



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND PERIOD ENDED  
31 MAY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MAY 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/05/2023 RM'000	31/05/2022 RM'000	31/05/2023 RM'000	31/05/2022 RM'000
<b>Revenue</b>	<b>15,726</b>	7,850	<b>29,351</b>	24,035
Cost of sales	<b>(5,810)</b>	9,119	<b>(12,814)</b>	(1,700)
Gross profit	<b>9,916</b>	16,969	<b>16,537</b>	22,335
Other operating income	<b>32,282</b>	(548)	<b>32,449</b>	1,312
Distribution costs	<b>(494)</b>	(495)	<b>(963)</b>	(549)
Administration expenses	<b>(2,531)</b>	(1,090)	<b>(11,209)</b>	(9,437)
Other operating expenses	<b>(14,906)</b>	(5,795)	<b>(17,304)</b>	(7,242)
Net allowance for expected credit loss	<b>147</b>	(11,018)	<b>12,622</b>	(11,018)
<b>Profit/(Loss) from operations</b>	<b>24,414</b>	(1,977)	<b>32,132</b>	(4,599)
Finance income	<b>35</b>	(1)	<b>84</b>	22
Finance costs	<b>(5,342)</b>	(961)	<b>(17,666)</b>	(4,532)
Net finance costs	<b>(5,307)</b>	(962)	<b>(17,582)</b>	(4,510)
<b>Profit/(Loss) before tax</b>	<b>19,107</b>	(2,939)	<b>14,550</b>	(9,109)
Income tax expense	<b>(3,967)</b>	(3,079)	<b>(4,155)</b>	(3,089)
<b>Net profit/(loss) for the period</b>	<b>15,140</b>	(6,018)	<b>10,395</b>	(12,198)
Attributable to:-				
Owners of the Company	<b>16,071</b>	(4,274)	<b>13,435</b>	(9,844)
Non-controlling interests	<b>(931)</b>	(1,744)	<b>(3,040)</b>	(2,354)
<b>Net profit/(loss) for the period</b>	<b>15,140</b>	(6,018)	<b>10,395</b>	(12,198)
<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 profit/(loss) for the period</b>	<b>15,140</b>	(6,018)	<b>10,395</b>	(12,198)
<b>Total comprehensive profit/(loss)</b>				
Attributable to:-				
Owners of the Company	<b>16,071</b>	(4,274)	<b>13,435</b>	(9,844)
Non-controlling interests	<b>(931)</b>	(1,744)	<b>(3,040)</b>	(2,354)
	<b>15,140</b>	(6,018)	<b>10,395</b>	(12,198)
Basic earnings/(loss) per ordinary share (sen)	<b>1.36</b>	(0.38)	<b>1.14</b>	(0.88)
Diluted earnings/(loss) per ordinary share (sen)	<b>1.36</b>	(0.38)	<b>1.14</b>	(0.88)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2023**

	(Unaudited) 31/05/2023 RM'000	(Audited) 31/05/2022 RM'000
<b>Non-current assets</b>		
Plant and equipment	1,600	1,771
Right of use assets	499	1,571
Investment properties	418,417	393,410
Inventories	188,979	188,979
Other financial assets	2,356	1,060
Deferred tax assets	665	663
	<u>612,516</u>	<u>587,454</u>
<b>Current assets</b>		
Inventories	306,380	349,295
Contract assets	2,588	-
Trade receivables	4,410	7,441
Other receivables, deposits and prepayments	10,013	6,864
Tax recoverable	129	4
Other financial assets	6	6
Cash and bank balances	17,011	8,234
	<u>340,537</u>	<u>371,844</u>
<b>TOTAL ASSETS</b>	<u>953,053</u>	<u>959,298</u>
<b>Equity</b>		
Share capital	269,390	258,713
Reserves	240,116	222,986
<b>Equity attributable to shareholders of the Company</b>	<u>509,506</u>	<u>481,699</u>
Non-controlling interests	93,130	100,411
Total equity	<u>602,636</u>	<u>582,110</u>
<b>Non-current liabilities</b>		
Lease liabilities	6	535
Borrowings	64,747	160,517
Other payables	8,400	8,400
Deferred tax liabilities	7,118	3,149
	<u>80,271</u>	<u>172,601</u>
<b>Current liabilities</b>		
Trade payables	25,506	17,998
Other payables and accruals	79,484	128,203
Lease liabilities	539	1,156
Borrowings	138,860	28,757
Tax payable	25,757	28,473
	<u>270,146</u>	<u>204,587</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>953,053</u>	<u>959,298</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4218	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 31 MAY 2023**

