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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

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 2024. 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 2024.

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 2024.

The Group and the Company adopted the amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

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.

Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs and amendments to MFRSs 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 2025:	
Amendments to MFRS 121	The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability
Amendments to MFRS effective 1 January 2026:	
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity
Amendments that are part of Annual Improvement - Volume 11:	
Amendments to MFRS 1	First-time Adoption of MFRS Accounting Standards

Standards issued but not yet effective (cont'd)

Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flow

Amendments to MFRS effective 1 January 2027:

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

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 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

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statements of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 Presentation and Disclosure in Financial Statements (cont'd)

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, early adoption is applicable.

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 impacts 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 2024 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.

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

	Current Year Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Period Ended
	31 Dec 2025 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 Dec 2024 RM'000
SEGMENT REVENUE				
Trading & Service	5,630	5,991	22,112	21,869
Agriculture & Energy	-	-	-	-
Property Investment	2,580	-	16,771	-
	8,210	5,991	38,883	21,869
Inter-segment sales	-	-	-	-
TOTAL	8,210	5,991	38,883	21,869

	Current Year Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Period Ended
	31 Dec 2025 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 Dec 2024 RM'000
SEGMENT RESULTS				
Trading & Service	1,506	266	(12,951)	(2,854)
Agriculture & Energy	(703)	(5,336)	(3,807)	(7,633)
Property Investment	(14,304)	-	(6,520)	-
	(13,501)	(5,070)	(23,278)	(10,487)

The Group registered revenue of approximately RM 38.9 million for the year ended 31 December 2025, which was approximately RM 17.0 million higher as compared to the preceding year ended 31 December 2024 of approximately RM 21.9 million. The Group higher revenue was mainly contributed by new income stream from property investment segment amounting to approximately RM 16.8 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.

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 31 December 2025.

14. Capital Commitment

The Group has no capital commitment as of 31 December 2025.

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

15. Detailed Performance Analysis

	Individual Period (4th quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Correspond-ing Quarter	Changes		Current Year To Date	Preceding Year Correspond-ing Period	Changes	
	31 Dec 2025	31 Dec 2024	RM'000	%	31 Dec 2025	31 Dec 2024	RM'000	%
Revenue	8,210	5,991	2,219	*37.0*	38,883	21,869	17,014	*77,8*
Operating Profit /(Losses)	(16,085)	(5,050)	11,035	*218.5*	(13,573)	(10,411)	3,162	*30.4*
Profit/(Loss) Before Interest & Tax	(12,908)	(5,050)	7,858	*155.6*	(22,649)	(10,411)	12,238	*117.5*
Profit/(Loss) Before Tax	(12,933)	(5,083)	7,850	*154.4*	(22,748)	(10,538)	12,210	*115.9*
Profit/(Loss) After tax	(13,501)	(5,070)	8,431	*166.3*	(23,278)	(10,487)	12,791	*121.9*
Profit/(Loss) attributable to ordinary equity holder of the parent	(9,210)	(5,029)	4,181	*83.1*	(21,322)	(10,176)	11,146	*109.5*

The Group registered revenue of approximately RM 8.2 million for the current quarter ended 31 December 2025, which was approximately RM 2.2 million higher as compared to the preceding year corresponding quarter ended 31 December 2024 of approximately RM 6.0 million. The higher revenue was mainly attributed to revenue generated from the new business segment, property investment amounting to approximately RM 2.6 million.

The Group recorded a loss before taxation ("LBT") of approximately RM 13.0 million for the current quarter ended 31 December 2025, representing an increase of approximately RM 7.9 million as compared to a loss before taxation ("LBT") of approximately RM 5.1 million in the corresponding quarter ended 31 December 2024. The higher LBT for current quarter mainly attributable to higher administrative expenses and offset against valuation assumption adjustment gain in relation to Employee Share Option Schemes ("ESOS") in compliance with MFRS 2.

The Group also recorded a loss after taxation ("LAT") of approximately RM 13.5 million for the current quarter ended 31 December 2025 approximately RM 8.4 million increased compared to a loss after taxation ("LAT") of approximately RM 5.1 million in the corresponding quarter ended 31 December 2024. The underlying factors for higher LAT are similar with the explanation mentioned above for year-to-date LBT.

