



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND SIX MONTHS ENDED
30 NOVEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 30/11/2020 RM'000	Preceding Year Corresponding Quarter / Period 30/11/2019 RM'000	Current Year To Date 30/11/2020 RM'000	Preceding Year Corresponding Period 30/11/2019 RM'000
Revenue	7,838	48,484	24,015	82,395
Cost of sales	(3,462)	(33,300)	(14,461)	(59,440)
Gross profit	4,376	15,184	9,554	22,955
Other operating income	122	486	350	1,633
Distribution costs	(12)	(237)	(142)	(423)
Administration expenses	(2,670)	(3,541)	(4,626)	(6,466)
Other operating expenses	(73)	(983)	(868)	(2,029)
Net allowance for expected credit loss of receivables	2,601	377	2,601	377
Profit from operations	4,344	11,286	6,869	16,047
Finance income	13	509	21	698
Finance costs	(2,187)	(2,493)	(4,541)	(4,806)
Net finance costs	(2,174)	(1,984)	(4,520)	(4,108)
Profit before tax	2,170	9,302	2,349	11,939
Income tax expense	(138)	(1,183)	(145)	(2,322)
Net profit for the period	2,032	8,119	2,204	9,617
Attributable to:-				
Owners of the Company	2,028	8,116	2,196	9,611
Non-controlling interests	4	3	8	6
Net profit for the period	2,032	8,119	2,204	9,617
Other comprehensive income, net of tax				
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,032	8,119	2,204	9,617
Total comprehensive income				
Attributable to:-				
Owners of the Company	2,028	8,116	2,196	9,611
Non-controlling interests	4	3	8	6
	2,032	8,119	2,204	9,617
Basic earnings per ordinary share (sen)	0.25	1.02	0.27	1.20
Diluted earnings per ordinary share (sen)	0.25	1.02	0.27	1.20

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2020.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 NOVEMBER 2020**

	(Unaudited) 30/11/2020 RM'000	(Audited) 31/5/2020 RM'000
Non-current assets		
Plant and equipment	916	1,051
Right-of-use assets	2,473	2,767
Investment properties	378,820	378,756
Other financial assets	1,060	1,060
Deferred tax assets	3,415	3,415
Inventories	138,831	138,627
	<u>525,515</u>	<u>525,676</u>
Current assets		
Inventories	74,595	78,628
Contract costs	239	893
Trade receivables	21,801	48,954
Other receivables, deposits and prepayments	28,523	26,123
Tax recoverable	4	14
Other financial assets	8	22
Cash and bank balances	7,203	26,572
	<u>132,373</u>	<u>181,206</u>
TOTAL ASSETS	<u>657,888</u>	<u>706,882</u>
Equity		
Share capital	129,585	129,585
Reserves	219,774	217,578
Equity attributable to shareholders of the Company	<u>349,359</u>	<u>347,163</u>
Non-controlling interests	14,762	14,754
Total equity	<u>364,121</u>	<u>361,917</u>
Non-current liabilities		
Deferred tax liabilities	1,569	1,569
Lease liabilities	1,458	1,699
Borrowings	139,904	144,829
Trade payables	2,354	8,867
Other payables	1,109	8,857
Tax payable	8,467	4,938
	<u>154,861</u>	<u>170,759</u>
Current liabilities		
Contract liabilities	4,930	17,911
Trade payables	34,876	42,561
Other payables and accruals	72,660	76,110
Lease liabilities	893	989
Borrowings	10,783	16,764
Tax payable	14,764	19,871
	<u>138,906</u>	<u>174,206</u>
TOTAL EQUITY AND LIABILITIES	<u>657,888</u>	<u>706,882</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4420	0.4392

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2020.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

	Share capital 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 2020	129,585	-	-	(5,853)	223,431	347,163	14,754	361,917
Loss on fair value changes for available-for-sale financial assets	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	2,196	2,196	8	2,204
Net profit for the year	-	-	-	-	2,196	2,196	8	2,204
Total comprehensive income for the year	-	-	-	-	2,196	2,196	8	2,204
At 30 November 2020	129,585	-	-	(5,853)	225,627	349,359	14,762	364,121
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	-	-	-	-	9,611	9,611	6	9,617
Net profit for the year	-	-	-	-	9,611	9,611	6	9,617
Total comprehensive income for the year	-	-	-	-	9,611	9,611	6	9,617
At 30 November 2019	125,500	4,085	-	(2,987)	215,956	342,554	14,703	357,257

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 2020.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

