



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND PERIOD ENDED  
30 NOVEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 30/11/2021 RM'000	Preceding Year Corresponding Quarter / Period 30/11/2020 RM'000	Current Year To Date 30/11/2021 RM'000	Preceding Year Corresponding Period 30/11/2020 RM'000
<b>Revenue</b>	<b>3,673</b>	7,838	<b>6,390</b>	24,015
Cost of sales	<b>(2,035)</b>	(3,352)	<b>(3,959)</b>	(14,283)
Gross profit	<b>1,638</b>	4,486	<b>2,431</b>	9,732
Other operating income	<b>589</b>	122	<b>1,465</b>	350
Distribution costs	<b>(24)</b>	(12)	<b>(35)</b>	(142)
Administration expenses	<b>(2,295)</b>	(2,670)	<b>(4,613)</b>	(4,626)
Other operating expenses	<b>(592)</b>	(73)	<b>(1,150)</b>	(868)
Net allowance for expected credit loss of receivables	-	2,601	-	2,601
<b>(Loss)/Profit from operations</b>	<b>(684)</b>	4,454	<b>(1,902)</b>	7,047
Finance income	<b>9</b>	13	<b>14</b>	21
Finance costs	<b>(1,379)</b>	(2,348)	<b>(2,268)</b>	(4,898)
Net finance costs	<b>(1,370)</b>	(2,335)	<b>(2,254)</b>	(4,877)
<b>(Loss)/Profit before tax</b>	<b>(2,054)</b>	2,119	<b>(4,156)</b>	2,170
Income tax expense	<b>(2)</b>	(138)	<b>(2)</b>	(145)
<b>Net (loss)/profit for the period</b>	<b>(2,056)</b>	1,981	<b>(4,158)</b>	2,025
Attributable to:-				
Owners of the Company	<b>(1,885)</b>	1,977	<b>(3,985)</b>	2,017
Non-controlling interests	<b>(171)</b>	4	<b>(173)</b>	8
<b>Net (loss)/profit for the period</b>	<b>(2,056)</b>	1,981	<b>(4,158)</b>	2,025
<b>Other comprehensive income, net of tax</b>				
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,056)</b>	1,981	<b>(4,158)</b>	2,025
<b>Total comprehensive (loss)/income</b>				
Attributable to:-				
Owners of the Company	<b>(1,885)</b>	1,977	<b>(3,985)</b>	2,017
Non-controlling interests	<b>(171)</b>	4	<b>(173)</b>	8
	<b>(2,056)</b>	1,981	<b>(4,158)</b>	2,025
Basic (loss)/earnings per ordinary share (sen)	<b>(0.17)</b>	0.25	<b>(0.37)</b>	0.25
Diluted (loss)/earnings per ordinary share (sen)	<b>(0.17)</b>	0.25	<b>(0.37)</b>	0.25

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2021.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2021**

