



(Company No.: 15379-V)

**ECOFIRST CONSOLIDATED BERHAD  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND SIX MONTHS ENDED  
30 NOVEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter  30/11/2018 RM'000	(Restated) Preceding Year Corresponding Quarter 30/11/2017 RM'000	Current Year To Date  30/11/2018 RM'000	(Restated) Preceding Year Corresponding Period 30/11/2017 RM'000
<b>Revenue</b>	<b>57,286</b>	40,434	<b>102,004</b>	85,219
Cost of sales	<b>(46,448)</b>	(29,329)	<b>(80,364)</b>	(59,334)
Gross profit	<b>10,838</b>	11,105	<b>21,640</b>	25,885
Other operating income	<b>84</b>	28,565	<b>647</b>	28,892
Distribution costs	<b>(200)</b>	(562)	<b>(409)</b>	(767)
Administration expenses	<b>(2,851)</b>	(3,427)	<b>(5,590)</b>	(8,380)
Other operating expenses	<b>(1,124)</b>	(3,701)	<b>(1,832)</b>	(4,494)
<b>Profit from operations</b>	<b>6,747</b>	31,980	<b>14,456</b>	41,136
Finance income	<b>60</b>	767	<b>106</b>	830
Finance costs	<b>(1,604)</b>	(1,568)	<b>(3,294)</b>	(3,192)
Net finance costs	<b>(1,544)</b>	(801)	<b>(3,188)</b>	(2,362)
<b>Profit before tax</b>	<b>5,203</b>	31,179	<b>11,268</b>	38,774
Income tax expense	<b>(1,144)</b>	(1,593)	<b>(2,521)</b>	(3,512)
<b>Net profit for the period</b>	<b>4,059</b>	29,586	<b>8,747</b>	35,262
Attributable to:				
Owners of the Company	<b>4,064</b>	29,607	<b>8,758</b>	35,297
Non-controlling interests	<b>(5)</b>	(21)	<b>(11)</b>	(35)
<b>Net profit for the period</b>	<b>4,059</b>	29,586	<b>8,747</b>	35,262
<b>Other comprehensive income</b>				
Available-for-sales financial assets - (Loss)/gain on fair value changes	-	-	<b>(2)</b>	2
<b>Total comprehensive income for the period</b>	<b>4,059</b>	29,586	<b>8,745</b>	35,264
Attributable to:				
Owners of the Company	<b>4,064</b>	29,607	<b>8,756</b>	35,299
Non-controlling interests	<b>(5)</b>	(21)	<b>(11)</b>	(35)
<b>Total comprehensive income for the period</b>	<b>4,059</b>	29,586	<b>8,745</b>	35,264
Basic earnings per ordinary share (sen)	<b>0.51</b>	3.69	<b>1.09</b>	4.39
Diluted earnings per ordinary share (sen)	<b>0.51</b>	3.68	<b>1.09</b>	4.39

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2018.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2018**

	(Unaudited) 30/11/2018 RM'000	(Restated) 31/5/2018 RM'000	(Restated) 1/6/2017 RM'000
<b>Non-current assets</b>			
Plant and equipment	2,241	2,618	3,266
Investment properties	362,049	356,421	280,500
Other financial assets	1,062	1,064	1,063
Deferred tax assets	-	-	450
Land held for development	139,628	137,298	-
	<u>504,980</u>	<u>497,401</u>	<u>285,279</u>
<b>Current assets</b>			
Inventories	28,160	32,490	2,454
Property development costs	70,736	86,966	278,766
Assets classified as held for sale	-	-	101,600
Trade receivables	27,322	56,012	54,722
Other receivables, deposits and prepayments	5,620	12,431	15,607
Tax recoverable	10	10	63
Fixed deposits with licensed banks	-	-	563
Cash and bank balances	30,205	31,274	19,666
	<u>162,053</u>	<u>219,183</u>	<u>473,441</u>
<b>TOTAL ASSETS</b>	<u>667,033</u>	<u>716,584</u>	<u>758,720</u>
<b>Equity</b>			
Share capital	123,753	123,753	123,753
Reserves	196,927	188,171	141,579
<b>Equity attributable to shareholders of the Company</b>	<u>320,680</u>	<u>311,924</u>	<u>265,332</u>
<b>Non-controlling interests</b>	<u>14,230</u>	<u>14,241</u>	<u>14,310</u>
Total equity	<u>334,910</u>	<u>326,165</u>	<u>279,642</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	566	682	606
Hire purchase liabilities	636	850	1,343
Borrowings	160,214	182,991	179,250
Trade payables	14,378	8,209	8,345
Other payables	298	1,421	3,897
	<u>176,092</u>	<u>194,153</u>	<u>193,441</u>
<b>Current liabilities</b>			
Trade payables	66,200	43,416	53,755
Other payables and accruals	55,094	84,386	131,873
Hire purchase liabilities	459	489	667
Borrowings	9,904	43,841	66,679
Tax payable	24,374	24,134	29,456
Liabilities classified as held for sale	-	-	3,207
	<u>156,031</u>	<u>196,266</u>	<u>285,637</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>667,033</u>	<u>716,584</u>	<u>758,720</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.3993	0.3884	0.3338

