



(Company No.: 15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND SIX MONTHS ENDED
30 NOVEMBER 2019**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 30/11/2019 RM'000	Preceding Year Corresponding Quarter / Period 30/11/2018 RM'000	Current Year To Date 30/11/2019 RM'000	Preceding Year Corresponding Period 30/11/2018 RM'000
Revenue	48,484	57,286	82,395	102,004
Cost of sales	(33,300)	(46,448)	(59,440)	(80,364)
Gross profit	15,184	10,838	22,955	21,640
Other operating income	863	84	2,010	647
Distribution costs	(237)	(200)	(423)	(409)
Administration expenses	(3,541)	(2,851)	(6,466)	(5,590)
Other operating expenses	(983)	(1,124)	(2,029)	(1,832)
Profit from operations	11,286	6,747	16,047	14,456
Finance income	509	60	698	106
Finance costs	(2,493)	(1,604)	(4,806)	(3,294)
Net finance costs	(1,984)	(1,544)	(4,108)	(3,188)
Profit before tax	9,302	5,203	11,939	11,268
Income tax expense	(1,183)	(1,144)	(2,322)	(2,521)
Net profit for the period	8,119	4,059	9,617	8,747
Attributable to:-				
Owners of the Company	8,122	4,064	9,623	8,758
Non-controlling interests	(3)	(5)	(6)	(11)
Net profit for the period	8,119	4,059	9,617	8,747
Other comprehensive income, net of tax				
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	(2)
Total comprehensive income for the period	8,119	4,059	9,617	8,745
Total comprehensive income				
Attributable to:-				
Owners of the Company	8,122	4,064	9,623	8,756
Non-controlling interests	(3)	(5)	(6)	(11)
	8,119	4,059	9,617	8,745
Basic earnings per ordinary share (sen)	1.02	0.51	1.21	1.09
Diluted earnings per ordinary share (sen)	1.02	0.51	1.21	1.09

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2019.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019**

	(Unaudited) 30/11/2019 RM'000	(Audited) 31/5/2019 RM'000
Non-current assets		
Plant and equipment	658	2,115
Right-of-use assets	1,540	-
Investment properties	371,412	367,241
Other financial assets	1,060	1,060
Deferred tax assets	1,028	1,028
Land held for development	137,972	137,815
	<u>513,670</u>	<u>509,259</u>
Current assets		
Inventories	80,580	85,504
Contract assets	5,160	-
Contract costs	10,638	7,990
Trade receivables	38,858	20,321
Other receivables, deposits and prepayments	16,461	23,292
Tax recoverable	12	22
Other financial assets	2,747	8,716
Cash and bank balances	25,144	51,554
	<u>179,599</u>	<u>197,399</u>
TOTAL ASSETS	<u>693,269</u>	<u>706,658</u>
Equity		
Share capital	125,500	123,753
Reserves	217,066	207,557
Equity attributable to shareholders of the Company	<u>342,566</u>	<u>331,310</u>
Non-controlling interests	14,691	14,697
Total equity	<u>357,257</u>	<u>346,007</u>
Non-current liabilities		
Deferred tax liabilities	606	606
Lease liabilities	217	580
Borrowings	153,321	160,444
Trade payables	10,134	7,971
Tax payable	5,559	7,782
	<u>169,837</u>	<u>177,383</u>
Current liabilities		
Contract liabilities	-	10,624
Trade payables	80,836	70,800
Other payables and accruals	46,038	65,843
Lease liabilities	1,110	436
Borrowings	14,249	12,655
Tax payable	23,942	22,910
	<u>166,175</u>	<u>183,268</u>
TOTAL EQUITY AND LIABILITIES	<u>693,269</u>	<u>706,658</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4290	0.4125

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2019.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

	Share capital RM'000	Share premium RM'000	Warrant / other reserves RM'000	Fair value adjustment reserve RM'000	Treasury shares 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 2019	123,753	-	4,199	-	(2,987)	206,345	331,310	14,697	346,007
Issuance of shares pursuant to conversion of warrants	1,747	-	(114)	-	-	-	1,633	-	1,633
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	9,623	9,623	(6)	9,617
Total comprehensive income for the year	-	-	-	-	-	9,623	9,623	(6)	9,617
At 30 November 2019	125,500	-	4,085	-	(2,987)	215,968	342,566	14,691	357,257
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	123,753	-	4,199	4	-	183,731	311,687	14,241	325,928
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	(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	-	192,489	320,443	14,230	334,673