	(Unaudited) 30/11/2021 RM'000	(Restated) (Audited) 31/05/2021 RM'000	(Restated) (Audited) 01/06/2020 RM'000
<b>Non-current assets</b>			
Plant and equipment	865	1,024	1,051
Right of use assets	1,452	1,942	2,767
Investment properties	597,571	392,510	378,756
Inventories	187,601	186,819	138,627
Other financial assets	1,060	1,060	1,060
Deferred tax assets	3,348	3,348	3,415
	<u>791,897</u>	<u>586,703</u>	<u>525,676</u>
<b>Current assets</b>			
Inventories	77,520	73,840	80,829
Contract costs	-	-	893
Trade receivables	22,290	22,987	48,954
Other receivables, deposits and prepayments	24,965	26,207	26,123
Tax recoverable	4	4	14
Other financial assets	1,514	9	22
Cash and bank balances	10,869	7,670	26,572
	<u>137,162</u>	<u>130,717</u>	<u>183,407</u>
<b>TOTAL ASSETS</b>	<u>929,059</u>	<u>717,420</u>	<u>709,083</u>
<b>Equity</b>			
Share capital	237,712	147,796	129,585
Reserves	228,944	232,929	219,779
<b>Equity attributable to shareholders of the Company</b>	<u>466,656</u>	<u>380,725</u>	<u>349,364</u>
<b>Non-controlling interests</b>	<u>93,594</u>	<u>14,739</u>	<u>14,754</u>
Total equity	<u>560,250</u>	<u>395,464</u>	<u>364,118</u>
<b>Non-current liabilities</b>			
Lease liabilities	708	1,138	1,699
Borrowings	176,369	171,072	144,829
Trade payables	-	-	8,867
Other payables	8,400	8,400	8,857
Tax payable	-	-	4,938
Deferred tax liabilities	21,592	3,176	1,569
	<u>207,069</u>	<u>183,786</u>	<u>170,759</u>
<b>Current liabilities</b>			
Contract liabilities	-	-	17,911
Trade payables	31,365	32,522	42,561
Other payables and accruals	87,932	67,608	76,110
Lease liabilities	974	978	989
Borrowings	21,672	16,915	16,764
Tax payable	19,797	20,147	19,871
	<u>161,740</u>	<u>138,170</u>	<u>174,206</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>929,059</u>	<u>717,420</u>	<u>709,083</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4181	0.4431	0.4420

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2021.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

	Share capital 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 2021 (as previously stated)	147,796	(3,943)	237,001	380,854	14,739	395,593
Effect of adoption of IFRIC Agenda Decision on MFRS 123						
Borrowing Costs	-	-	(129)	(129)	-	(129)
At 1 June 2021	147,796	(3,943)	236,872	380,725	14,739	395,464
Transactions with owners:						
Issuance of shares	89,916	-	-	89,916	-	89,916
Acquisition of subsidiary	-	-	-	-	79,028	79,028
Total transactions with owners	89,916	-	-	89,916	79,028	168,944
Net (loss)/Total comprehensive (loss) for the year	-	-	(3,985)	(3,985)	(173)	(4,158)
At 30 November 2021	237,712	(3,943)	232,887	466,656	93,594	560,250
At 1 June 2020 (as previously stated)	129,585	(5,853)	223,431	347,163	14,754	361,917
Effect of adoption of IFRIC Agenda Decision on MFRS 123						
Borrowing Costs	-	-	2,201	2,201	-	2,201
At 1 June 2020	129,585	(5,853)	225,632	349,364	14,754	364,118
Transactions with owners:						
Issue of shares pursuant to private placements	-	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Net profit/Total comprehensive income for the year	-	-	2,017	2,017	8	2,025
At 30 November 2020	129,585	(5,853)	227,649	351,381	14,762	366,143

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 2021.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

	<b>6 months ended 30/11/2021 RM'000</b>	<b>6 months ended 30/11/2020 RM'000</b>
<b>Cash flows from/(used in) operating activities</b>		
(Loss)/Profit before tax	(4,156)	2,170
Adjustments for:-		
- Non-cash items	(56)	429
- Non-operating items	<u>2,268</u>	<u>4,416</u>
<b>Operating (loss)/profit before working capital changes</b>	<b>(1,944)</b>	<b>7,015</b>
<b>Changes in working capital</b>		
- Inventories	(4,462)	4,008
- Trade and other receivables	1,939	24,753
- Trade and other payables	2,651	(25,396)
- Contract costs / assets / liabilities	<u>-</u>	<u>(12,327)</u>
<b>Cash used in operations</b>	<b>(1,816)</b>	<b>(1,947)</b>
- Income tax paid	(352)	(1,713)
- Interest paid	<u>-</u>	<u>(1,200)</u>
<b>Net cash used in operating activities</b>	<b><u>(2,168)</u></b>	<b><u>(4,860)</u></b>
<b>Cash flows from/(used in) investing activities</b>		
- Increase in investment properties	(61)	(64)
- (Increase)/Decrease in other financial assets	(1,505)	14
- Decrease in fixed deposit pledged	-	5,280
- Net dividend and interest received	-	125
- Proceeds from disposal of plant and equipment	51	-
- Net cash inflow on acquisition of subsidiary	<u>686</u>	<u>-</u>
<b>Net cash (used in)/from investing activities</b>	<b><u>(829)</u></b>	<b><u>5,355</u></b>
<b>Cash flows from/(used in) financing activities</b>		
- Net proceeds from private placement	9,948	-
- Interest paid	(2,268)	(3,341)
- Repayments of lease liabilities	(434)	(337)
- Repayments of bridging and term loans	<u>(1,047)</u>	<u>(10,906)</u>
<b>Net cash from/(used in) financing activities</b>	<b><u>6,199</u></b>	<b><u>(14,584)</u></b>
Net increase/(decrease) in cash and cash equivalents	<b>3,202</b>	<b>(14,089)</b>
Cash and cash equivalents at beginning of period	<u>359</u>	<u>19,972</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>3,561</u></b>	<b><u>5,883</u></b>
Cash and cash equivalents comprise: -		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	10,869	7,203
Less : Bank overdraft	(5,988)	-
Less : Cash deposits pledged	<u>(1,320)</u>	<u>(1,320)</u>
	<b><u>3,561</u></b>	<b><u>5,883</u></b>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2021.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 NOVEMBER 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 2021. 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 2021.