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	Share capital RM'000	Warrant reserve RM'000	Fair value adjustment reserve RM'000	Retained profits RM'000	Equity attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 June 2018 (as previously stated)	123,753	4,199	4	172,711	300,667	14,241	314,908
Effect of adopting MFRS	-	-	-	11,257	11,257	-	11,257
At 1 June 2018 (restated)	123,753	4,199	4	183,968	311,924	14,241	326,165
Loss on fair value changes for available-for-sale financial assets	-	-	(2)	-	(2)	-	(2)
Other comprehensive income for the year	-	-	(2)	-	(2)	-	(2)
Net profit for the year	-	-	-	8,758	8,758	(11)	8,747
Total comprehensive income for the year	-	-	(2)	8,758	8,756	(11)	8,745
At 30 November 2018	123,753	4,199	2	192,726	320,680	14,230	334,910
At 1 June 2017 (as previously stated)	123,753	4,199	3	127,463	255,418	14,310	269,728
Effect of adopting MFRS	-	-	-	9,914	9,914	-	9,914
At 1 June 2017 (restated)	123,753	4,199	3	137,377	265,332	14,310	279,642
Gain on fair value changes for available-for-sale financial assets	-	-	2	-	2	-	2
Other comprehensive loss for the year	-	-	2	-	2	-	2
Net profit for the year	-	-	-	35,297	35,297	(35)	35,262
Total comprehensive income for the year	-	-	2	35,297	35,299	(35)	35,264
At 30 November 2017	123,753	4,199	5	172,674	300,631	14,275	314,906

The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2018.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	<b>6 months ended 30/11/2018 RM'000</b>	<b>(Restated) 6 months ended 30/11/2017 RM'000</b>
<b>Cash flows from/(used in) operating activities</b>		
Profit before tax	11,268	38,774
Adjustments for :		
- Non-cash items	329	422
- Non-operating items	3,188	(26,088)
<b>Operating profit before working capital changes</b>	<b>14,785</b>	<b>13,108</b>
<b>Changes in working capital</b>		
- Inventories	4,330	1
- Trade and other receivables	35,501	9,355
- Trade and other payables	(2,247)	(45,704)
- Development costs	17,758	(2,988)
<b>Cash generated from operations</b>	<b>70,127</b>	<b>(26,228)</b>
- Income tax paid	(2,397)	(5,090)
- Interest paid	(3,059)	-
<b>Net cash from/(used in) operating activities</b>	<b>64,671</b>	<b>(31,318)</b>
<b>Cash flows (used in)/from investing activities</b>		
- Increase in investment properties	(5,628)	(64,795)
- Decrease in cash deposits pledged with a licensed bank	-	160
- Interest received	106	830
- Proceeds from disposal of assets classified as held for sale	-	104,000
- Proceeds from disposal of investment properties	-	37,000
- Proceeds from disposal of plant and equipment	-	47
- Payment for plant and equipment	(13)	(175)
<b>Net cash (used in)/from investing activities</b>	<b>(5,535)</b>	<b>77,067</b>
<b>Cash flows from/(used in) financing activities</b>		
- Proceeds from bridging and term loans	-	59,612
- Interest paid	(3,247)	(2,882)
- Repayments of hire purchase liabilities	(244)	(472)
- Repayments of bridging and term loans	(56,714)	(53,494)
<b>Net cash (used in)/from financing activities</b>	<b>(60,205)</b>	<b>2,764</b>
Net (decrease)/increase in cash and cash equivalents	(1,069)	48,513
Cash and cash equivalents at beginning of period	24,674	12,906
<b>Cash and cash equivalents at end of period</b>	<b>23,605</b>	<b>61,419</b>
Cash and cash equivalents comprise:		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	30,205	68,019
Fixed deposit with licensed banks	-	563
	<b>30,205</b>	<b>68,582</b>
Less : Fixed deposits pledged	-	(563)
Less : Cash deposits pledged	(6,600)	(6,600)
	<b>23,605</b>	<b>61,419</b>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2018.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 NOVEMBER 2018****A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING****1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of MFRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2018. The explanatory notes attached to the interim report 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 May 2018.

