



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND NINE MONTHS ENDED
28 FEBRUARY 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 28/02/2021 RM'000	Preceding Year Corresponding Quarter / Period 29/02/2020 RM'000	Current Year To Date 28/02/2021 RM'000	Preceding Year Corresponding Period 29/02/2020 RM'000
Revenue	4,510	43,301	28,525	125,696
Cost of sales	(3,048)	(27,701)	(17,509)	(87,141)
Gross profit	1,462	15,600	11,016	38,555
Other operating income	319	106	669	2,116
Distribution costs	(114)	(224)	(256)	(647)
Administration expenses	(2,688)	(3,109)	(7,314)	(9,575)
Other operating expenses	(325)	(1,429)	(1,193)	(3,458)
Net allowance for expected credit loss of receivables	-	-	2,601	-
Profit from operations	(1,346)	10,944	5,523	26,991
Finance income	28	321	49	1,019
Finance costs	(2,228)	(2,420)	(6,769)	(7,226)
Net finance costs	(2,200)	(2,099)	(6,720)	(6,207)
Profit before tax	(3,546)	8,845	(1,197)	20,784
Income tax expense	(786)	(3,484)	(931)	(5,806)
Net profit for the period	(4,332)	5,361	(2,128)	14,978
Attributable to:-				
Owners of the Company	(4,328)	5,365	(2,116)	14,988
Non-controlling interests	(4)	(4)	(12)	(10)
Net profit for the period	(4,332)	5,361	(2,128)	14,978
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	(4,332)	5,361	(2,128)	14,978
Total comprehensive income				
Attributable to:-				
Owners of the Company	(4,328)	5,365	(2,116)	14,988
Non-controlling interests	(4)	(4)	(12)	(10)
	(4,332)	5,361	(2,128)	14,978
Basic earnings per ordinary share (sen)	(0.52)	0.67	(0.25)	1.88
Diluted earnings per ordinary share (sen)	(0.52)	0.67	(0.25)	1.88

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 28 FEBRUARY 2021**

	(Unaudited) 28/02/2021 RM'000	(Audited) 31/5/2020 RM'000
Non-current assets		
Plant and equipment	853	1,051
Right-of-use assets	2,208	2,767
Investment properties	378,839	378,756
Other financial assets	1,060	1,060
Deferred tax assets	2,566	3,415
Inventories	138,962	138,627
	<u>524,488</u>	<u>525,676</u>
Current assets		
Inventories	74,207	78,628
Contract costs	-	893
Trade receivables	23,578	48,954
Other receivables, deposits and prepayments	48,724	26,123
Tax recoverable	4	14
Other financial assets	9	22
Cash and bank balances	4,162	26,572
	<u>150,684</u>	<u>181,206</u>
TOTAL ASSETS	<u>675,172</u>	<u>706,882</u>
Equity		
Share capital	139,502	129,585
Reserves	217,138	217,578
Equity attributable to shareholders of the Company	<u>356,640</u>	<u>347,163</u>
Non-controlling interests	14,742	14,754
Total equity	<u>371,382</u>	<u>361,917</u>
Non-current liabilities		
Deferred tax liabilities	1,569	1,569
Lease liabilities	1,253	1,699
Borrowings	147,109	144,829
Trade payables	2,354	8,867
Other payables	8,857	8,857
Tax payable	4,938	4,938
	<u>166,080</u>	<u>170,759</u>
Current liabilities		
Contract liabilities	10,919	17,911
Trade payables	29,975	42,561
Other payables and accruals	56,421	76,110
Lease liabilities	930	989
Borrowings	21,300	16,764
Tax payable	18,165	19,871
	<u>137,710</u>	<u>174,206</u>
TOTAL EQUITY AND LIABILITIES	<u>675,172</u>	<u>706,882</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4332	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 28 FEBRUARY 2021**

	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
Private placements	9,917	-	-	-	-	9,917	-	9,917
Share resale	-	-	-	1,676	-	1,676	-	1,676
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-
Loss on fair value changes for available-for-sale financial assets	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	-	-
Net profit / (loss) for the year	-	-	-	-	(2,116)	(2,116)	(12)	(2,128)
Total comprehensive income / (loss) for the year	-	-	-	-	(2,116)	(2,116)	(12)	(2,128)
At 28 February 2021	<u>139,502</u>	<u>-</u>	<u>-</u>	<u>(4,177)</u>	<u>221,315</u>	<u>356,640</u>	<u>14,742</u>	<u>371,382</u>
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
Share repurchased	-	-	-	(191)	-	(191)	-	(191)
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	-	-	-	-	14,988	14,988	(10)	14,978
Total comprehensive income for the year	-	-	-	-	14,988	14,988	(10)	14,978
At 29 February 2020	<u>125,500</u>	<u>4,085</u>	<u>-</u>	<u>(3,178)</u>	<u>221,333</u>	<u>347,740</u>	<u>14,687</u>	<u>362,427</u>