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 2019.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

	6 months ended 30/11/2019 RM'000	6 months ended 30/11/2018 RM'000
Cash flows from operating activities		
Profit before tax	11,939	11,268
Adjustments for:-		
- Non-cash items	723	329
- Non-operating items	4,108	3,188
Operating profit before working capital changes	16,770	14,785
Changes in working capital		
- Inventories	4,924	4,330
- Trade and other receivables	(11,706)	35,501
- Trade and other payables	(7,226)	(2,247)
- Development costs	(17,532)	17,758
Cash (used in)/generated from operations	(14,769)	70,127
- Income tax paid	(3,513)	(2,397)
- Interest paid	(4,806)	(3,059)
Net cash (used in)/from operating activities	(23,088)	64,671
Cash flows (used in)/from investing activities		
- Increase in investment properties	(4,171)	(5,628)
- Decrease in other financial assets	5,969	-
- Net interest received	698	106
- Payment for plant and equipment	-	(13)
Net cash from/(used in) investing activities	2,496	(5,535)
Cash flows from/(used in) financing activities		
- Proceeds from issuance of shares pursuant to conversion of warrants	1,633	-
- Interest paid	(1,542)	(3,247)
- Repayments of lease liabilities	(380)	(244)
- Repayments of bridging and term loans	(5,529)	(56,714)
Net cash used in financing activities	(5,818)	(60,205)
Net decrease in cash and cash equivalents	(26,410)	(1,069)
Cash and cash equivalents at beginning of period	44,954	24,674
Cash and cash equivalents at end of period	18,544	23,605
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	25,144	30,205
Less : Cash deposits pledged	(6,600)	(6,600)
	18,544	23,605

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2019.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2019****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 2019. 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 2019.

2. Significant Accounting Policies

The significant accounting policies adopted in the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 May 2019, except for the adoption of all the new MFRSs, Amendments to MFRS and IC Interpretations that are effective for the Group's financial year beginning 1 June 2019.

Other than MFRS 16: Leases, the adoption of the above Amendments to MFRS and IC Interpretations does not have significant impact on the interim financial report of the Group.

The Group adopted MFRS 16 using the modified retrospective approach with the date of initial application of 1 June 2019. Under this approach, the comparative information is not restated and the right-of-use asset is recognised at the date of initial application at an amount equal to the lease liability, using the Group's current incremental borrowing rate.

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying MFRS 117 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option, and lease contracts for which the underlying asset is of low value.

The nature and effect of the changes as a result of the adoption of MFRS 16 are described below: -

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 was applied to these leases from 1 June 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short term leases and leases of low value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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 2019 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

During the second quarter ended 30 November 2019, 3,915,390 ordinary shares were issued pursuant to the conversion of 3,915,390 warrants at the exercise price of RM0.30 per ordinary share.

Save for the above, there were no other 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	52,621	1,229
Property Development	74,717	17,765
Property Management	1,320	385
Investment and Others	2,570	(2,634)
	<u>131,228</u>	<u>16,745</u>
Elimination Inter-Group	(48,833)	-
Finance Costs	-	(4,806)
	<u>82,395</u>	<u>11,393</u>

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 21 January 2020, there were no material subsequent events that have not been reflected in the financial statements for the current financial period.

11. Significant Related Party Transactions

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

Name of Related Party	Relationship
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 24 October 2019.

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> 30/11/2019 RM’000	<u>Cumulative Year To-Date</u> 30/11/2019 RM’000
PBSB	Billings for sub-contractor costs	5,311	23,509
Mercury	Billings for rental	58	115

12. Effect of Changes in the Composition of the Group

The Group had on 17 September 2019 entered into Sale and Purchase of Shares Agreement for the disposal of its 100% equity interest in Tashima Development Sdn Bhd, comprising 2,800,000 ordinary shares at a cash consideration of RM2.00.