For the periods up to and including the financial year ended 31 May 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). The Group with effect from 1 June 2018 has adopted the MFRS framework issued by the Malaysian Accounting Standards Board.

The interim financial report has applied the MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. The financial effects of the transition from FRS to MFRS are presented in Note 2 below.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 May 2018, except for the following new and amendments to MFRSs which are applicable for annual financial periods on or after 1 January 2018:-

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 140	Transfer of Investment Property (Amendments to MFRS 140)
Annual Improvements to MFRS Standards 2014 - 2016 Cycle	

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**2. Significant Accounting Policies (Cont’d)**

The financial effects of the transition from FRS to MFRS are as follows:-

(i) Condensed Consolidated Statement of Financial Position

	(Audited) <u>Previously stated</u> RM'000	<u>Effects of MFRS</u> RM'000	<u>Restated</u> RM'000
<u>At 31 May 2018</u>			
Deferred tax assets	3,391	(3,391)	-
Property development costs	72,242	14,724	86,966
Reserves	176,914	11,257	188,171
Deferred tax liabilities	606	76	682
<u>At 1 June 2017</u>			
Deferred tax assets	3,487	(3,037)	450
Property development costs	265,815	12,951	278,766
Reserves	131,665	9,914	141,579

(ii) Condensed Consolidated Statement of Comprehensive Income

	(Announced) <u>Previously stated</u> RM'000	<u>Effects of MFRS</u> RM'000	<u>Restated</u> RM'000
<u>Cumulative period ended 30 November 2017</u>			
Cost of sales	(56,929)	(2,405)	(59,334)
Gross profit	28,290	(2,405)	25,885
Distribution costs	(8,670)	7,903	(767)
Profit before tax	33,276	5,498	38,774
Income tax expense	(2,192)	(1,320)	(3,512)
Net profit for the period	31,084	4,178	35,262
Net profit attributable to owners of the Company	31,119	4,178	35,297
Total comprehensive income attributable to owners of the Company	31,121	4,178	35,299

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**3. Qualification of Audit Report**

The audit report of the financial statements of the Group for the financial year ended 31 May 2018 was not qualified.

**4. Seasonal or Cyclical Factors**

There are no seasonal factors affecting the Group performance.

**5. Material Changes in Estimates**

There were no material changes in estimates that have had a material effect in the financial period to-date results.

**6. Debt and Equity Securities**

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the financial period to-date.

**7. Dividends Paid**

There were no dividends paid during the financial period to-date.

**8. Segmental Reporting**

	<u>Gross</u> <u>Operating</u> <u>Revenue</u> RM'000	<u>Profit/(Loss)</u> <u>Before Tax</u> RM'000
Property Investment	61,972	2,017
Property Development	95,110	12,902
Property Management	1,347	269
Investment and Others	2,201	(626)
	160,630	14,562
Elimination Inter-Group	(58,626)	-
Finance Costs	-	(3,294)
	102,004	11,268



**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**9. Valuation of Plant and Equipment**

The valuation of plant and equipment has been brought forward, without amendments from the previous annual report.

**10. Material Subsequent Events**

As at 22 January 2019, there were no material subsequent events that have not been reflected in the financial statements for the current financial period.

**11. Recurrent Related Party Transactions**

Details of the relationship between the Group and its related parties are as described below:-

<b>Name of Related Party</b>	<b>Relationship</b>
Paramount Bounty Sdn Bhd (“PBSB”)	PBSB is a subsidiary of Mercury Industries Berhad (“Mercury”) in which Dato’ Tiong Kwing Hee is the Managing Director and major shareholder of Mercury.
Mercury Industries Berhad (“Mercury”)	Dato’ Tiong Kwing Hee is the Managing Director and major shareholder of Mercury.

Shareholders’ mandate had already been obtained at the last Annual General Meeting held on 26 October 2018.