15. Detailed Performance Analysis (cont'd)

The Group registered revenue of approximately RM 38.9 million for the current year-to-date ended 31 December 2025, which was approximately RM 17.0 million higher as compared to the preceding year to date ended 31 December 2024 of approximately RM 21.9 million. The increase in revenue was mainly contributed by the property investment segment.

The Group recorded a LBT of approximately RM 22.8 million for the current year to date ended 31 December 2025, an increase of approximately RM 12.2 million compared to a LBT of approximately RM 10.5 million in the preceding year to date ended 31 December 2024**.** The increase in current year-to-date LBT mainly due to valuation assumption adjustment loss in relation to ESOS amounting to approximately RM9.1 million and RM8.8 million higher of administrative expenses. However, the higher current year-to-date LBT was offset against higher profit generated from property investment segment amounting to approximately RM6.8 million.

The Group recorded a LAT of approximately RM 23.3 million for the current year-to-date ended 31 December 2025, an increase of about RM 12.8 million compared to a LAT of approximately RM 10.5 million in the corresponding period of the previous year. The factors contributing to the higher LAT are consistent with those explained above for the increase in LBT.

	Current Quarter	Immediate Preceding Quarter	Changes	
	31 Dec 2025	**30 Sep 2025**	**RM'000**	**%**
Revenue	8,210	12,339	(4,129)	33.5
Operating Profits / (Losses)	(16,085)	2,254	(18,339)	813.6
Profit / (Loss) Before Interest & Tax	(12,908)	(9,998)	2,910	29.1
Profit / (Loss) Before Tax	(12,933)	(10,024)	2,909	29.0
Profit / (Loss) After tax	(13,501)	(10,011)	3,490	34.9
Profit / (Loss) attributable to ordinary equity holder of the parent	(9,210)	(11,241)	2,031	18.1

The Group registered revenue of approximately RM 8.2 million for the quarter ended 31 December 2025, which was approximately RM 4.1 million lower as compared to the immediate preceding quarter ended 30 September 2025 of approximately RM 12.3 million. The revenue decreased was mainly due to the marginally lower revenue generated from imaging products.

15. Detailed Performance Analysis (cont'd)

The Group recorded LBT of approximately RM 12.9 million for the quarter ended 31 December 2025, which was approximately RM 2.9 million higher as compared to the immediate preceding quarter ended 30 September 2025 by approximately RM 10.0 million. The higher LBT for current quarter was mainly due to higher administrative expenses and offset against the gain of RM3.2 million adjustment for ESOS due to the finalisation of valuation assumptions.

The Group recorded a LAT of approximately RM 13.5 million for the quarter ended 31 December 2025, which was approximately higher by RM 3.5 million as compared to the immediate preceding quarter ended 30 September 2025 of approximately RM 10.0 million. The factors leading to higher LAT for the current quarter are identical to those factors mentioned above for the current quarter LBT and the provision of tax expenses of RM 0.6 million for the business segment of property investment.

16. Current Year Prospect

The Group is primarily involved in the trading and services, property development and agriculture businesses. Based on the Group audited financial statements for FYE ("Financial Year Ended") 31 December 2024, the Group derives all of its revenue from its trading and services business. However, the Group's trading and services business, which is a component of the trading of ICT products industry, has sustained challenging conditions in the recent years, largely attributable to the Coronavirus-19 pandemic, continued uncertainty in the commodity markets, weakening of the Malaysia Ringgit and geo-political tensions.

In order to improve the Group's financial performance moving forward, the Group intends to expand its property development business in order to reduce reliance on its trading and services segment. On 30 May 2023, the Company had obtained shareholders' approval for the diversification of the Group's existing business to include property development ("Diversification"). The Diversification was undertaken pursuant to a joint venture agreement signed between Compugates Development and Mining Sdn Bhd ("CDMSB") and Jade Classic Sdn Bhd ("JCSB") on 18 November 2017 for a joint venture development project, where CDMSB and JCSB will act as the developer to undertake the overall development, construction and completion of the JVA Development and CDMSB as the landowner ("JVA Development"). Through the JVA Development, CDMSB will be entitled to a 20.00% share of the GDV, amounting to approximately RM117.00 million.