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 28 FEBRUARY 2021**

	9 months ended 28/02/2021 RM'000	9 months ended 29/02/2020 RM'000
Cash flows from/(used in) operating activities		
Profit before tax	(1,197)	20,784
Adjustments for:-		
- Non-cash items	757	976
- Non-operating items	<u>6,644</u>	<u>1,019</u>
Operating profit before working capital changes	6,204	22,779
Changes in working capital		
- Inventories	4,086	1,757
- Trade and other receivables	2,775	(29,150)
- Trade and other payables	(38,788)	5,673
- Contract costs / assets / liabilities	<u>(6,099)</u>	<u>13,188</u>
Cash used in operations	(31,822)	14,247
- Income tax paid	(1,778)	(9,709)
- Interest paid	<u>(246)</u>	<u>(29)</u>
Net cash used in operating activities	<u>(33,846)</u>	<u>4,509</u>
Cash flows from/(used in) investing activities		
- Increase in investment properties	(83)	(4,543)
- Decrease in other financial assets	13	(3,016)
- Decrease in fixed deposit pledged	5,280	1,119
- Net dividend and interest received	<u>125</u>	<u>(389)</u>
Net cash from/(used in) investing activities	<u>5,335</u>	<u>(6,829)</u>
Cash flows from/(used in) financing activities		
- Proceeds from issuance of shares pursuant to conversion of warrants	-	1,633
- Proceeds from private placement	9,917	-
- Drawdown from term loans	11,354	-
- Interest paid	(6,523)	(9,510)
- Repayments of lease liabilities	(505)	(570)
- Shares repurchase	-	(191)
- Sales of treasury shares	1,676	-
- Repayments of bridging and term loans	<u>(4,538)</u>	<u>(12,499)</u>
Net cash used in financing activities	<u>11,381</u>	<u>(21,137)</u>
Net decrease in cash and cash equivalents	(17,130)	(23,457)
Cash and cash equivalents at beginning of period	<u>19,972</u>	<u>44,954</u>
Cash and cash equivalents at end of period	<u>2,842</u>	<u>21,497</u>
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	4,162	28,097
Less : Cash deposits pledged	<u>(1,320)</u>	<u>(6,600)</u>
	<u>2,842</u>	<u>21,497</u>

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 28 FEBRUARY 2021**
**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:-

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 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

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

During the third quarter of financial period ended 28 February 2021 (“3QFY2021”), 27,694,500 ordinary shares were issued pursuant to the Private Placement at an issue price of RM0.36 per ordinary share. With the allotment of the new shares, the Company issued shares and paid-up capital has increased from 808,605,489 ordinary shares to 836,299,989 ordinary shares.

As at 21 April 2021, the Company resale a total of 5,948,000 of its issued ordinary shares to the open market for a total consideration of RM2,142,923. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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	9,162	3,058
Property Development	20,431	(523)
Property Management	1,980	937
Investment and Others	3,944	2,100
	35,517	5,572
Elimination Inter-Group	(6,992)	-
Finance Costs	-	(6,769)
	28,525	(1,197)

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 April 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> 28/02/2021 RM’000	<u>Cumulative Year To Date</u> 28/02/2021 RM’000
PBSB	Billings for sub-contractor costs	5	739
Mercury	Billings for rental	58	174

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>28/02/2021</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 third quarter of financial year ended 28 February 2021 (“3QFY2021”), the Group recorded revenue of RM4.5 million, representing a decrease of 89.6% from RM43.3 million in the corresponding quarter of the preceding financial year. The Group recorded loss before tax (“LBT”) of RM3.5 million in 3QFY2021, a decrease of 139.7% from profit before tax (“PBT”) of RM8.8 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 negatively affected by the Covid-19 pandemic.

2. Variation of Results against Preceding Quarter

The Group’s revenue of RM4.5 million in 3QFY2021 was 42.3% lower than the preceding quarter’s revenue of RM7.8 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.

For the 3QFY2021, the Group recorded LBT of RM3.5 million compared to RM2.2 million PBT recorded in the preceding quarter, representing a decrease of 259.0%. This was mainly due to lower gross profit of RM1.5 million, a drop of 65.9% from RM4.4 million, coupled with the recovery in doubtful debts of RM2.6 million recorded in the preceding quarter.

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. The Group will strategize its products and pricing to below RM500,000 per unit for our immediate future launching, which according to Housing Bureau Statistic, Malaysia has a shortage of 1.0 million units of affordable residential 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, which was completed on 02 April 2021. The land is situated in a rapidly developing area close to various institutions of higher learning and is expected to benefit from good infrastructure connectivity and accessibility. The Group plans to launch the 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.

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 in the midst of submitting the development plan to the local authorities for approval.