The information on the transactions which have been entered into with PBSB and Mercury during the period is as follows:-

<u>Related Party</u>	<u>Nature of Transactions</u>	<u>Current Quarter Ended</u> 30/11/2018 RM'000	<u>Cumulative Year To-Date</u> 30/11/2018 RM'000
PBSB	Billings for sub-contractor costs	31,185	52,656
Mercury	Billings for rental	53	106

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING****12. Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current interim financial period.

**13. Changes in Contingent Liabilities/Contingent Assets**

The following contingent liabilities have not been provided for in the financial statements, as it is not anticipated that any material liabilities will arise from these contingencies:-

30/11/2018

RM'000

Bank guarantee issued for:-

- government authority

6,600

Inland Revenue Board ("IRB") had initiated civil proceedings against Pujian Development Sdn Bhd ("PDSB"), a subsidiary of the Company, in respect of the notice of additional tax assessment for income tax amounting to RM30,713,484.26 and tax penalties amounting to RM4,750,590.05. The details of these contingent liabilities are presented in Note B9 in the interim financial report.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of Performance**

The Group's revenue for the six month period ended 30 November 2018 at RM102.0 million was contributed mainly from the Group's development projects, Phase 1 of Ampang Ukay, known as Liberty @ Ampang Ukay ("Liberty"), the sale of completed residential properties at Upper East @ Tiger Lane ("Upper East") in Ipoh, Perak and recurring income from the retail mall of the Group.

The Group's recorded profit before tax for current period at RM11.3 million as compared to RM38.8 million in the preceding year corresponding period. Profit before tax for the preceding year corresponding period of RM38.8 million included the gain from disposal of land of RM28.4 million.

**2. Variation of Results against Preceding Quarter**

The Group's revenue and profit before tax for the current quarter at RM57.3 million and RM5.2 million as compared to preceding quarter ended 31 August 2018 at RM44.7 million and RM6.1 million respectively. The increase in revenue from RM44.7 million to RM57.3 million was contributed by higher billings in Liberty project.

**3. Current Financial Year's Prospects**

The Group is on track to sustain its profitability, with Liberty project progressing well according to schedule and on track to meet its full completion in November 2019. Currently, Liberty is 96 percent sold, demonstrating the Group's ability to create the right products at the right time to meet market demand.

The Group is now working on preparations for Phase 2 of Ampang Ukay which, in addition to prime appeal of Ampang Ukay's strategic location, will offer excellent value with larger living spaces for growing families with children. The Board expects Phase 2 to build on the success of Phase 1, and it is targeted to be launched soon pending approval from authorities.

South City Plaza shall continue to contribute rental income to the Group and with the upcoming Seri Kembangan MRT line connectivity, the Board expects to see a boost in vibrancy and visitor footfall at the mall.

The Group remains focused on increasing efficiency and maintaining fast turnaround time, generating better cash flow and ability to mobilize resources for other new projects.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**4. Variance of Profit Forecast / Profit Guarantee**

Not applicable as the Group has not issued profit forecast or profit guarantee in a public document.

**5. Notes to the Consolidated Statement of Comprehensive Income**

	<u>Current</u> <u>Quarter Ended</u> 30/11/2018 RM'000	<u>Comparative</u> <u>Quarter Ended</u> 30/11/2017 RM'000	<u>6 Month</u> <u>Cumulative</u> <u>Ended</u> 30/11/2018 RM'000	<u>6 Month</u> <u>Cumulative</u> <u>Ended</u> 30/11/2017 RM'000
Profit before tax is arrived at after charging/(crediting) :				
Bad debts written off	-	-	-	15
Depreciation of plant and equipment	134	206	329	422
Finance income	(60)	(767)	(106)	(830)
Finance costs				
- Interest expense	1,604	1,308	3,294	2,882
- Amortisation of financial liabilities carried at amortised cost	-	260	-	310
Gain on disposal of investment properties	-	(28,376)	-	(28,376)
Tax penalty and interest	17	20	39	39
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**6. Income Tax Expense**

	<u>Current Quarter</u> <u>Ended</u> 30/11/2018 RM'000	<u>Cumulative</u> <u>Year To-Date</u> 30/11/2018 RM'000
Income tax		
- current year	1,144	2,521
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**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**7. Status of Corporate Proposals Announced**

Save for the following, there are no other corporate proposals announced by the Company but not completed as at 22 January 2019:

(i) Proposed Subscription

The Board of Directors of the Company announced on 27 December 2018 that the Company had on 26 December 2018 entered into a subscription agreement (“SA”) with Geo Valley Sdn Bhd (“GVSB”) for the subscription of 1,333,346 new ordinary shares in the capital of GVSB for a cash consideration of RM13,333.46 subject to the terms and conditions stipulated in the SA (“Proposed Subscription”).

