

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Period Ended 30 November 2023
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 30/11/23 RM'000	(Unaudited) Comparative Qtr Ended 30/11/22 RM'000	(Unaudited) Cumulative YTD 30/11/23 RM'000	(Unaudited) Cumulative YTD 30/11/22 RM'000
Revenue		35,901	41,793	72,098	93,313
Purchases and other direct costs		(40,706)	(40,512)	(76,289)	(92,363)
Gross profit / (loss)		(4,805)	1,281	(4,191)	950
Interest income		27	43	55	86
Other operating income		351	473	365	889
Other operating expenses		(1,407)	(2,313)	(2,792)	(4,369)
Loss from operations	29	(5,834)	(516)	(6,563)	(2,444)
Finance costs		(160)	(105)	(337)	(298)
Loss before taxation		(5,994)	(621)	(6,900)	(2,742)
Taxation	21	88	107	-	269
Loss for the period		(5,906)	(514)	(6,900)	(2,473)
<i>Other comprehensive loss</i>					
Items that may be reclassified subsequently to profit or loss:					
- Fair value loss on financial assets at fair value through other comprehensive income		(2,068)	-	(517)	(517)
Other comprehensive loss, net of tax		(2,068)	-	(517)	(517)
Total comprehensive loss for the period		(7,974)	(514)	(7,417)	(2,990)
Profit / (Loss) for the period attributable to:					
Owners of the Company		(5,906)	(722)	(6,900)	(2,919)
Non-controlling interests		-	208	-	446
		(5,906)	(514)	(6,900)	(2,473)
Total comprehensive income / (loss) for the period attributable to:					
Owners of the Company		(7,974)	(722)	(7,417)	(3,436)
Non-controlling interests		-	208	-	446
		(7,974)	(514)	(7,417)	(2,990)
Loss per share					
Basic loss per share (sen)	28	(1.40)	(0.19)	(1.64)	(0.76)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Financial Position
As At 30 November 2023

	Note	(Unaudited) As At 30/11/2023 RM'000	(Audited) As At 31/05/2023 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		15,778	18,241
Goodwill on consolidation		28,388	28,388
Other investments	23	12,925	13,442
Right-of-use assets		5	19
Deferred tax assets		3,102	3,102
		60,198	63,192
Current Assets			
Trade and other receivables		89,946	91,843
Contract assets		34,375	22,139
Tax recoverable		2,942	3,034
Cash and cash equivalents		339	2,128
		127,602	119,144
TOTAL ASSETS		187,800	182,336
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		67,958	67,958
Fair value reserves		(2,068)	(1,551)
Retained earnings		8,478	15,378
Total Equity		74,368	81,785
Non-current Liabilities			
Borrowings	25	1,209	1,246
Lease liabilities		2,138	2,990
		3,347	4,236
Current Liabilities			
Trade and other payables		103,739	89,218
Contract liabilities		246	333
Borrowings	25	4,108	4,069
Lease liabilities		1,992	2,695
		110,085	96,315
Total Liabilities		113,432	100,551
TOTAL EQUITY AND LIABILITIES		187,800	182,336
Net Assets Per Share Attributable to Owners of the Company (Sen)		17.68	19.44

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement of Changes in Equity
For The Period Ended 30 November 2023
(The figures have not been audited)

	<-- Attributable to owners of the Company -->					
	<u>Non-Distributable</u>		<u>Distributable</u>		Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
At 1 June 2023	67,958	(1,551)	15,378	81,785	-	81,785
Loss for the period	-	-	(6,900)	(6,900)	-	(6,900)
Other comprehensive loss	-	(517)	-	(517)	-	(517)
Total comprehensive loss for the period	-	(517)	(6,900)	(7,417)	-	(7,417)
At 30 November 2023	<u>67,958</u>	<u>(2,068)</u>	<u>8,478</u>	<u>74,368</u>	<u>-</u>	<u>74,368</u>
At 1 June 2022	65,017	(1,809)	45,847	109,055	846	109,901
Profit / (Loss) for the period	-	-	(2,919)	(2,919)	446	(2,473)
Other comprehensive loss	-	(517)	-	(517)	-	(517)
Total comprehensive income / (loss) for the period	-	(517)	(2,919)	(3,436)	446	(2,990)
At 30 November 2022	<u>65,017</u>	<u>(2,326)</u>	<u>42,928</u>	<u>105,619</u>	<u>1,292</u>	<u>106,911</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 November 2023
(The figures have not been audited)

