
- damages for the amount incurred to rectify the defects;
- interest at 5% per annum on the sum claimed from date of claim until date of full realisation.

CRCC has disputed on SCOD’s claim and counter claimed as follows:

- CRCC is entitled to the extension of time of 344 days;
- SCOD is not entitled to LAD in the sum of RM24 million;
- a declaration that SCOD is not entitled to any of its set off;
- RM18.9 million being the set-off pursuant to the Adjudication decision, uncertified variation works and loss and expenses incurred; and
- interest on the set-off pursuant to the Adjudication decision, uncertified variation works; and
- cost associated with the arbitration proceedings.

In response to CRCC’s counterclaim, SCOD’s disputed the whole counterclaim on the following grounds:

- SCOD is entitled to back charge the amounts paid to third party contractors for expediting some of CRCC’s works; and
- CRCC’s claim for variation orders/additional works are capped at RM10,700,000 as stated in the supplemental agreement previously entered into between SCOD and CRCC.

Pursuant to the Preliminary Meeting with the Arbitrator on 27 April 2023, both parties had filed the necessary pleadings and bundles of documents and subsequently, SCOD has filed an application to amend the Statement of Claim which was allowed by the learned Arbitrator. Currently, SCOD and CRCC are in the midst of preparing the written witness statements. The tentative deadline for both parties to file and exchange their respective witness statement is in 28 October 2024 and 29 October 2024.



**SKYGATE SOLUTIONS BERHAD (formerly known as EWEIN BERHAD)**

Company No. 200601023136 (742890-W)  
(Incorporated in Malaysia)

**Notes to the Unaudited Interim Financial Report**

**23. Basic earnings per share**

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 6 Months Ended</b>	
	<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>
Profit attributable to owners of the Company (RM'000)	224	609	1,710	1,325
Weighted average number of ordinary shares in issue ('000)	301,585	301,585	301,585	301,585
Weighted average number of ordinary shares after taking into account the effect of share buyback ('000)	(4,039)	-	(4,039)	-
Total weighted average number of ordinary shares ('000)	297,546	301,585	297,546	301,585
Basic earnings per share (sen)	0.08	0.20	0.57	0.44

**Diluted earnings per share**

The diluted per share were not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.





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24. **Profit before taxation**

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after crediting/(charging):				
Interest income	399	963	830	1,541
Interest expense	(215)	(263)	(447)	(511)

25. **Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.

Date: 20 August 2024