**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 2021, except for the adoption of the following Amendments to MFRS that are effective for the Group’s financial year beginning 1 June 2021:-

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
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
IFRIC Agenda Decision on MFRS 123	Borrowing Costs

The adoption of the above amendments to MFRSs does not have any significant impact on the interim financial report of the Group, except for IRFIC Agenda Decision on MFRS 123, Borrowing Costs, which is discussed below.

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

On 18 December 2018, the Malaysian Accounting Standard Board (“MASB”) has issued for public comment six Tentative Agenda Decisions (“TAD”) published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 Borrowing Costs (“IAS 23”) relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result if the Agenda Decision on IAS 23. In ensuring consistent application of the MFRSs, which are word-for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 June 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision.

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

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

The effects of the adoption of the Agenda Decision are as follows:

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

	30/11/2020 As previously stated RM'000	Current Year Quarter Effects of the adoption of Agenda Decision RM'000	30/11/2020 As restated RM'000
<b>Revenue</b>	7,838		7,838
Cost of sales	(3,462)	110	(3,352)
<b>Gross profit</b>	4,376		4,486
Other operating income	122		122
Distribution costs	(12)		(12)
Administration expenses	(2,670)		(2,670)
Other operating expenses	(73)		(73)
Net allowance for expected credit loss of receivables	2,601		2,601
<b>Profit from operations</b>	4,344		4,454
Finance income	13		13
Finance costs	(2,187)	(161)	(2,348)
<b>Net finance costs</b>	(2,174)		(2,335)
<b>Profit before tax</b>	2,170	(51)	2,119
Income tax expense	(138)		(138)
<b>Net profit for the period</b>	2,032		1,981
Attributable to:-			
Owners of the Company	2,028	(51)	1,977
Non-controlling interests	4		4
<b>Net profit for the period</b>	2,032		1,981
<b>Other comprehensive income, net of tax</b>			
Fair value loss on equity investments designated at fair value through other comprehensive income	-		-
<b>Total comprehensive income for the period</b>	2,032		1,981
<b>Total comprehensive income</b>			
Attributable to:-			
Owners of the Company	2,028	(51)	1,977
Non-controlling interests	4		4
	2,032		1,981

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

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

The effects of the adoption of the Agenda Decision are as follows:

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

	30/11/2020 As previously stated RM'000	Current Year To Date Effects of the adoption of Agenda Decision RM'000	30/11/2020 As restated RM'000
<b>Revenue</b>	24,015		24,015
Cost of sales	(14,461)	178	(14,283)
<b>Gross profit</b>	9,554		9,732
Other operating income	350		350
Distribution costs	(142)		(142)
Administration expenses	(4,626)		(4,626)
Other operating expenses	(868)		(868)
Net allowance for expected credit loss of receivables	2,601		2,601
<b>Profit from operations</b>	6,869		7,047
Finance income	21		21
Finance costs	(4,541)	(357)	(4,898)
Net finance costs	(4,520)		(4,877)
<b>Profit before tax</b>	2,349	(179)	2,170
Income tax expense	(145)		(145)
<b>Net profit for the period</b>	2,204		2,025
Attributable to:-			
Owners of the Company	2,196	(179)	2,017
Non-controlling interests	8		8
<b>Net profit for the period</b>	2,204		2,025
<b>Other comprehensive income, net of tax</b>			
Fair value loss on equity investments designated at fair value through other comprehensive income	-		-
<b>Total comprehensive income for the period</b>	2,204		2,025
<b>Total comprehensive income</b>			
Attributable to:-			
Owners of the Company	2,196	(179)	2,017
Non-controlling interests	8		8
	2,204		2,025



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

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

The effects of the adoption of the Agenda Decision are as follows:

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021**

	31/05/2021 As perviously stated RM'000	Effects of the adoption of Agenda Decision RM'000	31/05/2021 As restated RM'000
<b>Non-current assets</b>			
Plant and equipment	1,024		1,024
Right of use assets	1,942		1,942
Investment properties	392,510		392,510
Inventories	186,819		186,819
Other financial assets	1,060		1,060
Deferred tax assets	3,348		3,348
	<u>586,703</u>		<u>586,703</u>
<b>Current assets</b>			
Inventories	73,969	(129)	73,840
Trade receivables	22,987		22,987
Other receivables, deposits and prepayments	26,207		26,207
Tax recoverable	4		4
Other financial assets	9		9
Cash and bank balances	7,670		7,670
	<u>130,846</u>		<u>130,717</u>
<b>TOTAL ASSETS</b>	<u>717,549</u>		<u>717,420</u>
<b>Equity</b>			
Share capital	147,796		147,796
Reserves	233,058	(129)	232,929
<b>Equity attributable to shareholders of the Company</b>	380,854		380,725
<b>Non-controlling interests</b>	14,739		14,739
Total equity	<u>395,593</u>		<u>395,464</u>
<b>Non-current liabilities</b>			
Lease liabilities	1,138		1,138
Borrowings	171,072		171,072
Other payables	8,400		8,400
Deferred tax liabilities	3,176		3,176
	<u>183,786</u>		<u>183,786</u>
<b>Current liabilities</b>			
Trade payables	32,522		32,522
Other payables and accruals	67,608		67,608
Lease liabilities	978		978
Borrowings	16,915		16,915
Tax payable	20,147		20,147
	<u>138,170</u>		<u>138,170</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>717,549</u>		<u>717,420</u>

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

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

The effects of the adoption of the Agenda Decision are as follows:

<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 1 JUNE 2020</b>	<b>31/05/2020 As perviously stated RM'000</b>	<b>Effects of the adoption of Agenda Decision RM'000</b>	<b>01/06/2020 As restated RM'000</b>
<b>Non-current assets</b>			
Plant and equipment	1,051		1,051
Right of use assets	2,767		2,767
Investment properties	378,756		378,756
Inventories	138,627		138,627
Other financial assets	1,060		1,060
Deferred tax assets	3,415		3,415
	525,676		525,676
<b>Current assets</b>			
Inventories	78,628	2,201	80,829
Contract costs	893		893
Trade receivables	48,954		48,954
Other receivables, deposits and prepayments	26,123		26,123
Tax recoverable	14		14
Other financial assets	22		22
Cash and bank balances	26,572		26,572
	181,206		183,407
<b>TOTAL ASSETS</b>	706,882		709,083
<b>Equity</b>			
Share capital	129,585		129,585
Reserves	217,578	2,201	219,779
<b>Equity attributable to shareholders of the Company</b>	347,163		349,364
<b>Non-controlling interests</b>	14,754		14,754
Total equity	361,917		364,118
<b>Non-current liabilities</b>			
Lease liabilities	1,699		1,699
Borrowings	144,829		144,829
Trade payables	8,867		8,867
Other payables	8,857		8,857
Tax payable	4,938		4,938
Deferred tax liabilities	1,569		1,569
	170,759		170,759
<b>Current liabilities</b>			
Contract liabilities	17,911		17,911
Trade payables	42,561		42,561
Other payables and accruals	76,110		76,110
Lease liabilities	989		989
Borrowings	16,764		16,764
Tax payable	19,871		19,871
	174,206		174,206
<b>TOTAL EQUITY AND LIABILITIES</b>	706,882		709,083

