



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND PERIOD ENDED
30 NOVEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter / Period 30/11/2022 RM'000	Preceding Year Corresponding Quarter / Period 30/11/2021 RM'000	Current Year To Date 30/11/2022 RM'000	Preceding Year Corresponding Period 30/11/2021 RM'000
Revenue	5,069	3,673	9,295	6,390
Cost of sales	(2,878)	(2,035)	(5,090)	(3,959)
Gross profit	2,191	1,638	4,205	2,431
Other operating income	78	589	159	1,465
Distribution costs	(82)	(24)	(312)	(35)
Administration expenses	(2,820)	(2,295)	(5,142)	(4,613)
Other operating expenses	(204)	(592)	(876)	(1,150)
Loss from operations	(837)	(684)	(1,966)	(1,902)
Finance income	19	9	39	14
Finance costs	(3,848)	(1,379)	(7,664)	(2,268)
Net finance costs	(3,829)	(1,370)	(7,625)	(2,254)
Loss before tax	(4,666)	(2,054)	(9,591)	(4,156)
Income tax expense	-	(2)	-	(2)
Net loss for the period	(4,666)	(2,056)	(9,591)	(4,158)
Attributable to:-				
Owners of the Company	(4,096)	(1,885)	(8,478)	(3,985)
Non-controlling interests	(570)	(171)	(1,113)	(173)
Net loss for the period	(4,666)	(2,056)	(9,591)	(4,158)
Other comprehensive income, net of tax				
Fair value loss on equity investments designated at fair value through other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(4,666)	(2,056)	(9,591)	(4,158)
Total comprehensive loss				
Attributable to:-				
Owners of the Company	(4,096)	(1,885)	(8,478)	(3,985)
Non-controlling interests	(570)	(171)	(1,113)	(173)
	(4,666)	(2,056)	(9,591)	(4,158)
Basic loss per ordinary share (sen)	(0.35)	(0.17)	(0.73)	(0.37)
Diluted loss per ordinary share (sen)	(0.35)	(0.17)	(0.73)	(0.37)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2022.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2022**

	(Unaudited) 30/11/2022 RM'000	(Audited) 31/05/2022 RM'000
Non-current assets		
Plant and equipment	1,952	1,771
Right of use assets	995	1,571
Investment properties	393,466	393,410
Inventories	190,107	188,979
Other financial assets	2,560	1,060
Deferred tax assets	663	663
	<u>589,743</u>	<u>587,454</u>
Current assets		
Inventories	360,174	349,295
Trade receivables	5,351	7,441
Other receivables, deposits and prepayments	5,967	6,864
Tax recoverable	129	4
Other financial assets	6	6
Cash and bank balances	8,769	8,234
	<u>380,396</u>	<u>371,844</u>
TOTAL ASSETS	<u>970,139</u>	<u>959,298</u>
Equity		
Share capital	258,969	258,713
Reserves	216,279	222,986
Equity attributable to shareholders of the Company	<u>475,248</u>	<u>481,699</u>
Non-controlling interests	99,298	100,411
Total equity	<u>574,546</u>	<u>582,110</u>
Non-current liabilities		
Lease liabilities	105	535
Borrowings	169,363	160,517
Other payables	8,400	8,400
Deferred tax liabilities	3,149	3,149
	<u>181,017</u>	<u>172,601</u>
Current liabilities		
Trade payables	18,026	17,998
Other payables and accruals	132,729	128,203
Lease liabilities	970	1,156
Borrowings	35,590	28,757
Tax payable	27,261	28,473
	<u>214,576</u>	<u>204,587</u>
TOTAL EQUITY AND LIABILITIES	<u>970,139</u>	<u>959,298</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4041	0.4096

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2022.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