The above disposal was completed on 22 October 2019 and the above company ceased to be the subsidiary of the Company then.

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIA FINANCIAL REPORTING STANDARDS
("MFRS") 134, INTERIM FINANCIAL REPORTING****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: -

	<u>30/11/2019</u>
	RM'000
Bank guarantee issued for: -	
- government authority	<u>6,600</u>

Inland Revenue Board ("IRB") had initiated civil proceedings against Pujian Development Sendirian Berhad ("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 this contingent liabilities are presented in Note B9(ii) 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

For the second quarter ended 30 November 2019 (“2Q20”), the Group’s 2Q20 revenue moderated 15.4% to RM48.5 million as compared to RM57.3 million in the same quarter last year. This is mainly attributable to slower property development sales pending future launches of Ampang Ukay.

Nonetheless, the Group recorded a 78.8% increase in profit before tax (“PBT”) to RM9.3 million in 2Q20 as compared to RM5.2 million in the same quarter last year. The growth in PBT is in tandem with the ongoing progress of Phase 1 of Ampang Ukay, known as Liberty @ Ampang Ukay as well as development savings.

For the six-month period ended 30 November 2019 (“1H20”), the Group recorded revenue of RM82.4 million and PBT of RM11.9 million in 1H20, compared to revenue of RM102.0 million and PBT of RM11.3 million in the same period last year. The 19.2% decline in revenue is in line with lower revenue contribution from property segments in 1H20. The Group’s 5.3% PBT improvement is mainly due to higher profit recognition and development cost savings in Liberty @ Ampang Ukay.

2. Variation of Results against Preceding Quarter

The Group registered a 43.0% increase in revenue to RM48.5 million from RM33.9 million in the preceding quarter ended 31 August 2019 (“1Q20”). The improvement in revenue is mainly due to higher property development revenue recognition in line with stages of construction works of Liberty @ Ampang Ukay.

The Group’s PBT increased by 257.7% to RM9.3 million in 2Q20 from RM2.6 million in 1Q20, due to increased progress billings and cost savings for the development of Liberty @ Ampang Ukay.

3. Current Financial Year’s Prospects

The Group is expected to remain profitable in the financial year ending 31 May 2020 with Liberty @ Ampang Ukay progressing according to schedule and on track for full completion in early 2020. To-date, Liberty @ Ampang Ukay has enjoyed a take-up rate of 97% since its launch in 2016, thus showcasing the Group’s competitive edge in providing premium homes at affordable price points in strategic locations in tandem with market demand.

Building on the success of Phase 1 of Ampang Ukay, the Group is currently preparing for the launch of subsequent phases of development for the Group’s RM5 billion gross development value (“GDV”) Ampang Ukay flagship development, pending approval from authorities.

In our property investment division, South City Plaza shall continue to contribute rental income to the Group. With the upcoming Seri Kembangan MRT line connectivity by mid 2022, the Board expects to see a boost in vibrancy and visitor footfall at the mall.

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

3. Review of Performance (Cont'd)

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

The Group also aims to continue to keep an eye out for premium land banks in desired locations in Malaysia to be developed solely or in joint partnerships.

The Group continues to keep an eye out for premium land banks in desired locations in Malaysia to be developed solely or in joint partnerships.

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> 30/11/2019 RM'000	<u>Comparative</u> <u>Quarter Ended</u> 30/11/2018 RM'000	<u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2019 RM'000	<u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2018 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortisation	336	134	723	329
Finance income	(509)	(60)	(698)	(106)
Finance costs				
- Interest expense	2,493	1,604	4,806	3,294
Tax penalty and interest	600	17	617	39

6. Income Tax Expense

	<u>Current Quarter</u> <u>Ended</u> 30/11/2019 RM'000	<u>Cumulative</u> <u>Year To-Date</u> 30/11/2019 RM'000
Income tax		
- current year	1,183	2,322

7. Status of Corporate Proposals Announced

There are no corporate proposals which have been announced but not completed as at 21 January 2020.