The JVA Development has commenced Daun Villa 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. The grand opening of the Daun Villa Sales Gallery took place successfully on November 9, 2024, marking an exciting milestone for our development in the vibrant township of Cybersouth. As of today, the entire phase 1 has fully commenced, and all units have been opened for sale due to the positive response. 90% of the units under phase 1 have been booked, of the 418 units over 75% of the S&P has been signed and the balance booked units is pending loan approval or pending signing. As at the reporting date, the Group had collected up to

16. Current Year Prospect (cont'd)

RM 17.1 million from JCSB for the sales proceed of phase 1, and anticipates to receive further progressively payment following the progress of construction towards handovers of vacant possession to the purchasers of the JCSB JVA units moving forward. Furthermore, sales of the phase 2 JCSB JVA is expected to commence before second half of Year 2026.

Moreover, on 31 January 2025, CDMSB has entered into another joint venture with developer CPG Puncak Sdn Bhd to develop a RM 1.36 billion mixed-use development on the Group's 35 acres of land within the Cybersouth Lands. Through this joint venture development, the Group will be entitled to a minimum landowner's entitlement of RM 234 million, representing a 73.85% premium over the market value of the land. The Development will be undertaken over 8-9 phases, and is expected to be completed in 13 years, with an extension period of 3 years in the JVA. As a result, as and when the construction for the respective phases of the Development is completed, CDMSB shall be entitled to receive its landowner's entitlement for the respective phase. The landowner's entitlement from the Proposed Joint Venture therefore provides the Group with a form of revenue to be recognised in the long term.

Additionally, in view of the positive property market outlook in Malaysia where real estate and construction performance had continued to improve throughout 2024 backed by stronger market activity and government initiatives, the Board opines that the Proposed Joint Venture represents another opportunity for the Group to further expand the revenue stream of its property development business. Pursuant thereto, the Board is optimistic of the future prospects of the property market which shall contribute to the Proposed Joint Venture.

Further, notwithstanding that the Group intends to further expand the revenue stream of its property development business via landowner's entitlement through the JCSB JVA and Development, the revenue contribution from the JCSB JVA and Development can only be recognised pursuant to an agreed schedule, which is contingent upon the completion of the specific phases of the JCSB JVA and Development. To be prudent, the Group will continue its focus on trading and services segment, which provides a more recurrent and stable form of revenue flow, that serves as a vital support mechanism until the Group's property development segment begins to generate consistent and substantial revenue.

The Group's trading and services segment has recorded losses in the recent years as a result of the Group's suppliers implementing cash payment terms for the purchase of the Group's ICT supplies. To maintain the segment, the Group has started negotiations with other ICT product suppliers with a more moderate credit payment term that allows the Group to optimize working capital and undertake new purchases and facilitate a wider range of product offerings. Although the trading and services segment may remain to be challenging in view of the competitive market environment of the ICT industry in Malaysia, the Group intends to expand the marketability of its ICT products by diversifying its product range and leveraging into e-commerce platforms such as Shopee and Lazada to reach out larger customer base and potentially increase volume of sales within the segment.

16. Current Year Prospect (cont'd)

Moreover, the Group also intends to implement certain cost rationalisation strategies for its trading and services segment with the goal of reducing the operating costs of this segment as well as potentially improving the Group's liquidity and financial performance moving forward. Once the Group received adequate revenue contribution from the landowner's entitlement of the JCSB JVA and the Development, the Group may allocate additional resources to the growth of its property development segment. Notwithstanding that the expansion of the Group's main strategy is the growth of its property development segment, the Board intends to improve the financial performance of its trading and services segment and reduce its operating costs, with the objective to turn this segment profitable.

Taking consideration of the above, including the prospects of the Group's ongoing property development projects (i.e. the JCSB JVA and the Proposed Joint Venture), and the overview and outlook of the property market, the Board opines that the Proposed Joint Venture may contribute positively to the expansion of the Group's property development business, in order to reduce its reliance on its trading and services segment and to enhance its financial performance moving forward.