	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 2022	258,713	(3,943)	226,929	481,699	100,411	582,110
Transactions with owners:						
Disposal of treasury shares	256	1,771	-	2,027	-	2,027
Total transactions with owners	256	1,771	-	2,027	-	2,027
Net loss/Total comprehensive loss for the period	-	-	(8,478)	(8,478)	(1,113)	(9,591)
At 30 November 2022	<u>258,969</u>	<u>(2,172)</u>	<u>218,451</u>	<u>475,248</u>	<u>99,298</u>	<u>574,546</u>
At 1 June 2021	147,796	(3,943)	236,872	380,725	14,739	395,464
Transactions with owners:						
Issue of shares pursuant to private placements	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 period	-	-	(3,985)	(3,985)	(173)	(4,158)
At 30 November 2021	<u>237,712</u>	<u>(3,943)</u>	<u>232,887</u>	<u>466,656</u>	<u>93,594</u>	<u>560,250</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 2022.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

	6 months ended 30/11/2022 RM'000	6 months ended 30/11/2021 RM'000
Cash flows from/(used in) operating activities		
Loss before tax	(9,591)	(4,156)
Adjustments for:-		
- Non-cash items	902	(56)
- Non-operating items	7,550	2,268
Operating loss before working capital changes	(1,139)	(1,944)
Changes in working capital		
- Inventories	(12,007)	(4,462)
- Trade and other receivables	2,987	1,939
- Trade and other payables	4,554	2,651
Cash used in operations	(5,605)	(1,816)
Income tax paid	(1,337)	(352)
Net cash used in operating activities	(6,942)	(2,168)
Cash flows from/(used in) investing activities		
- Increase in investment properties	(56)	(61)
- Increase in other financial assets	(1,500)	(1,505)
- Decrease in fixed deposit pledged	1,320	-
- Net dividend and interest received	114	-
- Proceeds from disposal of plant and equipment	-	51
- Net cash inflow on acquisition of subsidiary	-	686
- Addition to plant and equipment	(507)	-
Net cash used in investing activities	(629)	(829)
Cash flows from/(used in) financing activities		
- Proceeds from private placement	-	9,948
- Drawdown from term loans	16,144	-
- Interest paid	(7,664)	(2,268)
- Repayments of lease liabilities	(616)	(434)
- Sales of treasury shares	2,027	-
- Repayments of term loans	(3,295)	(1,047)
Net cash from financing activities	6,596	6,199
Net (decrease)/increase in cash and cash equivalents	(975)	3,202
Cash and cash equivalents at beginning of period	938	359
Cash and cash equivalents at end of period	(37)	3,561
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	8,769	10,869
Less : Bank overdraft	(8,806)	(5,988)
Less : Cash deposits pledged	-	(1,320)
	(37)	3,561

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2022.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2022****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 2022. 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 2022.

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 2022, except for the adoption of the following MFRS, Amendments to MFRS and IC interpretation.

a) New MFRS adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') that are effective for the Group's financial year beginning 1 June 2022:-

MFRS 3	Reference to the Conceptual Framework
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020

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

b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023.

The Standards that are issued but not in effect up to the date of issuance of the financial statements of the Group are disclosed below. The Group intends to adopt these Standards, if applicable, when they become effective.

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

2. Significant Accounting Policies (Cont’d)

Title	Effective Date
Amendments to MFRS 17 Insurance Contracts Initial Application of MFRS 17 and MFRS 9 — Comparative Information	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for future financial years.

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the financial year ended 31 May 2022 was not qualified.

4. Seasonal or Cyclical Factors

There are no seasonal factors affecting the Group’s 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

At the 49th AGM of the Company held on 23 November 2022, shareholders’ approval was obtained for the proposed renewal of share buy back authority. The authority conferred by this resolution will commence immediately until the conclusion of the next Annual General Meeting (“AGM”) of the Company to be convened in 2023.

As at 30 November 2022, the Company resale a total of 3,000,000 of its issued ordinary shares to the open market for a total consideration of RM1,030,584.

As at 13 December 2022, the Company resale a total of 3,000,000 of its issued ordinary shares to the open market for a total consideration of RM1,031,182.