	(Unaudited) 6 months Ended 30/11/23 RM'000	(Unaudited) 6 months Ended 30/11/22 RM'000
Cash Flows from Operating Activities		
Loss before taxation	(6,900)	(2,742)
Adjustments for:		
Depreciation of property, plant and equipment	2,498	2,709
Depreciation of right-of-use assets	14	224
Finance costs	337	430
Loss on disposal of property, plant and equipment	-	55
Interest income	(55)	(86)
Remeasurement of lease liabilities	-	(26)
Operating profit / (loss) before changes in working capital	(4,106)	564
Trade and other receivables	1,950	(395)
Contract assets / (liabilities)	(12,323)	(14,508)
Trade and other payables	14,521	13,747
Cash generated from / (used in) operations	42	(592)
Tax refund	603	-
Tax paid	(511)	(548)
Net cash generated from / (used in) operating activities	134	(1,140)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	146
Purchase of property, plant and equipment	(34)	(110)
Interest received	1	86
Net cash generated from / (used in) investing activities	(33)	122
Cash flows from financing activities		
Increase in short-term deposits pledged	-	(2,451)
Net drawdown of bank local bills	-	(2,864)
Repayment of lease liabilities	(1,713)	(2,206)
Repayment of term loans	(53)	(59)
Interest paid	(151)	(124)
Net cash used in financing activities	(1,917)	(7,704)
Net decrease in cash and cash equivalents	(1,816)	(8,722)
Cash and cash equivalents at the beginning of the financial year	(2,044)	9,734
Cash and cash equivalents at the end of the financial period	(3,860)	1,012
Cash and cash equivalents at the end of the financial period comprises:		
Short-term deposits with a licensed bank	176	2,451
Short-term deposits with fund management companies	-	566
Cash and bank balances	163	446
Bank overdraft	(4,023)	-
	(3,684)	3,463
Less: Short-term deposits with a licensed bank pledged	(176)	(2,451)
Total cash and cash equivalents	(3,860)	1,012

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 30 November 2023

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and Chapter 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and should be read in conjunction with the Group's audited financial statements for the year ended 31 May 2023. The consolidated financial statements of the Group as at and for the year ended 31 May 2023 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2023 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2023:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
(Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements"
(Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements"
(Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors"
(Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes"
(Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The adoption of the above pronouncements does not have any material impact on the financial statements of the Group.

As at the date of authorisation of the interim financial report, the following MFRSs, amendments to MFRSs, IC Interpretations and amendments to IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

		<u>Effective dates for financial periods beginning on or after</u>
- Amendments to MFRS 16	Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
- Amendments to MFRS 101	Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
- Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures (Supplier Finance Arrangements)	1 January 2024
- Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
- Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investment in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Effective date yet to be determined by the Malaysian Accounting Standards Board

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 May 2023 was not subjected to any audit qualification.

4. Segmental Information

There was no segmental reporting as the Group is currently involved primarily in a single operating segment, namely general construction work of a related activities.

5. Unusual Items due to their Nature, Size or Event

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the six months ended 30 November 2023.

- 6. Changes in Estimates**
There were no changes in accounting estimates made that would materially affect the accounts of the Group for the six months ended 30 November 2023.
- 7. Seasonal or Cyclical Factors**
The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the six months ended 30 November 2023.
- 8. Dividends Paid**
There were no dividends paid during the six months ended 30 November 2023.
- 9. Valuation of Property, Plant and Equipment**
Property, plant and equipment of the Group were not revalued during the six months ended 30 November 2023.
- 10. Debt And Equity Securities**
There were no issuance, cancellation, resale and repayment of debt and equity securities for the six months ended 30 November 2023.
- 11. Changes in Composition of the Group**
There were no changes to the composition of the Group for the six months ended 30 November 2023.
- 12. Capital Commitments**
There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements as at 30 November 2023.
- 13. Changes in Contingent Liabilities and Contingent Assets**
There were no contingent assets. Details of contingent liabilities of the Company are as follows:
- | | 30 November
2023
RM'000 | 31 May
2023
RM'000 |
|---|--|-----------------------------------|
| Corporate guarantees in favour of customers of its wholly owned subsidiary, Eko Bina Sdn. Bhd. for performance obligation of a project awarded to the subsidiary. | 35,683 | 35,683 |
| Corporate guarantee in favour of licensed banks for repayment of the following: | | |
| - hire purchase facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to part finance the purchase of machineries. | 3,500 | 4,231 |
| - hire purchase facility granted to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to part finance the purchase of machineries. | 449 | 1,214 |
| - term loan facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to finance the purchase of properties. | 1,294 | 1,319 |
| - bank guarantee facility to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to finance tender bonds and performance bond. | 1 | 1 |
| Corporate guarantees in favour of suppliers for supply of goods of the following: | | |
| - wholly owned subsidiary, Rexallent Construction Sdn. Bhd. | 11,950 | 11,950 |
| | <u>52,877</u> | <u>54,398</u> |
- Other than the above, there were no changes in contingent liabilities of the Group during the six months ended 30 November 2023.
- 14. Subsequent Material Events**
There were no material events subsequent to the end of the current quarter up to 24 January 2024 (being the last practicable date from the date of issue of this report) that are expected to have an operational or financial impact on the Group.
- 15. Significant Related Party Transactions**
There were no significant related party transactions during the six months ended 30 November 2023.