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 Company had, on 6 April 2021, entered into a conditional share sale agreement (“SSA”) with Yeoh Siok Choo and Tan You Tiong (collectively, the “Vendors”) for the proposed acquisition of 51% equity interests in BCM Holdings Sdn Bhd (“BCM”). Upon completion of the Proposed BCM acquisition, BCM will be a 51% owned subsidiary of the Company. BCM is the registered and beneficial owner of two contiguous parcels of freehold land located in Sungai Besi (“BCM Properties”), measure approximately 4.18 acres held under Titles Nos. HS(D) 27711 PT 62 and Geran 37699, Lot 5, Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan. The said BCM properties has an approved plot ratio of 1:9.3 with approved Development Order (“DO”) for development of 1,620 units of serviced apartments within three blocks of 70 storeys.

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.

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> 28/02/2021 RM'000	<u>Comparative</u> <u>Quarter Ended</u> 29/02/2020 RM'000	<u>9 Months</u> <u>Cumulative</u> <u>Ended</u> 28/02/2021 RM'000	<u>9 Months</u> <u>Cumulative</u> <u>Ended</u> 29/02/2020 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortisation	275	253	817	976
Finance income	(28)	(321)	(49)	(1,019)
Finance costs				
- Interest expense	2,228	2,420	6,769	7,266
Tax penalty and interest	-	-	-	617

6. Income Tax Expense

	<u>Current Quarter</u> <u>Ended</u> 28/02/2021 RM'000	<u>Cumulative</u> <u>Year To-Date</u> 28/02/2021 RM'000
Income tax		
- current year	786	931

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 April 2021: -

i) Proposed acquisition 1

Ecofirst Horizon Sdn Bhd (“EHSB”) (formally known as Opal Horizon Sdn Bhd), 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 EHSB to RNSB 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)

ii) Proposed acquisition 2

The Company announced that on 06th April 2021, entered into a conditional share sale agreement ("SSA") with Ms Yeoh Siok Choo and Mr Tan You Tiong (collectively, the "Vendors") for the proposed acquisition of 51% equity interests in BCM Holdings Sdn Bhd ("BCM") comprising of 1,020,000 ordinary shares ("BCM Shares") and 2,040,000 redeemable convertible preference shares ("BCM RCPS") (collectively, the "Sale Securities"), for a purchase consideration of RM81.60 million ("Purchase Consideration"), and subject to the terms and conditions of the SSA ("Proposed BCM Acquisition").

The Proposed BCM Acquisition entails the acquisition by EcoFirst of the Sale Securities representing 51% of the equity interest in BCM from the Vendors for a Purchase Consideration of RM81.600 million, to be satisfied via a combination of cash amounting to RM1.632 million, and allotment and issuance of 228,480,000 new ordinary shares of EcoFirst ("Consideration Shares") at an issue price of RM0.35 per Consideration Share in the following manner:-

		%	RM' million
(i)	Cash consideration	2.0	1.632
(ii)	Allotment and issuance of Consideration Shares	98.0	79.968
	Total	100.0	81.600

Pursuant to the SSA, the completion period for the above acquisition shall take place upon all the conditions precedent set out in SSA are fulfilled, satisfied or waived within four (4) months from the Agreement Date with an automatic extension of two (2) months, or such other date as may be mutually agreed between the parties hereto in writing to enable the fulfilment of all the Conditions.

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 28 February 2021 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	147,109	-	147,109
	<u>147,109</u>	<u>-</u>	<u>147,109</u>
Short-Term Borrowings			
Current portion of long term borrowings	20,300	-	20,300
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>20,300</u>	<u>1,000</u>	<u>21,300</u>
Total Group Borrowings	<u>167,409</u>	<u>1,000</u>	<u>168,409</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 April 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.

(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 27 May 2021.

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)**

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. Both plaintiffs and PDSB filed Notice of Appeal to Court of Appeal against part of the Decision of Enclosure 79. The Appeal by the plaintiffs to the Court of Appeal against part of the Decision of Enclosure 79 is fixed for Case Management by way of e-review on 22 April 2021. The Appeal by PDSB to the Court of Appeal against part of the Decision of Enclosure 79 is fixed for Case Management by way of e-review on 21 April 2021.

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 28 September 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.

The appeal before the SCIT is fixed for mention on 28 April 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.

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	Cumulative Quarter Ended	Current Year To Date	Cumulative Year To Date
	28/02/2021	29/02/2020	28/02/2021	29/02/2020
Earnings	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings attributable to ordinary shareholders	(4,328)	5,365	(2,116)	14,988
Weighted average number of ordinary shares (Basic)	('000)	('000)	('000)	('000)
	819,777	798,155	819,777	798,533
Basic earnings per ordinary share	(sen)	(sen)	(sen)	(sen)
	(0.52)	0.67	(0.25)	1.88
Weighted average number of ordinary shares (Diluted)	('000)	('000)	('000)	('000)
	819,777	798,155	819,777	798,533
Diluted earnings per ordinary share	(sen)	(sen)	(sen)	(sen)
	(0.52)	0.67	(0.25)	1.88