These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Save to 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 (financial period ended 30 Nov 2022)

	<u>Gross Operating Revenue</u> RM'000	<u>Profit/(Loss) Before Tax</u> RM'000
Property Investment	6,447	1,063
Property Development	4,396	(2,688)
Property Management	1,320	187
Investment and Others	2,821	(314)
	14,984	(1,752)
Elimination Inter-Group	(5,689)	(175)
Finance Costs	-	(7,664)
	9,295	(9,591)

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 27 January 2023, 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 23 November 2022.

The information on the transactions which have been entered into with Mercury during the period is as follows: -

<u>Related Party</u>	<u>Nature of Transactions</u>	<u>Current Quarter Ended</u> 30/11/2022 RM’000	<u>Cumulative Year To Date</u> 30/11/2022 RM’000
PBSB	Billings for sub-contractor cost	86	86
Mercury	Billings for rental	58	116

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

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.

13. Changes in Contingent Liabilities/Contingent Assets

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**

Revenue of RM5.07 million for the current quarter ended 30 November 2022 was 38% higher as compared to RM3.67 million for the corresponding quarter in 2021 was mainly attributed to the higher rental income from investment property division and sales of inventories. Loss before tax of RM4.67 million for the current quarter ended 30 November 2022 was higher as compared to RM2.05 million for the corresponding quarter in 2021. The higher loss of current quarter is mainly due to increase in finance cost after the end of the moratorium.

Revenue of RM9.30 million for the period ended 30 November 2022 was 45% higher as compared to RM6.40 million for the corresponding period in 2021 was mainly attributed to the sales of inventories and improved rental income from investment property after the government's movement control order ("MCO"). The loss before tax of RM9.59 million for the period ended 30 November 2022 was 131% higher as compared to RM4.16 million for the period ended 30 November 2021 is mainly due to the increase in finance cost after the end of the moratorium.

2. Variation of Results against Preceding Quarter

The Group's revenue of RM5.07 million in 2QFY2023 was 20% higher than the preceding quarter's revenue of RM4.22 million. The increase in revenue was mainly due to reasons in B1 above.

For the 2QFY2023, the Group recorded a lower loss before tax of RM4.67 million compared to a loss before tax of RM4.93 million in the preceding quarter. The lower loss before tax in 2QFY2023 was mainly due to increase in sales of inventories and higher rental contribution in investment property.

3. Current Financial Year's Prospects

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022. The high growth was underpinned by continued expansion in domestic demand. . The construction sector recorded a higher growth of 15.3% (2Q 2022: 2.4%) as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non residential and special trade subsectors.

Bank Negara Malaysia ("BNM") projects a gross domestic product ("GDP") growth by 4% - 5% in year 2023 despite a challenging global growth outlook. According to BNM, going forward, Malaysia's economic growth will be supported by continued expansion in domestic demand. The economy would benefit from the improvement in labour market conditions, realisation of multi-year projects and higher inbound tourism activity.

However, Malaysia's growth remains susceptible to higher risk aversion in global financial markets and headline inflation, weaker than expected global growth, further escalation of geopolitical conflicts and re-emergence of supply chain disruptions.

The Group is confident that property sector to be recover in FY2023. With our strategic initiatives to roll out our new property launch, EcoFirst is confident that the Group will return to profitability in the near-term.

The Group is targeting to launch its Sungai Besi project within this financial year 2023 with an estimated gross development value of approximately RM1.0 billion. The Group is optimistic about the prospects of the new property development launch given its strategic location, attractive pricing, with good products and features.

