



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND PERIOD ENDED
31 MAY 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 MAY 2021**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 31/05/2021 RM'000	Preceding Year Corresponding Quarter / Period 31/05/2020 RM'000	Current Year To Date 31/05/2021 RM'000	Preceding Year Corresponding Period 31/05/2020 RM'000
Revenue	14,043	24,347	42,568	150,043
Cost of sales	(4,664)	(16,482)	(22,173)	(103,623)
Gross profit	9,379	7,865	20,395	46,420
Other operating income	18,728	5,408	19,397	7,524
Distribution costs	66	(1,480)	(190)	(2,127)
Administration expenses	(3,088)	(3,767)	(10,402)	(13,342)
Other operating expenses	(1,153)	(3,316)	(2,346)	(6,774)
Net allowance for expected credit loss of receivables	(6,348)	868	(3,747)	868
Profit from operations	17,584	5,578	23,107	32,569
Finance income	(21)	(469)	28	550
Finance costs	(3,380)	(1,551)	(10,149)	(8,777)
Net finance costs	(3,401)	(2,020)	(10,121)	(8,227)
Profit before tax	14,183	3,558	12,986	24,342
Income tax expense	1,762	(1,393)	831	(7,199)
Net profit for the period	15,945	2,165	13,817	17,143
Attributable to:-				
Owners of the Company	15,947	2,098	13,831	17,086
Non-controlling interests	(2)	67	(14)	57
Net profit for the period	15,945	2,165	13,817	17,143
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	15,945	2,165	13,817	17,143
Total comprehensive income				
Attributable to:-				
Owners of the Company	15,947	2,098	13,831	17,086
Non-controlling interests	(2)	67	(14)	57
	15,945	2,165	13,817	17,143
Basic earnings per ordinary share (sen)	1.93	0.26	1.68	2.15
Diluted earnings per ordinary share (sen)	1.93	0.26	1.68	2.15

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 31 MAY 2021**

	(Unaudited) 31/05/2021 RM'000	(Audited) 31/5/2020 RM'000
Non-current assets		
Plant and equipment	852	1,051
Right-of-use assets	2,115	2,767
Investment properties	392,514	378,756
Other financial assets	1,060	1,060
Deferred tax assets	3,348	3,415
Inventories	186,819	138,627
	<u>586,708</u>	<u>525,676</u>
Current assets		
Inventories	73,885	78,628
Contract costs	-	893
Trade receivables	26,121	48,954
Other receivables, deposits and prepayments	24,645	26,123
Tax recoverable	4	14
Other financial assets	9	22
Cash and bank balances	7,677	26,572
	<u>132,341</u>	<u>181,206</u>
TOTAL ASSETS	<u>719,049</u>	<u>706,882</u>
Equity		
Share capital	147,563	129,585
Reserves	233,319	217,578
Equity attributable to shareholders of the Company	<u>380,882</u>	<u>347,163</u>
Non-controlling interests	14,740	14,754
Total equity	<u>395,622</u>	<u>361,917</u>
Non-current liabilities		
Deferred tax liabilities	3,192	1,569
Lease liabilities	1,151	1,699
Borrowings	166,850	144,829
Trade payables	10,754	8,867
Other payables	-	8,857
Tax payable	-	4,938
	<u>181,947</u>	<u>170,759</u>
Current liabilities		
Contract liabilities	-	17,911
Trade payables	28,610	42,561
Other payables and accruals	70,620	76,110
Lease liabilities	965	989
Borrowings	21,138	16,764
Tax payable	20,147	19,871
	<u>141,480</u>	<u>174,206</u>
TOTAL EQUITY AND LIABILITIES	<u>719,049</u>	<u>706,882</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4433	0.4293