Pursuant to the SA, the completion period for the above Proposed Subscription is thirteen (13) days from the date of approvals of which the Company is granted three (3) months from the agreement date or such further extended period as may be agreed between the parties to undertake the necessary approvals.

Upon completion of the Proposed Subscription, the Company will hold 20% of the equity interest in GVSB.

(ii) Proposed Acquisition

On 27 December 2018, the Company announced that the Company had on even date entered into a share sale agreement (“SSA”) for the acquisition of 3,333,330 ordinary shares in GVSB (“Sale Shares”), representing 50% of the equity interest of GVSB, at a purchase consideration of RM44,000,000.00 (“Purchase Price”) only subject to terms and conditions as contained in the SSA (“Proposed Acquisition”).

Pursuant to the SSA, the completion period for the above Proposed Acquisition is fourteen (14) business days from the date of approvals of which the Company is granted three (3) months from the agreement date or such further extended period as may be agreed between the parties to undertake the necessary approvals.

Upon completion of the Proposed Acquisition and Proposed Subscription, the Company will hold 70% of the equity interest in GVSB.

The Proposed Acquisition is not subject and conditional to the Proposed Subscription. In the event the Proposed Acquisition is not completed, the existing shareholders of GVSB shall be entitled to terminate the agreement for the Proposed Subscription mentioned in item (i) above.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**8. Group Borrowings and Debt Securities**

Total Group borrowings as at 30 November 2018 are as follows:-

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>Long-Term Borrowings</b>			
Amount repayable after twelve months	160,850	-	160,850
	<u>160,850</u>	<u>-</u>	<u>160,850</u>
<b>Short-Term Borrowings</b>			
Current portion of long term borrowings	9,363	-	9,363
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>9,363</u>	<u>1,000</u>	<u>10,363</u>
Total Group Borrowings	<u>170,213</u>	<u>1,000</u>	<u>171,213</u>

**9. Changes in Material Litigation**

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 22 January 2019 are as follows:-

In respect of the litigation cases stated in (i) and (ii) below, for accounting purposes, all the amounts owed have been provided for in the financial statements.

(i) 24 purchasers of South City Plaza v PDSB

The Shah Alam High Court has allowed the Plaintiffs' claims pursuant to a Judgment dated 3 December 2010 as follows:-

- (a) sale and purchase agreements rescinded;
- (b) damages to be assessed; and
- (c) cost of RM1,000 to each plaintiff.

PDSB has filed an appeal to the Court of Appeal. The Court of Appeal dismissed PDSB's appeal with cost on 3 October 2011.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**9. Changes in Material Litigation (Cont'd)**

(i) 24 purchasers of South City Plaza v PDSB (Cont'd)

Plaintiffs filed application for assessment of damages on 29 July 2011 at the Shah Alam High Court by way of Enclosure 45. The Shah Alam High Court has directed this matter to be settled by way of mediation. On 5 September 2016, the mediator had directed the matter to the Shah Alam High Court to continue the proceedings for assessment of damages. The hearing of the assessment of damages in Enclosure 45 had ended on 21 May 2018 and the Shah Alam High Court had directed the parties to file in written submission for Enclosure 45 on or before 14 September 2018. PDSB has filed its submission on 1 December 2018 and submission in reply on 11 January 2019. The Court has fixed the decision for Enclosure 45 on 25 January 2019.

Plaintiffs also have filed application for interim payment on 14 May 2018 at the Shah Alam High Court by way of Enclosure X. All cause papers have been filed by both parties and the written submission for Enclosure X had been filed on 12 July 2018. The Shah Alam High Court has fixed the Enclosure X for submission in reply/clarification/decision on 14 September 2018. On 14 September 2018, the Shah Alam High Court dismissed the Plaintiffs' application in Enclosure X. Plaintiffs then filed an appeal for Enclosure X on 27 September 2018. The appeal is now fixed for a Case Management on 2 November 2018. As of to-date, the Shah Alam High Court has yet to fix a date for further Case Management.

Further, PDSB has filed an application under Order 40A Rule 3 of the Rules of Court 2012 to expunge the expert witness' evidence in Enclosure 45 (Enclosure 60) which the same has been fixed for a Case Management on 2 November 2018. PDSB has filed its written submission for Enclosure 60 on 11 January 2019. As of to-date, the Shah Alam High Court has yet to fix a date for further Case Management.