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 Quarter Ended</u> 30/11/2022 RM'000	<u>Comparative Quarter Ended</u> 30/11/2021 RM'000	<u>6 Months Cumulative Ended</u> 30/11/2022 RM'000	<u>6 Months Cumulative Ended</u> 30/11/2021 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Depreciation and amortisation	461	253	902	605
Finance income	(19)	(9)	(39)	(14)
Finance costs				
- Interest expense	3,848	1,379	7,664	2,268
Gain on disposal of				
- Plant and equipment	-	(51)	-	(51)
	<hr/>	<hr/>	<hr/>	<hr/>

6. Income Tax Expense

	<u>Current Quarter Ended</u> 30/11/2022 RM'000	<u>Current Year To-Date</u> 30/11/2022 RM'000
Income tax expense	-	-
	<hr/>	<hr/>

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 27 January 2023.

(i) 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 the total 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
Development expenditure for the Group's project and land acquisition	23,001	23,001	-
General working capital	4,681	4,681	-
Expenses for the Private Placement	366	366	-
	28,048	28,048	-

(ii) Private Placement

On 13 June 2022, the Company announced that the Company proposed to undertake a private placement of up to 56,386,600 new ordinary shares in the Company ("Shares"), representing 4.84% of the existing total number of issued Shares (excluding treasury shares), to independent third-party investor(s) to be identified later at an issue price to be determined and announced at a later date ("Private Placement").

The Company had on 15 June 2022, obtained the approval of Bursa Malaysia Securities Berhad ("Bursa Securities) for the listing of and quotation for up to 56,386,600 Shares to be issued pursuant to the Private Placement, subject to the conditions.

On 1 December 2022, an application has been submitted to Bursa Securities on even date to seek its approval for an extension of time for the Company to complete the implementation of the Private Placement.

Bursa Securities had, vide its letter dated 5 December 2022, resolved to approve the Company's application for an extension of time of 6 months until 14 June 2023 for the Company to complete the implementation of the Private Placement.

As at 27 January 2023, the Company has not issued any Shares pursuant to the Private Placement.

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)

(iii) Proposed BCM acquisition

The Company had on 23 September 2022, entered into a conditional share sale agreement (“SSA”) with Tan You Tiong for the proposed acquisition of the remaining 49% equity interests in BCM Holdings Sdn Bhd (“BCM”) comprising of 980,000 ordinary shares and 1,960,000 redeemable convertible preference shares of the proforma issued share capital of the Company upon completion of the Proposed BCM Selective Capital Reduction for a cash consideration of RM78.4 million, subject to the terms and conditions of the SSA.

At the EGM of the Company held on 14 December 2022, shareholders’ approval was obtained for the Proposed Acquisition of the remaining 49% equity interest in BCM Holdings Sdn Bhd (“BCM”) not owned by EcoFirst Consolidated Bhd for a cash consideration of RM78.4 Million (“Proposed BCM Acquisition”).

(iv) Proposed EHSB disposal

The Company and its subsidiary EcoFirst Opal Sdn Bhd (“EOSB”) had on 7 October 2022, entered into a conditional share sale agreement (“SSA”) with Urbanson Sdn Bhd (“USB”) for the acquisition of 26.0% equity interest in EOSB from USB for a total cash consideration of RM26 and the simultaneous disposal by EOSB of its entire 51.0% equity interest in EcoFirst Horizon Sdn Bhd (“EHSB”) to USB for a total cash consideration of RM2,500,100, subject to the terms of the SSA.

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 2022 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	169,363	-	169,363
	169,363	-	169,363
Short-Term Borrowings			
Current portion of long term borrowings	34,590	-	34,590
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	34,590	1,000	35,590
Total Group Borrowings	203,953	1,000	204,953

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 27 January 2023 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, seeking for rescission of the sale purchase agreements entered into with PDSB in respect of the retail units in South City Plaza. The Shah Alam High Court ("Court") has allowed the Plaintiffs' claims. In respect of the assessment of damages, the Court had on 17 September 2019 awarded the Plaintiffs with a total judgement sum of RM10.4 million (Enclosure 45). Plaintiffs and the PDSB had filed an appeal against the decision of Enclosure 45 (Enclosure 78 and 79).

PDSB had obtained a conditional Stay of Execution of Enclosure 45 (Enclosure 85) pending the appeals (Enclosure 78 and 79).