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 31 MAY 2021**

	Share capital RM'000	Warrant reserves 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
Transactions with owners:							
Private placements	17,978	-	-	-	17,978	-	17,978
Share resale	-	-	1,910	-	1,910	-	1,910
Total transactions with owners	17,978	-	1,910	-	19,888	-	19,888
Net profit / Total comprehensive income for the year	-	-	-	13,831	13,831	(14)	13,817
At 31 May 2021	147,563	-	(3,943)	237,262	380,882	14,740	395,622
At 1 June 2019	123,753	4,199	(2,987)	206,345	331,310	14,697	346,007
Transactions with owners:							
Conversion of warrants	1,747	(114)	-	-	1,633	-	1,633
Expiry of warrants	4,085	(4,085)	-	-	-	-	-
Share repurchased	-	-	(2,866)	-	(2,866)	-	(2,866)
Total transactions with owners	5,832	(4,199)	(2,866)	-	(1,233)	-	(1,233)
Net profit / Total comprehensive income for the year	-	-	-	17,086	17,086	57	17,143
At 31 May 2020	129,585	-	(5,853)	223,431	347,163	14,754	361,917

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 31 MAY 2021**

	12 months ended 31/05/2021 RM'000	12 months ended 31/05/2020 RM'000
Cash flows from/(used in) operating activities		
Profit before tax	12,986	24,342
Adjustments for:-		
- Non-cash items	(9,335)	(2,252)
- Non-operating items	10,024	8,127
Operating profit before working capital changes	13,675	30,217
Changes in working capital		
- Inventories	(43,449)	7,504
- Trade and other receivables	20,564	(35,831)
- Trade and other payables	(26,411)	(5,281)
- Contract costs / assets / liabilities	(17,018)	14,384
Cash (used in)/from operations	(52,639)	10,993
- Income tax paid	(2,131)	(12,992)
- Interest paid	-	(1,257)
Net cash used in operating activities	(54,770)	(3,256)
Cash flows from/(used in) investing activities		
- Increase in investment properties	(58)	(7,792)
- Decrease in other financial assets	13	8,694
- Decrease in fixed deposit pledged	5,280	-
- Net dividend and interest received	125	315
- Net cash outflow on disposal of subsidiaries	-	(101)
- Proceeds from disposal of plant and equipment	-	8
- Addition to plant and equipment	-	(406)
Net cash from investing activities	5,360	718
Cash flows from/(used in) financing activities		
- Proceeds from issuance of shares pursuant to conversion of warrants	-	1,633
- Proceeds from private placement	17,978	-
- Drawdown from term loans	35,400	15,672
- Interest paid	(10,149)	(8,777)
- Repayments of lease liabilities	(572)	(928)
- Shares repurchase	-	(2,866)
- Sales of treasury shares	2,143	-
- Repayments of bridging and term loans	(9,005)	(27,178)
Net cash from/(used in) financing activities	35,795	(22,444)
Net decrease in cash and cash equivalents	(13,615)	(24,982)
Cash and cash equivalents at beginning of period	19,972	44,954
Cash and cash equivalents at end of period	6,357	19,972
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	7,677	26,572
Less : Cash deposits pledged	(1,320)	(6,600)
	6,357	19,972

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 31 MAY 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 fourth quarter of financial period ended 31 May 2021 (“4QFY2021”), 22,845,800 ordinary shares were issued pursuant to the Private Placement at an issue price of RM0.35 per ordinary share. With the allotment of the new shares, the Company issued shares and paid-up capital has increased from 836,299,989 ordinary shares to 859,145,789 ordinary shares.

Bursa Malaysia Securities Berhad had, vide its letter dated 3 June 2021, resolved to grant an extension of time until 17 December 2021 for the Company to complete the implementation of the Proposed Private Placement subject to the Company procuring shareholders’ mandate for the Private Placement at the forthcoming annual general meeting.

On 1 July 2021, the Company obtained shareholders’ approval at the EGM to undertake a proposed bonus issue of up to 443,822,693 Warrants on the basis of 1 Warrant for every 2 existing shares held by entitled shareholders and the exercise price of the Warrants has been fixed at RM0.40.