16. Fair Value of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statement of financial position:

	As at 30 November 2023 Level 1 Fair Value RM'000	As at 31 May 2023 Level 1 Fair Value RM'000
Financial asset		
Financial assets at fair value through other comprehensive income	<u>12,925</u>	<u>13,442</u>

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad For the MAIN Market

17. Review of Performance - Comparison with Corresponding Results of Last Year Quarter

Financial review for the current quarter and financial year to date compared with the corresponding periods last year.

The results of the Group are tabulated below:

	Individual Quarter		Cumulative YTD	
	30 November 2023 RM'000	30 November 2022 RM'000	30 November 2023 RM'000	30 November 2022 RM'000
Revenue	35,901	41,793	72,098	93,313
Gross Profit / (Loss)	(4,805)	1,281	(4,191)	950
Loss Before Taxation	(5,994)	(621)	(6,900)	(2,742)

For the current quarter ended 30 November 2023, the Group had recorded a loss before taxation of RM5.99 million on the back of revenue RM35.90 million as compared to a loss before taxation of RM0.62 million and revenue of RM41.79 million reported in the preceding year's corresponding quarter. The loss before taxation in the current quarter is mainly attributed to challenges faced in the Riviera project, particularly due to additional unforeseen building material and labor costs.

18. Review of Performance - Comparison with Corresponding Results of Preceding Quarter

	Current Quarter 30 November 2023 RM'000	Immediate Preceding Quarter 31 August 2023 RM'000
	Revenue	35,901
Gross Loss	(4,805)	614
Loss Before Taxation	(5,994)	(906)

For the current quarter ended 30 November 2023, the Group had recorded a loss before taxation of RM5.99 million on the back of revenue RM35.90 million as compared to a loss before taxation of RM0.91 million and revenue of RM36.20 million reported in the immediate preceding quarter. The loss before taxation in the current quarter is mainly attributed to challenges faced in the Riviera project, particularly due to additional unforeseen building material and labor costs.

19. Current Year Prospects

During the second quarter of 2023, Malaysia's economic landscape showcased promising signs of growth as its GDP expanded. Notably, the construction sector led this positive trend, which corresponded with the government's economic outlook. Furthermore, expectations point towards a gradual expansion within the residential building subsector, propelled by government-backed initiatives that aim to increase the availability of affordable housing. Despite the persistent challenges posed by factors like labour shortages and fluctuations in construction material prices, the Group maintains an optimistic stance. Nevertheless, with the support of recent private placement, the Group is committed to continuing to deliver quality projects to preserve long-term value for our shareholders.

20. Variance of Profit Forecast

Not applicable as the Group has not announced profit forecast in a public document.

21. Taxation

	Individual Quarter		Cumulative YTD	
	30 November 2023 RM'000	30 November 2022 RM'000	30 November 2023 RM'000	30 November 2022 RM'000
Current Tax	(88)	(26)	-	-
Deferred Tax	-	(81)	-	(269)
	<u>(88)</u>	<u>(107)</u>	<u>-</u>	<u>(269)</u>

The Group's effective tax rate is higher than the statutory tax rate primarily due to certain expenses which are not tax deductible.

22. Sale of Unquoted Investment and Properties

There were no sale of unquoted investments and/or properties during the six months ended 30 November 2023.

23. Quoted Securities

	As at 30 November 2023 RM'000	As at 31 May 2023 RM'000
Financial assets at fair value through other comprehensive income		
- Quoted shares in Malaysia	12,925	13,442
Analysed as follows:		
Non-Current	12,925	13,442

24. Status of Corporate Proposals

There were no corporate proposals announced but not completed by the Group during the current interim period under review.

25. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 November 2023 were denominated in Ringgit Malaysia and are as follows:-

	As at 30 November 2023 RM'000	As at 31 May 2023 RM'000
Secured		
Current:		
- Term Loans	85	73
- Bank overdraft	4,023	3,996
	4,108	4,069
Non-Current:		
- Term Loans	1,209	1,246

26. Material Litigation

(a) Chong Cheng Voon vs Safetags Solution Sdn. Bhd. ("Safetag") & Rexallent Construction Sdn. Bhd. ("Rexallent") & Dexon Electrical Engineering Sdn. Bhd. ("Dexon") & Cytrix Engineering Sdn. Bhd. ("Cytrix Engineering") (collectively referred as the "Defendants")

On 4 July 2018, Chong Cheng Voon ("CCV"), an employee of Cytrix brought an action against the Defendants claiming damages for pain and suffering, medical expenses and loss of future earnings as a result of injuries whilst engaged at work at the 3 Element project construction site of which Safetags, Rexallent, Dexon and Cytrix were the developer, main contractor, nominated sub-contractor and sub-sub contractor respectively.

In undertaking the work, Dexon and Rexallent had separately procured a Workmen Compensation Insurance Policy from MSIG and Berjaya Sompoo respectively. All the four named defendants are insured person in the policy for their respective rights and interests.

The points of defense raised so far as Rexallent is concerned are as follows:

- (i) Rexallent had put in place adequate health and safety measures at the work site to the letter of the law;
- (ii) CCV who was not wearing a proper and approved safety helmet, was wholly or partly responsible for the injuries; and
- (iii) CCV is eligible to SOCSO protection and his employer, Cytrix is a contributor. As such, CCV's remedies lie solely under the Employees' Social Security Act 1969.

On 23 April 2021, a judgment sum amounting to RM299,034 together with interest and costs has been awarded against Rexallent by the Sessions Court. An appeal to the High Court was filed by Rexallent against the judgement sum by the Sessions Court both on liability and quantum in respect of CCV's claim. On 26 April 2022, the High Court dismissed the appeals against CCV with costs.

As of 30 November 2023, the Company recognised a provision on the judgment sum amounting to RM299,034 together with interest and costs that have been awarded against Rexallent.

(b) Safetags Solution Sdn. Bhd. ("Safetags") & Rexallent Construction Sdn. Bhd. ("Rexallent") vs Berjaya Sompoo ("Berjaya") & MSIG Insurance ("MSIG")

In relation to the claims against Rexallent as disclosed in Note 26(a) to the financial statements, Rexallent has in turn brought third party proceedings against MSIG and Berjaya for breach of the Workmen's Compensation Policy that was taken out to indemnify Rexallent against claims by the workers at the site.

26. Material Litigation (Continued)

- (b) Safetags Solution Sdn. Bhd. ("Safetags") & Rexallent Construction Sdn. Bhd. ("Rexallent") vs Berjaya Sampo ("Berjaya") & MSIG Insurance ("MSIG") (continued)

On 23 April 2021, the third party claims were dismissed with costs by the Sessions Court. Rexallent had filed an appeal against the dismissal of the indemnity claims against MSIG and Berjaya.

On 26 April 2022, the High Court allowed the appeal against Berjaya with costs but dismissed the appeal against MSIG with costs. Berjaya Sampo has since paid CCV the judgement sums. However, Berjaya has filed the appeal against Rexallent to the Court of Appeal. Rexallent in turn also filed an appeal to the Court of Appeal against MSIG. The Court of Appeal has fixed the hearing on 8 May 2023, which was subsequently extended to 7 December 2023 and 5 August 2024 respectively.

- (c) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to Golden Wave Sdn. Bhd. ("Golden Wave")

Eko Bina Sdn. Bhd. ("Eko Bina"), a wholly-owned subsidiary of the Company had on 8 August 2023 served a Notice of Adjudication against Golden Wave on the disputes arising from the payment claim under Sections 7 and 8 of the CIPAA for the project known as the proposed mixed commercial development of Main Buildings & External Works for Retail & Serviced Apartments ("Contract").

Eko Bina is seeking the following reliefs or remedies:

- (i) The amount of RM23,161,711.46 for the certified amounts pursuant to the Interim Certificates;
- (ii) The interest on the amount of RM23,161,711.46 at the rate of as stipulated under Clause 30.17 of the PAM Contract 2016 until the date of full settlement;
- (iii) The costs of the Adjudicator's fee, AIAC administrative fees and Eko Bina's legal costs and expenses; and
- (iv) Such further order and/or relief as the Adjudicator deems fit and proper.

On 20 December 2023, Eko Bina received a copy of the Adjudication Decision dated 12 December 2023 from the Adjudicator.