In respect of the Plaintiffs' appeal (Enclosure 78), the Court had dismissed the Plaintiffs' appeal with cost of RM2,000. The Plaintiffs have appeal against the decision of Enclosure 78 to the Court of Appeal. On 15 August 2022, the said appeal has been consolidated with all the other appeals and the Court has fixed the date of the hearing of all the main appeals on 16 January 2023. On 16 January 2023, the Court of Appeal has dismissed Plaintiff's appeal with cost.

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 RM10.4 million to RM5.5 million. Both Plaintiffs and PDSB have appeal against part of the decision of Enclosure 79. On 15 August 2022, both the appeals have been consolidated with all the other appeals and the Court has fixed the date of hearing of all the main appeals on 16 January 2023. Plaintiff has further filed a motion to strike out PDSB's appeal against Enclosure 79 (Enclosure 37) on 8 August 2022 and the Court has fixed 5 December 2022 for hearing of this motion. On 5 December 2022, the Court has dismissed Plaintiff's motion with cost. On 16 January 2023, the Court of Appeal has allowed Plaintiff's part appeal on Enclosure 79 with cost and dismissed PDSB's part appeal on Enclosure 79 with cost. Hence, the judgment sum revised from RM5.5 million to RM10.4 million.

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) and the Court has dismissed PDSB's application. PDSB's appeal against the decision of Enclosure 60 (Enclosure 75) has dismissed by the Court. PDSB then filed an appeal against Enclosure 75 to the Court of Appeal. On 15 August 2022, the said appeal has been consolidated with all the other appeals and the Court has fixed the date of hearing of all main appeals on 16 January 2023. Plaintiff has further filed a motion to strike out PDSB's appeal (Enclosure 47) on 8 August 2022 and the Court has fixed 5 December 2022 for hearing of this motion. On 5 December 2022, the Court has dismissed Plaintiff's motion with cost. On 16 January 2023, PDSB withdrawn the said appeal with no order as to cost.

Pursuant thereof, as advised by the solicitors, the management decided not to appeal further to the Federal Court as the chance of winning is slim and involve high costs. There is no significant financial impact to the Group as the settlement sum of RM 10.4 million had been deposited with the joint solicitor stakeholder account and accounted for in the previous financial year. The recovered assets will be treated as an investment property and will be valued accordingly by a reputable valuer.

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

The IRB initiated civil recovery proceedings against PDSB, a wholly-owned subsidiary of the Company in respect of the additional income tax assessment of RM30.7 million and tax penalties of RM4.8 million to PDSB for the tax assessment year 2004. PDSB filed an application to the Kuala Lumpur High Court ("Court") to stay the civil proceedings. On 5 January 2018, the Court granted an order in terms in respect of PDSB's stay application until the full and final determination of its appeal on the same matter to the Special Commissioners of Income Tax ("SCIT").

The appeal before the SCIT is fixed for Trial on 18 March 2024 and 19 March 2024.

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.

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. Profit/(Loss) Per Share

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

	Current Quarter Ended	Cumulative Quarter Ended	Current Year To Date	Cumulative Year To Date
	30/11/2022	30/11/2021	30/11/2022	30/11/2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit/(loss) attributable to owners of the Company	(4,096)	(1,885)	(8,478)	(3,985)
Weighted average number of ordinary shares (Basic)	(^{'000}) 1,168,725	(^{'000}) 1,083,663	(^{'000}) 1,168,725	(^{'000}) 1,083,663
Basic profit/(loss) per ordinary shares	(sen) (0.35)	(sen) (0.17)	(sen) (0.73)	(sen) (0.37)
Weighted average number of ordinary shares (Diluted)	(^{'000}) 1,168,725	(^{'000}) 1,083,663	(^{'000}) 1,168,725	(^{'000}) 1,083,663
Diluted profit/(loss) per ordinary shares	(sen) (0.35)	(sen) (0.17)	(sen) (0.73)	(sen) (0.37)