	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	386	3,702	-	4,088	-	4,088
Issue of shares pursuant to private placements	10,291	-	-	10,291	-	10,291
Acquisition of shares from non-controlling interests of a subsidiary	-	-	(8)	(8)	9	1
Disposal of a subsidiary	-	-	-	-	(2,289)	(2,289)
Share capital reduction of a subsidiary	-	-	-	-	(1,960)	(1,960)
Total transactions with owners	10,677	3,702	(8)	14,372	(4,241)	10,131
Net profit/Total comprehensive profit for the period	-	-	13,435	13,435	(3,040)	10,395
At 31 May 2023	<u>269,390</u>	<u>(241)</u>	<u>240,356</u>	<u>509,506</u>	<u>93,130</u>	<u>602,636</u>
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	-	-	(228)	(228)	-	(228)
At 1 June 2021	<u>147,796</u>	<u>(3,943)</u>	<u>236,773</u>	<u>380,626</u>	<u>14,739</u>	<u>395,365</u>
Transactions with owners:						
Issue of shares pursuant to private placements	110,917	-	-	110,917	-	110,917
Subscription of shares in subsidiary	-	-	-	-	4,362	4,362
Acquisition of subsidiary	-	-	-	-	83,664	83,664
Total transactions with owners	110,917	-	-	110,917	88,026	198,943
Net loss/Total comprehensive loss for the period	-	-	(9,844)	(9,844)	(2,354)	(12,198)
At 31 May 2022	<u>258,713</u>	<u>(3,943)</u>	<u>226,929</u>	<u>481,699</u>	<u>100,411</u>	<u>582,110</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 31 MAY 2023**

	12 months ended 31/05/2023 RM'000	12 months ended 31/05/2022 RM'000
<b>Cash flows from/(used in) operating activities</b>		
Profit/(Loss) before tax	14,550	(9,109)
Adjustments for:-		
- Allowance for expected credit loss	-	11,018
- Allowance for expected credit loss no longer required	(12,621)	-
- Write-down of inventories	518	-
- Bad debts written off	9,089	942
- Depreciation	1,717	1,420
- Dividend income	(75)	(150)
- Net fair value adjustment on investment properties	(24,800)	270
- Fair value loss on financial assets	204	-
- Gain on disposal of plant and equipment	(80)	(51)
- Gain on disposal of subsidiary	(7,451)	-
- Plant and equipment written off	265	-
- Finance costs	17,666	4,532
- Interest income	(84)	(22)
<b>Operating (loss) / profit before working capital changes</b>	<b>(1,102)</b>	<b>8,850</b>
<b>Changes in working capital</b>		
- Inventories	(32,417)	(56,255)
- Trade and other receivables	3,407	22,929
- Trade and other payables	29,404	(11,768)
- Contract costs / assets / liabilities	(2,588)	-
<b>Cash used in operations</b>	<b>(3,296)</b>	<b>(36,244)</b>
Income tax paid	(3,029)	(1,060)
Interest paid	-	(2,006)
<b>Net cash used in operating activities</b>	<b>(6,325)</b>	<b>(39,310)</b>
<b>Cash flows from/(used in) investing activities</b>		
- Increase in investment properties	(207)	(60)
- (Increase)/Decrease in other financial assets	(1,500)	3
- Changes in fixed deposit pledged	1,320	-
- Net dividend and interest received	159	172
- Proceeds from disposal of plant and equipment	80	51
- Net cash outflow on acquisition of subsidiary	-	(946)
- Net cash outflow on disposal of subsidiary	(6)	-
- Proceeds from disposal of subsidiary	2,500	-
- Additions to investment properties under construction	-	(38)
- Additions to plant and equipment	(739)	(1,178)
<b>Net cash generated from / (used in) investing activities</b>	<b>1,607</b>	<b>(1,996)</b>
<b>Cash flows from/(used in) financing activities</b>		
- Net proceeds from private placement	10,291	9,949
- Proceeds from issuance of shares to non-controlling interests	-	2,402
- Drawdown from term loans	20,924	2,265
- Advances from a corporate shareholder of subsidiaries	-	43,319
- Advances from shareholders of the Company	-	1,596
- Interest paid	(12,750)	(4,536)
- Repayments of lease liabilities	(1,146)	(1,043)
- Proceed from sales of treasury shares	4,088	-
- Repayments of term loans	(9,477)	(12,067)
<b>Net cash generated from financing activities</b>	<b>11,930</b>	<b>41,885</b>
Net increase in cash and cash equivalents	7,212	579
Cash and cash equivalents at beginning of period	938	359
<b>Cash and cash equivalents at end of period</b>	<b>8,150</b>	<b>938</b>
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	17,011	8,234
Less : Bank overdraft	(8,861)	(5,976)
Less : Cash deposits pledged	-	(1,320)
	<b>8,150</b>	<b>938</b>