	6 months ended 30/11/2020 RM'000	6 months ended 30/11/2019 RM'000
Cash flows from/(used in) operating activities		
Profit before tax	2,349	11,939
Adjustments for:-		
- Non-cash items	429	723
- Non-operating items	4,416	4,108
Operating profit before working capital changes	7,194	16,770
Changes in working capital		
- Inventories	3,829	4,924
- Trade and other receivables	24,753	(11,706)
- Trade and other payables	(25,396)	(7,226)
- Contract costs / assets / liabilities	(12,327)	(17,532)
Cash used in operations	(1,947)	(14,769)
- Income tax paid	(1,713)	(3,513)
- Interest paid	(1,200)	(4,806)
Net cash used in operating activities	(4,860)	(23,088)
Cash flows from/(used in) investing activities		
- Increase in investment properties	(64)	(4,171)
- Decrease in other financial assets	14	5,969
- Decrease in fixed deposit pledged	5,280	-
- Net dividend and interest received	125	698
Net cash from/(used in) investing activities	5,355	2,496
Cash flows from/(used in) financing activities		
- Proceeds from issuance of shares pursuant to conversion of warrants	-	1,633
- Interest paid	(3,341)	(1,542)
- Repayments of lease liabilities	(337)	(380)
- Repayments of bridging and term loans	(10,906)	(5,529)
Net cash used in financing activities	(14,584)	(5,818)
Net decrease in cash and cash equivalents	(14,089)	(26,410)
Cash and cash equivalents at beginning of period	19,972	44,954
Cash and cash equivalents at end of period	5,883	18,544
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	7,203	25,144
Less : Cash deposits pledged	(1,320)	(6,600)
	5,883	18,544

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2020.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2020

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 2020. 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 2020.

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 2020, except for the adoption of the following Amendments to MFRS that are effective for the Group’s financial year beginning 1 June 2020:

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MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 17	Insurance Contracts

The adoption of the above amendments to MFRSs does not have any significant impact on the interim financial report of the Group.

3. **Qualification of Audit Report**

The audit report of the financial statements of the Group for the financial year ended 31 May 2020 was not qualified.

4. **Seasonal or Cyclical Factors**

There are no seasonal factors affecting the Group performance.

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

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

The Company had on 15 December 2020, 16 December 2020, 18 December 2020 and 7 January 2021 announced the Private Placement of up to 10% of the total number of issued shares of EcoFirst (excluding treasury shares) to be issued under the General Mandate which was obtained on 27 October 2020.

As at 15 January 2021, 27,694,500 shares were issued pursuant to the Private Placement at RM0.3600 per ordinary shares, representing approximately 35.0% of the 79,039,898 EcoFirst Shares approved for listing by Bursa Malaysia Securities Berhad. The issue price represents a discount of approximately 8.40% to the five (5)-day volume weighted average market price of ordinary shares up to and including 6 January 2021 (being the market day immediately before the price fixing date) of RM0.3930.

Save the above, 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 Operating Revenue</u> RM'000	<u>Profit/(Loss) Before Tax</u> RM'000
Property Investment	6,298	2,424
Property Development	18,542	1,223
Property Management	1,320	935
Investment and Others	2,503	2,308
	28,663	6,890
Elimination Inter-Group	(4,648)	-
Finance Costs	-	(4,541)
	24,015	2,349

9. Valuation of Plant and Equipment

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

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

10. Material Subsequent Events

As at 21 January 2021, 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 Annual General Meeting held on 27 October 2020.

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> 30/11/2020 RM’000	<u>Cumulative Year To Date</u> 30/11/2020 RM’000
PBSB	Billings for sub-contractor costs	49	734
Mercury	Billings for rental	58	116

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.

**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>30/11/2020</u>
	RM'000
Bank guarantee issued for: -	
- government authority	<u>1,320</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 RM30.7 million and tax penalties amounting to RM4.8 million. The details of these 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 2020 (“2QFY2021”), the Group recorded revenue of RM7.8 million, representing a decrease of 83.9% from RM48.5 million in the corresponding quarter of the preceding financial year, while profit before tax (“PBT”) of RM2.2 million was 76.3% lower than the PBT of RM9.3 million in the corresponding quarter of the preceding financial year.

The decline in performance was mainly due to postponement in the launching of new development and lower revenue from the property development segment which continued to be affected by the Covid-19 pandemic.

2. Variation of Results against Preceding Quarter

The Group’s revenue of RM7.8 million in 2QFY2021 was 51.9% lower than the preceding quarter’s revenue of RM16.2 million. The decline in performance was mainly due to postponement in the launching of new development and lower revenue from the property development segment which continued to be affected by the Covid-19 pandemic.

The Group recorded PBT of RM2.2 million in 2QFY2021, as compared to PBT of RM0.2 million in the preceding quarter. Higher PBT was mainly contributed by lower operating expenditures coupled with the recovery of doubtful debts.