PDSB has also filed an application under Order 32 Rule 13 of the Rules of Court 2012 to expunge the Plaintiffs' Notice of Intention dated 4 September 2018 (Enclosure 50). PDSB has filed its written submission for Enclosure 50 on 11 January 2019. As of to-date, the Shah Alam High Court has yet to fix a date for Case Management.

Further, Plaintiffs also have filed an application under Order 34 Rule 2 of the Rules of Court 2012, i.e., to enter judgment for the alleged of PDSB's failure to comply with the Court's direction (Enclosure 65). The same has been fixed for a Case Management on 2 November 2018. As of to-date, the Shah Alam High Court has yet to fix a date for further Case Management.

(ii) IRB v Sawitani Sdn Bhd ("Sawitani")

IRB filed a suit against Sawitani for real property gains tax outstanding for assessment year 2000. IRB filed an application for summary judgement which was allowed on 27 September 2011. Sawitani's appeal to the Court of Appeal was dismissed on 15 May 2012.

There was a Winding-up Petition and Affidavit Verifying Petition dated 7 November 2018 served on Sawitani on 14 November 2018 of which the same has been subsequently withdrawn by IRB on 6 December 2018. Both parties had agreed to resolve this matter by way of instalments payment.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**9. Changes in Material Litigation (Cont'd)**

(iii) IRB v PDSB

The IRB initiated civil proceedings against PDSB in respect of the notice of additional assessment for income tax amounting to RM30,713,484.26 and tax penalties amounting to RM4,760,590.05. Subsequently, PDSB filed an application to the High Court to stay the civil proceedings on the ground that it has filed an appeal against the said assessment to the Special Commissioners of Income Tax. The appeal is fixed for hearing on 23 July 2019 and 24 July 2019. On 5 January 2018, the High Court granted order in terms in respect of PDSB's stay application until the disposal of the PDSB's appeal before the Special Commissioners of Income Tax. The High Court fixed 25 February 2019 for case management.

The IRB has filed a Notice of Appeal on 2 February 2018 to the Court of Appeal against the granting of the order for a stay of proceedings by the High Court. On 16 October 2018, IRB had withdrawn the Appeal.

Upon consulting its solicitors, the Board is of the view that there are reasonable grounds to preserve the stay order granted by the High Court.

(iv) PDSB v IRB

In view of the additional assessment raised by IRB as per item (iii) above, PDSB had filed a Writ and Statement of Claim on 25 May 2017 against IRB to set aside the 3 judgments amounting to RM30,660,624.96 previously obtained by IRB on the income tax matters.

On 25 July 2017, IRB filed an application to the Shah Alam High Court to strike out PDSB's Writ and Statement of Claim. On 15 September 2017, High Court has dismissed IRB's application with cost of RM2,000.

IRB had on 19 October 2017 appealed to the Court of Appeal against the High Court decision and apply to stay the proceedings pending IRB's appeal to the Court of Appeal. On 5 February 2018, the High Court allowed the stay proceeding pending the outcome from the Court of Appeal. On 10 April 2018, the Court of Appeal had dismissed IRB's appeal with cost of RM5,000.

The Court has fixed 11 February 2019 for case management.

Upon consulting its solicitors, the board is of the view that PDSB had valid and reasonable grounds to succeed in this proceeding.

**10. Dividend**

No dividend has been declared for the current financial period to-date.



**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**
**11. Earnings Per Share**

The earnings per share have been calculated based on the consolidated net earnings attributable to ordinary shareholders for the period and the weighted average number of ordinary shares in issue during the period.

	Current Quarter Ended	(Restated) Comparative Quarter Ended	Current Year To Date	(Restated) Comparative Year To Date
	30/11/2018	30/11/2017	30/11/2018	30/11/2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Earnings</b>				
Net earnings attributable to ordinary shareholders	4,064	29,607	8,758	35,297
<b>Weighted average number of ordinary shares (Basic)</b>	('000) 803,162	('000) 803,162	('000) 803,162	('000) 803,162
<b>Basic earnings per ordinary share</b>	(sen) 0.51	(sen) 3.69	(sen) 1.09	(sen) 4.39
<b>Weighted average number of ordinary shares (Diluted)</b>	('000) 804,497	('000) 803,830	('000) 804,497	('000) 803,830
<b>Diluted earnings per ordinary share</b>	(sen) 0.51	(sen) 3.68	(sen) 1.09	(sen) 4.39