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

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

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs (“Agenda Decision”)**

The effects of the adoption of the Agenda Decision are as follows:

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

	30/11/2020 As previously stated RM'000	Effects of the adoption of Agenda Decision RM'000	30/11/2020 As restated RM'000
<b>Cash flows from/(used in) operating activities</b>			
Profit before tax	2,349	(179)	2,170
Adjustments for:-			
- Non-cash items	429		429
- Non-operating items	4,416		4,416
<b>Operating profit before working capital changes</b>	<b>7,194</b>		<b>7,015</b>
<b>Changes in working capital</b>			
- Inventories	3,829	179	4,008
- Trade and other receivables	24,753		24,753
- Trade and other payables	(25,396)		(25,396)
- Contract costs / assets / liabilities	(12,327)		(12,327)
<b>Cash used in operations</b>	<b>(1,947)</b>		<b>(1,947)</b>
- Income tax paid	(1,713)		(1,713)
- Interest paid	(1,200)		(1,200)
<b>Net cash used in operating activities</b>	<b>(4,860)</b>		<b>(4,860)</b>
<b>Cash flows from/(used in) investing activities</b>			
- Increase in investment properties	(64)		(64)
- Decrease in other financial assets	14		14
- Decrease in fixed deposit pledged	5,280		5,280
- Net dividend and interest received	125		125
<b>Net cash from investing activities</b>	<b>5,355</b>		<b>5,355</b>
<b>Cash flows from/(used in) financing activities</b>			
- Interest paid	(3,341)		(3,341)
- Repayments of lease liabilities	(337)		(337)
- Repayments of bridging and term loans	(10,906)		(10,906)
<b>Net cash used in financing activities</b>	<b>(14,584)</b>		<b>(14,584)</b>
Net decrease in cash and cash equivalents	(14,089)		(14,089)
Cash and cash equivalents at beginning of period	19,972		19,972
<b>Cash and cash equivalents at end of period</b>	<b>5,883</b>		<b>5,883</b>
Cash and cash equivalents comprise: -			
	RM'000		RM'000
Cash and bank balances	7,203		7,203
Less : Cash deposits pledged	(1,320)		(1,320)
	<b>5,883</b>		<b>5,883</b>

**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 2021 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 of financial period ended 30 November 2021 (“2QFY2022”), 28,499,598 ordinary shares were issued pursuant to the Private Placement at an issue price of 0.35 per ordinary share. With the allotment of the new shares, the Company’s issued shares and paid-up capital have increased from 1,087,625,789 ordinary shares to 1,116,125,387 ordinary shares.

As at 27 December 2021, 60,000,000 ordinary shares of EcoFirst (“Consideration Shares”) at an issue price of RM0.35 per Consideration Share were issued pursuant to the Proposed Damansara Damai Land Acquisition. With the allotment of the new shares, the Company’s issued shares and paid-up capital have increased from 1,116,125,387 ordinary shares to 1,176,125,387.

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.

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

**8. Segmental Reporting**

	<u>Gross Operating Revenue</u> RM'000	<u>Profit/(Loss) Before Tax</u> RM'000
Property Investment	5,013	982
Property Development	-	(3,245)
Property Management	1,320	391
Investment and Others	2,781	(16)
	<u>9,114</u>	<u>(1,888)</u>
Elimination Inter-Group	(2,724)	-
Finance Costs	-	(2,268)
	<u>6,390</u>	<u>(4,156)</u>

**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 24 January 2022, 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: -

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

Shareholders’ mandate had already been obtained at the Annual General Meeting held on 27 October 2021.