Lastly, the Company's agarwood plantation spans over 54 acres of land in Kuala Kangsar, Perak, which houses approximately 20,312 agarwood trees. Management believes that our plantation has the potential to generate sustainable value once commercial-scale yields are achieved.

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 additional revenue stream in order to improve the financial performance and financial position of the Group moving forward.

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 31 Dec 2025 RM'000	Corresponding Quarter Ended 31 Dec 2024 RM'000	Current Year To Date 31 Dec 2025 RM'000	Corresponding Period Ended 31 Dec 2024 RM'000
Current tax expense:				
- for the quarter	581	-	581	-
Deferred taxation				
- Origination and reversal of temporary differences	(13)	(13)	(51)	(51)
	568	(13)	530	(51)

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 3 June 2025, the Board announce that CHB has offered a total of 907,561,162 share options at the option price of RM0.0135 to eligible directors and employees of CHB in accordance with the by-laws of the ESOS.

As the share option were fully vested upon the announcement on 3 June 2025, the company have recognised the fair value of the ESOS of approximately RM12.3 million in Quarter 3. Subsequently, in Quarter 4 in accordance to MFRS 2 the company had reserved RM3.2 mil due to finalisation of valuation assumption, and resulted a net impact of RM9.1 million in current year-to-date accounts. The fair value of ESOS is non-cash and does not affect the company's cash flows until options are exercised. However, when employees exercise their options in the future, the company will receive cash equal to the exercise price, and both cash and share capital will increase accordingly. Any unexercised options will not result in further expense.

Under the MFRS 2, the potential cost arising from the issuance of the ESOS options, which is measured by the fair value of the ESOS options after taking into account, amongst others, the number of ESOS options granted and vested and the exercise price, will need to be measured at the grant date and to be recognised as an expense over the vesting period, and therefore may affect the future earnings of the group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by CHB as it is merely an accounting treatment.

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 25 February 2026 are as follows:

Detail of utilisation	Approved Limit RM	Proceed Raised RM	Actual Utilisation RM	Balance 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**

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 25 February 2026 are as follows:

Detail of utilisation	Approved Limit RM	Proceed Raised RM	Variation of the Utilisation of Proceeds RM	Actual Utilisation RM	Balance RM
Working capital requirements	10,655,834.03	8,145,988.02	1,600,000.00	9,427,070.05	318,917.97
Repayment to Lead Developers for construction costd 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**

20. Utilisation of proceed (Cont'd)

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 25 February 2026 are as follows:

Detail of utilisation	Approved Limit RM	Proceed Raised RM	Actual Utilisation RM	Balance RM
Working capital requirements	6,168,900.42	4,085,706.61	4,085,706.61	-
Expansion of the Group's Property Development	1,176,600.00	784,627.00	176,600.00	608,027.00
Expenses for private placement exercise	80,000.00	80,000.00	58,137.79	21,862.21
Total	**7,425,500.42**	**4,950,333.61**	**4,320,444.40**	**629,889.21**

The proceeds raised and allocated to fund the working capital requirement of the Group's agriculture segment from PP I and II have not been fully utilised due to the Group being in the process of testing and identifying the most suitable type of inoculant that may yield the ideal quality and quantity of resin, with results of the inoculation only observable after approximately two years.

To date, the Group conducted its first inoculation trials on 7 October 2021, which yielded unfavourable results. A second round of inoculation trials was subsequently carried out on 13 April 2023.

In view of the unfavourable outcome from the harvesting conducted on a limited number of inoculated trees on 12 and 18 July 2025, the Group has decided to vary the utilisation of the proceeds originally allocated for the inoculation and harvesting of agarwood trees, and reallocate them to general working capital requirements for the agriculture segment, as follows:

20. Utilisation of proceed (Cont'd)

Balance of PP1 Proceeds	:	RM396,240.17
Balance of PP2 Proceeds	:	RM318,917.86
Total Balance of Proceeds	**:**	**RM715,158.13**

Should the Group succeed in identifying a suitable inoculant for its agarwood trees, it may then proceed with large-scale inoculation, with the long-term objective of harvesting and commercialising the resin.