3. Current Financial Year’s Prospects

The outlook for the property sector is expected to remain challenging given the adverse market conditions in the context of the Covid-19 pandemic situation in Malaysia. However, the Group will strategize its marketing activities in order to convert its inventories into sales and plan our immediate future launching of new projects as affordable units.

The Group had, on 15 October 2020, announced the acquisition of a 19,243 square metres land in Cahaya SPK, Seksyen 9, Shah Alam, Selangor. The said acquisition is expected to be completed in the current financial year ending 31 May 2021 (“FY2021”). The land, which is situated in a rapidly developing area close to various institutions of higher learning, is expected to benefit from good road connectivity and accessibility. The Group plans to launch a RM311 million Gross Development Value mixed development on the said land in FY2021. The proposed development comprises 4 blocks featuring 1,098 SOHO residential units, along with commercial and retail shops, supermarkets, and business space.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**3. Current Financial Year's Prospects (Cont'd)**

The Group had, on 18 January 2021, entered into a conditional sale and purchase agreement ("SPA") with Radiant Nature Sdn Bhd ("RNSB") for the acquisition of seven (7) parcels of commercial land Lots 70296-70302 held under Titles Nos PN22361-22367, Mukim of Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan measuring a total area of approximately 16,824 square metres ("Land"), for a purchase consideration of RM70.0 million. The Land is situated within 400 metres radius from the Damansara Damai MRT2 Station. The said Land is designated as a Transit Oriented Development ("TOD") which allows for a higher plot ratio and the Group is drawing up the development plan for the Land for submission to the local authorities for development approval.

The Group's 100% take up rate Liberty @ Ampang Ukay development, which commenced its vacant possession on 10 January 2020, demonstrates the Group's capabilities to develop highly sought-after homes in line with latest market preferences. Due to the implementation of the Movement Control Order ("MCO") from March to May 2020, the handing over of keys to homebuyers was deferred, but has since resumed and is expected to contribute to the Group performance for the remaining period of FY2021.

The Group is cautiously optimistic on the prospects for the remainder of FY2021, focuses on developing high-value lands in strategic areas, with attractive pricing and development features tailored to the requirements of the mass-market segment.

For the property investment segment, South City Plaza is expected to continue to contribute sustainable rental income in the current financial year, while it is expected to remain constant amidst the Covid-19 pandemic with the implementation of the Conditional Movement Control.

The Group strictly adheres to the implementation of social distancing and Covid-19 preventive measures in accordance with the government's standard operating procedures, in order to safeguarding the health of the customers and workers. In the longer term, the Group expects the vibrancy and footfall of the mall will be enhanced by the construction of the proposed pedestrian bridge linking the upcoming Seri Kembangan MRT station to the mall.

4. Variance of Profit Forecast / Profit Guarantee

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

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

5. Notes to the Consolidated Statement of Comprehensive Income

	<u>Current</u> <u>Quarter Ended</u> 30/11/2020 RM'000	<u>Comparative</u> <u>Quarter Ended</u> 30/11/2019 RM'000	<u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2020 RM'000	<u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2019 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortisation	272	336	542	723
Finance income	(13)	(509)	(21)	(698)
Finance costs				
- Interest expense	2,187	2,493	4,541	4,806
Tax penalty and interest	-	600	-	617
	<hr/>	<hr/>	<hr/>	<hr/>

6. Income Tax Expense

	<u>Current Quarter</u> <u>Ended</u> 30/11/2020 RM'000	<u>Cumulative</u> <u>Year To-Date</u> 30/11/2020 RM'000
Income tax		
- current year	138	145
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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 21 January 2021: -

Proposed acquisition 1

The Board of Directors of the Company announced that Ecofirst Worldwide Sdn Bhd (“EWSB”), a wholly owned subsidiary of the Company, had on 15 October 2020 entered into a conditional sale and purchase agreement (“SPA”) with Modern Peak Sdn Bhd (“MPSB”) for the acquisition of all that piece of leasehold land held under PN 115434, Lot 87187 (formerly held under HS(D) 260105 PT 23658), Mukim Bukit Raja, Daerah Petaling, Negeri Selangor measuring a total area of approximately 19,243 square metres, for a total cash consideration of RM42.0 million (“the Proposed Acquisition”).

Pursuant to the SPA, the completion period for the above Proposed Acquisition shall be upon the full payment of the Balance Cash Payment paid by EWSB to MPSB within three (3) months from the effective date pursuant to the terms and conditions of the SPA.