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</u> <u>Operating</u> <u>Revenue</u> RM'000	<u>Profit/(Loss)</u> <u>Before Tax</u> RM'000
Property Investment	11,776	21,069
Property Development	33,963	(1,908)
Property Management	2,640	759
Investment and Others	5,177	3,215
	<u>53,556</u>	<u>23,135</u>
Elimination Inter-Group	(10,988)	-
Finance Costs	-	(10,149)
	<u>42,568</u>	<u>12,986</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 28 July 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> 31/05/2021 RM'000	<u>Cumulative Year To Date</u> 31/05/2021 RM'000
PBSB	Billings for sub-contractor costs	128	868
Mercury	Billings for rental	58	233

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>31/05/2021</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 fourth quarter of financial year ended 31 May 2021 (“4QFY2021”), the Group recorded revenue of RM14.0 million, representing a decrease of 42.4% from RM24.3 million in the corresponding quarter of the preceding financial year. The Group recorded profit before tax (“PBT”) of RM14.2 million in 4QFY2021, an increase of 294.4% from PBT of RM3.6 million in the corresponding quarter of the preceding financial year. This was mainly due to increase in revenue from property development segment, fair value gain of RM13.7m on the investment property and reversal of over provision in tax liability of RM4.5 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 negatively affected by the Covid-19 pandemic.

2. Variation of Results against Preceding Quarter

The Group’s revenue of RM14.0 million in 4QFY2021 was 211.1% higher than the preceding quarter’s revenue of RM4.5 million. The increase in revenue is mainly contributed from the property development segment.

For the 4QFY2021, the Group recorded PBT of RM14.2 million compared to RM3.5 million loss before tax recorded in the preceding quarter, representing an increase of 505.7%. This was mainly due to increase in revenue from property development segment, fair value gain of RM13.7m on the investment property and reversal of over provision tax liability of RM4.5 million.

3. Next Financial Year’s Prospects

The outlook for the property sector is expected to remain challenging given the adverse market conditions during the Covid-19 pandemic situation in Malaysia. According to the Housing Bureau Statistic, Malaysia has a shortage of 1.0 million units of affordable residential units. In view of this, the Group has strategised that the large majority of our products are priced below RM500,000 per unit for the upcoming launches, i.e. Cahaya SPK, Seksyen 9, Shah Alam, Selangor; Damansara Damai and Sungai Besi.

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. Next 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 the proposed development of 1,708 units of serviced apartments within two blocks of 48 storeys.

The Group is cautiously optimistic about the prospects for the upcoming financial year and we will focus on developing high-value land 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 challenging 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> 31/05/2021 RM'000	<u>Comparative</u> <u>Quarter Ended</u> 31/05/2020 RM'000	<u>12 Months</u> <u>Cumulative</u> <u>Ended</u> 31/05/2021 RM'000	<u>12 Months</u> <u>Cumulative</u> <u>Ended</u> 31/05/2020 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortisation	548	317	1,365	1,293
Finance income	21	469	(28)	(550)
Finance costs				
- Interest expense	3,380	1,551	10,149	8,777
Tax penalty and interest	-	-	-	617

6. Income Tax Expense

	<u>Current</u> <u>Quarter Ended</u> 31/05/2021 RM'000	<u>Cumulative</u> <u>Year To-Date</u> 31/05/2021 RM'000
Income tax expense	1,762	831

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 28 July 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.

The shareholders of the Company had approved the above acquisition at the EGM held on 1 July 2021.

On 16 July 2021, the SSA for the Proposed BCM Acquisition has become unconditional following the fulfilment of all the conditions precedent set out therein.

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 31 May 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	166,850	-	166,850
	<u>166,850</u>	<u>-</u>	<u>166,850</u>
Short-Term Borrowings			
Current portion of long term borrowings	20,138	-	20,138
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>20,138</u>	<u>1,000</u>	<u>21,138</u>
Total Group Borrowings	<u>186,988</u>	<u>1,000</u>	<u>187,988</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 28 July 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 17 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 July 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 24 September 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 24 August 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 hearing on 26 January 2022 and 27 January 2022.

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.

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

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
	31/05/2021 (RM'000)	31/05/2020 (RM'000)	31/05/2021 (RM'000)	31/05/2020 (RM'000)
Earnings				
Net earnings attributable to ordinary shareholders	15,947	2,098	13,831	17,086
Weighted average number of ordinary shares (Basic)	('000) 824,807	('000) 795,424	('000) 824,807	('000) 795,424
Basic earnings per ordinary share	(sen) 1.93	(sen) 0.26	(sen) 1.68	(sen) 2.15
Weighted average number of ordinary shares (Diluted)	('000) 824,807	('000) 795,424	('000) 824,807	('000) 795,424
Diluted earnings per ordinary share	(sen) 1.93	(sen) 0.26	(sen) 1.68	(sen) 2.15