Additionally, proceeds raised and allocated to fund the expansion of the Group's Property Development from PP III also have not been fully utilised. The Group has decided to vary the use of these unutilised proceeds of amounting to RM 608,027.00 to fund the operating expenses under the property investment segment.

21. Borrowings and Debt Securities

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

	As at 31 Dec 2025 RM'000	As at 31 Dec 2024 RM'000
Long and Short term borrowings – unsecured - Loans from director /Chief Executive Officer/person related to director/ bank	446	1,374

22. Realised and Unrealised (Losses)/Profit Disclosure

	As at 31 Dec 2025 RM'000	As at 31 Dec 2024 RM'000
Total accumulated losses of Compugates Holdings Berhad and subsidiaries:		
Realised	(180,007)	(158,551)
Unrealised	94,348	94,347
	(85,659)	(64,204)
Less: Consolidation adjustments	42,921	42,612
Total retained earnings	(42,738)	(21,592)

23. Material Litigation

As at 30 April 2025, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group except for:

(i) High Court of Shah Alam Originating Summons No. BA-24NCVC-1150-07/2022 between CDMSB and Main Uptown Sdn Bhd ("MUSB") for assessment of damages in relation to an interlocutory injunction granted to MUSB on 14 December 2022.

This legal proceeding is in relation to an order obtained at the Court of Appeal by CDMSB wherein the Court of Appeal via order dated 4 September 2023 allowed CDMSB's appeal to set aside the injunction obtained by MUSB on 14 December 2022 and further ordered that the case to be remitted back to High Court of Shah Alam ("High Court") for inquiry as to damages suffered if any, by CDMSB between the period of 14 December 2022 to 4 September 2023 (the period of injunction).

The application for assessment of damages against the injunction was then filed by CDMSB. The full trial commenced on 12 July 2024 and was completed on 21 October 2024. On 25 February 2025, the High Court assessed the damages suffered by CDMSB during the relevant period of the injunction to be RM750,584.00 ("Damages") with costs of RM5,000.00 ("Costs") to be paid by MUSB to CDMSB subject to allocator ("High Court Decision").

On 25 March 2025, MUSB filed an appeal **(Appeal No. B-02(IM)(NCvC)-509-04/2025 ("Suit 509"))** to the Court of Appeal against the High Court Decision and on the same day CDMSB also filed an appeal **(Appeal No. B-02(IM)(NCvC)-499-04/2025 ("Suit 499"))** to the Court of Appeal against the High Court Decision for the other heads of damages claimed but not awarded by the High Court.

MUSB has since paid the Damages and Costs to CDMSB on 25 April 2025.

The Court has fixed the next Case Management on 22 June 2026 via e-Review and the Hearing date on 6 July 2026 for the above suits.

24. Dividend

The Board does not recommend any dividend for the quarter ended 31 December 2025.

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 31 Dec 2025	Corresponding Quarter Ended 31 Dec 2024	Current Year To Date 31 Dec 2025	Corresponding Period Ended 31 Dec 2024
Profit / (loss) attributable to equity holders of parent (RM'000)	(9,210)	(5,029)	(21,322)	(10,176)
Number of ordinary shares in issue ('000) (FY2016:RM0.10) each	6,050,408	5,500,371	6,050,408	5,500,371
Basic profit / (loss) per share (sen)	(0.15)	(0.09)	(0.35)	(0.19)

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.

26. Loss before taxation

Loss before taxation includes the following items:-

	Current Year Quarter Ended 31 Dec 2025 RM'000	Corresponding Quarter Ended 31 Dec 2024 RM'000	Current Year To Date 31 Dec 2025 RM'000	Corresponding Period Ended 31 Dec 2024 RM'000
Depreciation of property and equipment	93	81	356	323
Unrealised gain on foreign exchange	1	(2)	3	1
Interest expense	25	33	99	273
Interest income	(34)	(34)	(115)	(337)

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 31 December 2025 has been seen and approved by the Board of the Company on 26 February 2026 for release to the Bursa Securities.

By Order of the Board
Thong Pui Yee
Jeremy Tai Yung Wei
Company Secretaries

Date: 26 February 2026