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

**11. Significant Related Party Transactions (Cont’d)**

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> 30/11/2021 RM'000	<u>Cumulative Year To Date</u> 30/11/2021 RM'000
PBSB	Billings for sub-contractor costs	5	10
Mercury	Billings for rental	58	116

**12. Effect of Changes in the Composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group during the current interim financial period.

On 27 December 2021, Ecofirst announced the subscription of the following shares of its wholly-owned subsidiaries to Urbansonic Sdn Bhd:-

- (i) 2,402,056 new ordinary shares in Ecofirst Horizon Sdn Bhd (formally known as Opal Horizon Sdn Bhd) (“EHSB”), representing 49.0% of the enlarged equity interest in EHSB; and
- (ii) 26 new ordinary shares in Ecofirst Opal Sdn Bhd (“EOSB”), representing 26.0% of the enlarged equity interest in EOSB,

for a total cash consideration of RM2,402,082. The shares issuance was completed on 27 December 2021. Pursuant thereto, EOSB and EHSB has respectively become 74%-owned subsidiary and a 37.7%-owned (based on effective interest) subsidiary of Ecofirst.

**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>30/11/2021</u> RM'000
Bank guarantee issued for: -	
- government authority	1,320

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 of financial year ended 30 November 2021 (“2QFY2022”), the Group recorded revenue of RM6.4 million, representing a decrease of 73.3% from RM24.0 million in the corresponding quarter of the preceding financial year. The Group recorded loss before tax (“LBT”) of RM4.2 million in 2QFY2022, a decrease from profit before tax of RM2.2 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 no 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 RM3.7 million in 2QFY2022 was 37.0% higher than the preceding quarter’s revenue of RM2.7 million. The increase in revenue is due to higher contribution from the property investment segment.

For the 2QFY2022, the Group recorded LBT of RM2.1 million compared to RM2.1 million loss before tax recorded in the preceding quarter. This was mainly due to no revenue from property development segment.

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

The Covid-19 pandemic has had a negative impact on the economy since the last two (2) years. Malaysia’s economy contracted by 4.5% in the third quarter of 2021 as compared to the growth of 16.1% recorded in the second quarter of 2021 and this is owed to the strict containment measures under the government’s movement control order (MCO) and prolonged lockdown of economic activities.

The outlook for the property sector remained challenging given the adverse market conditions left behind during the prolonged Covid-19 pandemic situation in Malaysia. However, the government has undertaken several measures such as lowering interest rates, reintroduction of the Home Ownership Campaign and exemption of the Real Property Gains Tax for residential properties to boost the property sector demands.

The Group is cautiously optimistic about the prospects during the financial year ending 31 May 2022 with our carefully planned products in the upcoming launches. 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.

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

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

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

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

	<u>Current</u> <u>Quarter</u> <u>Ended</u> 30/11/2021 RM'000	(Restated) <u>Comparative</u> <u>Quarter</u> <u>Ended</u> 30/11/2020 RM'000	<u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2021 RM'000	(Restated) <u>6 Months</u> <u>Cumulative</u> <u>Ended</u> 30/11/2020 RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortisation	253	272	605	542
Finance income	(9)	(13)	(14)	(21)
Gain on disposal of property, plant & equipment	(51)	-	(51)	-
Finance costs				
- Interest expense	1,379	2,348	2,268	4,898

**6. Income Tax Expense**

	<u>Current</u> <u>Quarter Ended</u> 30/11/2021 RM'000	<u>Current Year</u> <u>To-Date</u> 30/11/2021 RM'000
Income tax expense	2	2



**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**

The following corporate proposals as announced by the Company have not been completed as at 24 January 2022.

Proposed acquisition

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.

EHSB had on 30 December 2021 paid the Balance Cash Portion to the Vendor and accordingly, the Damansara Damai Land Acquisition has been completed on even date.

Proposed Share Subscription

On 24 December 2021, the Board of Directors of the Company announced that EcoFirst had entered into a master subscription agreement dated 24 December 2021 with Urbansonic Sdn Bhd (“Urbansonic”) for subscription of ordinary shares in subsidiaries of EcoFirst, namely, EcoFirst Opal Sdn Bhd (“EOSB”) and EcoFirst Horizon Sdn Bhd (“EHSB”).