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 ('Cont'd)

Proposed acquisition 2

Opal Horizon Sdn Bhd ("OHSB"), a wholly owned subsidiary of the Company, had on 18 January 2021 entered into a conditional sale and purchase agreement ("SPA") with Radiant Nature Sdn Bhd ("RNSB") for the acquisition of seven (7) parcels of commercial land Lots 70296-70302 held under Titles Nos PN22361-22367, Mukim of Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan measuring a total area of approximately 16,824 square metres ("Land"), for a purchase consideration of RM70.0 million. The Land is situated within 400 metres radius from the Damansara Damai MRT2 Station. The said Land is designated as a Transit Oriented Development ("TOD") which allows for a higher plot ratio and the Group is drawing up the development plan for the Land for submission to the local authorities for development approval.

Pursuant to the SPA, the completion period for the above Acquisition shall be upon the full payment of the Balance Cash Payment paid by OHSB to RNSB within three (3) months from the SPA date or one (1) month from the conditional date whichever shall be the later, pursuant to the terms and conditions of the SPA.

8. Group Borrowings and Debt Securities

Total Group borrowings as at 30 November 2020 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	141,362	-	141,362
	<u>141,362</u>	<u>-</u>	<u>141,362</u>
Short-Term Borrowings			
Current portion of long term borrowings	10,676	-	10,676
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>10,676</u>	<u>1,000</u>	<u>11,676</u>
Total Group Borrowings	<u>152,038</u>	<u>1,000</u>	<u>153,038</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 2021 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.

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 ("24 Purchasers") v Pujian Development Sdn Bhd ("PDSB")

PDSB was served with a writ of summons by 24 Purchasers seeking rescission of the Sale and Purchase Agreements entered into with PDSB in respect of the retail units in South City Plaza. The Shah Alam High Court ("the Court") has allowed the plaintiffs' claims and the hearing of the assessment of damages by way of Enclosure 45 had ended on 21 May 2018. The Court has fixed 27 September 2019 for the decision and the plaintiffs were awarded with a total judgement sum of RM10.4million.

Further, PDSB had filed an application for the Stay of Execution of Enclosure 45 (Enclosure 85). On 19 February 2020, both parties agreed on the conditional stay of execution of Enclosure 45 pending the appeals (Enclosure 78 and 79) with conditions, among which, PDSB is to pay the total judgment sum for Enclosure 45 payable in 12 monthly instalments to the joint solicitors account.

PDSB and the plaintiffs had filed an appeal to the Judge in Chambers against the above said decision on 27 September 2019.

In respect of the plaintiffs' appeal (Enclosure 78), the Court had dismissed the plaintiffs' appeal with cost of RM2,000.00. The plaintiffs have filed Notice of Appeal to Court of Appeal on 11 November 2020 against the Decision of Enclosure 78. The Appeal to the Court of Appeal is fixed for Case Management by way of e-review on 25 January 2021

In respect of PDSB's Appeal (Enclosure 79), the Court has allowed part of the PDSB's Appeal on 5 January 2021 and hence the judgement sum has reduced from RM10.4million to RM5.5 million. On 8 January 2021, the Plaintiffs filed Notice of Appeal to Court of Appeal against part of the Decision of Enclosure 79. The Court has yet to fix the above matter for Case Management.

PDSB also 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). On 25 February 2019, the Court had dismissed PDSB's application in Enclosure 60. PDSB then filed an appeal on Enclosure 60 to the Court of Appeal and the said appeal is now fixed for hearing on 21 July 2021.

(ii) Inland Revenue Board ("IRB") v PDSB

Inland Revenue Board ("IRB") had on 3 June 2016, raised a notice of additional income tax assessment of RM30.7 million and tax penalties of RM4.8 million to PDSB for the tax assessment year 2004. PDSB has presented its appeal to the Dispute Resolution Division of IRB and they had forwarded the Form Q to Special Commissioners of Income Tax ("SCIT").

The IRB initiated civil recovery proceedings against PDSB in respect of the above notice of additional assessment. 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 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.

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)

The appeal before the SCIT is fixed for mention on 26 March 2021.

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 IRB 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	Cumulative Quarter Ended	Current Year To Date	Cumulative Year To Date
	30/11/2020	30/11/2019	30/11/2020	30/11/2019
Earnings	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings attributable to ordinary shareholders	2,028	8,116	2,196	9,611
Weighted average number of ordinary shares (Basic)	('000)	('000)	('000)	('000)
	795,424	798,155	795,424	798,533
Basic earnings per ordinary share	(sen)	(sen)	(sen)	(sen)
	0.25	1.02	0.27	1.20
Weighted average number of ordinary shares (Diluted)	('000)	('000)	('000)	('000)
	795,424	798,155	795,424	798,533
Diluted earnings per ordinary share	(sen)	(sen)	(sen)	(sen)
	0.25	1.02	0.27	1.20