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 2019 are as follows: -

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Long-Term Borrowings			
Amount repayable after twelve months	153,538	-	153,538
	<u>153,538</u>	<u>-</u>	<u>153,538</u>
Short-Term Borrowings			
Current portion of long term borrowings	14,359	-	14,359
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>14,359</u>	<u>1,000</u>	<u>15,359</u>
Total Group Borrowings	<u>167,897</u>	<u>1,000</u>	<u>168,897</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 21 January 2020 are as follows: -

In respect of the litigation cases stated in (i) 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 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.

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. The Court has fixed 17 September 2019 for the decision for Enclosure 45. On 17 September 2019, the Plaintiffs were awarded the following, in respect of the 12 units under the rescinded sale and purchase agreements: -

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)**

- (a) Out of pocket expenses totalling RM1,512,216.75;
- (b) Loan sum according to the loan agreements totalling RM2,330,151.70;
- (c) Interest at the rate 10% on the total amount of item (i) and (ii) totalling RM4,833,904.55 (calculated from the date of the breach of sale and purchase agreements until 3 December 2010); and
- (d) Interest at the rate of 5% on the total amount of item (i) and (ii) totalling RM1,689,589.33 (calculated from 4 December 2010 until 17 September 2019).

The High Court has allowed the cost of RM50,000.00 to be paid joint and severally by PDSB to the Plaintiffs within 30 days from 17 September 2019.

PDSB and the Plaintiffs have filed an appeal to the Judge in Chambers against the above said decision on 27 September 2019. The Plaintiffs' Appeal (Enclosure 78) and PDSB's Appeal (Enclosure 79) is fixed for Case Management on 7 February 2020. Further, the Defendant had filed an application for the Stay of Execution of Enclosure 45 (Enclosure 85) and the Court has fixed for hearing on 7 February 2020.

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. On 25 February 2019, the Court has dismissed Enclosure 60 with costs of RM2,000. PDSB then filed an appeal to the Judge in Chambers on 8 March 2019. The Shah Alam High Court has fixed 7 November 2019 for hearing. The Court had on 28 November 2019 dismissed PDSB's appeal. PDSB had further file an appeal to the Court of Appeal on 18 December 2019. The Court has fixed the said appeal for a Case Management on 14 February 2020.

(ii) IRB v PDSB

The IRB initiated civil recovery proceedings against PDSB in respect of the notice of additional assessment raised by the Director General of Inland Revenue ("DGIR") for an additional income tax payable amounting to RM30,713,484.26 and tax penalties amounting to RM4,760,590.05 for the year of assessment 2004. 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 ("SCIT"). On 5 January 2018, the High Court granted an order in terms in respect of PDSB's stay application and as a result, the effect and enforcement of the said notice of additional assessment will be stayed pending the disposal of PDSB's appeal at the SCIT. The appeal before the SCIT is fixed for hearing on 30 January 2020 and 31 January 2020. On 25 February 2019, the High Court confirmed that the stay of proceedings is still in effect and will maintain until the conclusion of PDSB's appeal before the SCIT.

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

10. Changes in Material Litigation (Cont'd)

(ii) IRB v PDSB (Cont'd)

The IRB has filed a Notice of Appeal on 2 February 2018 to the Court of Appeal against the High Court's decision in granting a stay of proceedings. The IRB subsequently withdrew the appeal on 16 October 2018.

Upon consulting its tax solicitors, the Board is of the view that there are reasonable grounds to challenge the validity of the said notice of additional assessment raised by the DGIR and the penalties imposed.

10. Dividend

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

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	Comparative Quarter Ended	Current Year To Date	Comparative Year To Date
	30/11/2019	30/11/2018	30/11/2019	30/11/2018
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Earnings				
Net earnings attributable to ordinary shareholders	8,122	4,064	9,623	8,758
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares (Basic)	798,155	803,162	798,533	803,162
	(sen)	(sen)	(sen)	(sen)
Basic earnings per ordinary share	1.02	0.51	1.21	1.09
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares (Diluted)	798,155	804,497	798,533	804,497
	(sen)	(sen)	(sen)	(sen)
Diluted earnings per ordinary share	1.02	0.51	1.21	1.09