The Proposed Share Subscription entails the subscription by Urbansonic of 49% equity interest in EHSB and 26% equity interest in EOSB for a total cash consideration of RM2,402,082. In addition, the Proposed Share Subscription will entail Urbansonic providing cash advances amounting to RM10.0 million to EOSB and RM31.9 million to EHSB for the purposes of facilitating the settlement of the purchase consideration pursuant to EHSB’s acquisition of Damansara Damai Land.

**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)**

Status of Utilisation of Proceeds

The Company had completed the issuance of 27,694,500, 22,845,800 and 28,499,598 new ordinary shares at RM0.36, RM0.3547 and RM0.35 per share via private placement on 15 January 2021, 3 May 2021 and 1 October 2021 respectively. The status of utilisation of net proceeds raised from the issuance of ordinary shares, amounting to RM28,048,000 is as follows:

Description of utilisation	Actual proceeds raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Intended timeframe for utilisation
Development expenditure for the Group's project and land acquisition	23,001	18,593	4,408	Within 20 months
General working capital	4,681	4,681	-	
Expenses for the Private Placement	366	366	-	
	28,048	23,640	4,408	

**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 2021 are as follows: -

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<b>Long-Term Borrowings</b>			
Amount repayable after twelve months	176,369	-	176,369
	<u>176,369</u>	<u>-</u>	<u>176,369</u>
<b>Short-Term Borrowings</b>			
Current portion of long term borrowings	20,672	-	20,672
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>20,672</u>	<u>1,000</u>	<u>21,672</u>
Total Group Borrowings	<u>197,041</u>	<u>1,000</u>	<u>198,041</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 24 January 2022 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) Chan Yoke Hong & 23 Others ("Plaintiffs") v Pujian Development Sdn Bhd ("PDSB")

The Plaintiffs had filed a lawsuit against PDSB, a wholly-owned subsidiary of the Company, in relation to the breach of the sale purchase agreements entered into with PDSB in respect of the retail units in South City Plaza ("SPAs") and seeking rescission of the SPAs. The Shah Alam High Court ("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 had fixed 17 September 2019 for the decision and the Plaintiffs were awarded with a total judgement sum of RM10.4 million.

Further, PDSB had filed an application for the Stay of Execution of Enclosure 45 (Enclosure 85). On 19 February 2020, the Plaintiffs and PDSB have 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.

**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) Chan Yoke Hong & 23 Others ("Plaintiffs") v Pujian Development Sdn Bhd ("PDSB") (Cont'd)**

In respect of the Plaintiffs' appeal (Enclosure 78), the Court had dismissed the Plaintiffs' appeal with cost of RM2,000. 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 on 11 April 2022 and Hearing on 25 April 2022.

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 have 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 25 January 2022. 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 February 2022.

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 3 March 2022.

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

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, a wholly-owned subsidiary of the Company 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 Kuala Lumpur High Court ("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 PDSB's 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/(Loss) Per Share**

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

	Current Quarter Ended	(Restated) Cumulative Quarter Ended	Current Year To Date	(Restated) Cumulative Year To Date
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Earnings</b> Net (loss)/earnings attributable to ordinary shareholders	(1,885)	1,977	(3,985)	2,017
<b>Weighted average number of ordinary shares (Basic)</b>	('000) 1,083,663	('000) 795,424	('000) 1,083,663	('000) 795,424
<b>Basic (loss)/earnings per ordinary share</b>	(sen) (0.17)	(sen) 0.25	(sen) (0.37)	(sen) 0.25
<b>Weighted average number of ordinary shares (Diluted)</b>	('000) 1,083,663	('000) 795,424	('000) 1,083,663	('000) 795,424
<b>Diluted (loss)/earnings per ordinary share</b>	(sen) (0.17)	(sen) 0.25	(sen) (0.37)	(sen) 0.25

**12. Comparative Figures**

Comparative figures, where applicable, have been modified to conform to the current year presentation.