Following the adjudication under the CIPAA, the Adjudicator had on 12 December 2023 delivered the Adjudication Decision as follows:-

- (i) Golden Wave pays to Eko Bina the total sum of RM23,161,711.46 as payments due and owing pursuant to Interim Certificates No. 12 to 23 ("Adjudicated Sum");
- (ii) Pursuant to Section 18(1) of the CIPAA, Golden Wave bears the Costs of Adjudication in the sum of RM61,289.00 ("Costs of Adjudication");
- (iii) Golden Wave shall further pay Eko Bina's Legal Costs in the sum of RM30,000.00 ("Legal Costs");
- (iv) Golden Wave shall pay Eko Bina the Adjudicated Sum, Costs of Adjudication and Legal Costs within thirty (30) days from the date of the Adjudication Decision; and
- (v) In the event Golden Wave fails to do so, Golden Wave shall pay interest at 5% per annum on the Adjudicated Sum, Costs of Adjudication and the Legal Costs from the expiry of the thirty (30) days from the date of the Adjudication Decision until the date of full and final settlement.

On 21 December 2023, Eko Bina received a Notice to Arbitrate from Golden Wave, to refer the disputes arising from the Contract. In that regard, Golden Wave has requested that Eko Bina agree with the proposed nominated arbitrator stipulated in the Notice to Arbitrate and seeks to commence arbitration proceedings (collectively shall be referred to as the "Arbitration"). The Company and Eko Bina is seeking legal advice to determine the next course of action on the Arbitration.

- (d) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") from Strong Force (M) Sdn. Bhd. ("Claimant")

Rexallent Sdn. Bhd. ("Rexallent"), a wholly-owned subsidiary of the Company has been served with a copy of the Adjudication Decision dated 28 November 2023 from the Adjudicator on the same date, to refer the dispute arising from the payment claim between Claimant and Rexallent.

Rexallent had on 26 July 2023 received a Payment Claim dated 26 July 2023 under Section 5 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") from the Claimant for a sum of RM1,876,225.85 for the project known as the proposed development of 3 Storeys Logistics Business Complex. In addition, the Claimant claimed RM6,274.99 of interest on the total outstanding payment due from the due date up to 31 July 2023. Rexallent had responded via a Payment Response dated 8 August 2023 under Section 6 of the CIPAA.

26. Material Litigation (Continued)

(d) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") from Strong Force (M) Sdn. Bhd. ("Claimant") (continued)

Following the adjudication under the CIPAA, the Adjudicator had on 28 November 2023 delivered the Adjudication Decision as follows:-

- (i) Rexallent shall pay the Claimant the Adjudicated Sum amounting to RM1,876,225.85 ("Adjudicated Amount");
- (ii) The Adjudicated Amount shall be paid to the Claimant on or before 28 December 2023;
- (iii) Pursuant to Section 25(o) of the CIPAA and Clause 26.17 of the PAM 2006 NSC Conditions, Rexallent shall pay to the Claimant interest on the Adjudicated Amount calculated at the rate of a simple interest based on the Maybank Base Lending Rate plus one (1) percent from the date of Payment Claim and continuing until the Adjudicated Amount is paid;
- (iv) Pursuant to Section 18(1) of the CIPAA and in accordance with the principle that costs follow the event, Rexallent shall pay the cost of the adjudication proceedings as stated below:-
 - Adjudication fees: RM28,607.20;
 - AIAC administrative fees: RM6,064.72;
 - Reimbursement fee: RM500.00; and
 - Party and Party Cost: RM35,000.00.

Rexallent is currently in the process of negotiating with the relevant parties following the Adjudication Decision and actively engaged in discussions and is working towards reaching a settlement agreement to resolve the matter.

Other than the above, there was no pending material litigation as at 30 November 2023.

27. Dividends Payable

The Board of Directors does not recommend any dividend for the reporting quarter.

28. Loss Per Share

(a) Basic loss per share

Basic loss per share figures is calculated by dividing the consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the period.

	Individual Quarter		Cumulative YTD	
	30 November 2023	30 November 2022	30 November 2023	30 November 2022
Loss attributable to the Owners of the Company (RM'000)	(5,906)	(722)	(6,900)	(2,919)
Weighted average number of ordinary shares in issued	420,718,984	382,471,804	420,718,984	382,471,804
Basic loss per share (sen)	(1.40)	(0.19)	(1.64)	(0.76)

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary of shares during the period.

29. Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Individual Quarter		Cumulative YTD	
	30 November 2023	30 November 2022	30 November 2023	30 November 2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(1,217)	(1,319)	(2,498)	(2,709)
Depreciation of right-of-use assets	(7)	(98)	(14)	(224)
Loss on disposal of property, plant and equipment	-	(55)	-	(55)
Remeasurement of lease liabilities	-	-	-	26

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 January 2024.