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 31 MAY 2023****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)**

<b>Title</b>	<b>Effective Date</b>
MFRS17 Insurance contracts	1 January 2023
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**

(a) Treasury shares

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.

For the period ended 31 May 2023, the Company resold a total of 11,500,000 of its shares from the open market for a total consideration of RM4,089,052. Subsequent to 31 May 2023 and up to date of this announcement, no shares were resold to the open market. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

(b) Issuance of ordinary shares through private placement

For the period ended 31 May 2023, 31,800,000 ordinary shares were issued pursuant to the Private Placement at an issue price of RM0.325 per ordinary share. With the allotment of the new shares, the Company issued shares and paid-up capital has increased from 1,176,125,387 ordinary shares to 1,207,925,387 ordinary shares.

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 31 May 2023)**

	<u>Gross</u> <u>Operating</u> <u>Revenue</u> RM'000	<u>Profit/(Loss)</u> <u>Before Tax</u> RM'000
Property Investment	13,740	7,016
Property Development	29,165	12,532
Property Management	2,640	558
Investment and Others	5,610	(7,114)
	51,155	12,992
Elimination Inter-Group	(21,804)	1,558
	29,351	14,550



**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 July 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: -

<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. Mr Tan You Tiong is a substantial shareholder of Mercury.
Mercury Industries Berhad (“Mercury”)	Dato’ Tiong Kwing Hee is the Managing Director and major shareholder of Mercury. Mr Tan You Tiong is a substantial 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> 31/05/2023 RM’000	<u>Cumulative Year To Date</u> 31/05/2023 RM’000
PBSB	Billings for sub-contractor cost	-	86
Mercury	Billings for rental	58	232
		<hr/>	<hr/>

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

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

On 15 May 2023, the Company completed the acquisition of 26.00% equity interest representing 26 ordinary shares in EOSB from USB for a total cash consideration of RM26. Pursuant thereto, EOSB become 100%-owned subsidiary of the Company.

Simultaneous on 15 May 2023, EOSB completed the disposal of its entire 51.00% equity interest representing 2,500,100 ordinary shares in EcoFirst Horizon Sdn Bhd (“EHSB”) to USB for a total cash consideration of RM2,500,100, and EHSB has ceased to be a subsidiary of EOSB with effect from that date.

Save as disclosed above, 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 RM15.73 million for the current quarter ended 31 May 2023 was 100% higher as compared to RM7.85 million for the corresponding quarter in 2022. The improved operational performance was mainly due to recognition of revenue from our new project (KL48). The Group recorded a profit before tax of RM19.11 million in the current quarter ended 31 May 2023, as compared to loss before tax of RM2.94 million for the corresponding quarter in 2022. The profit before tax of current quarter is mainly contributed by the fair value gain on investment properties.

Revenue of RM29.35 million for the year ended 31 May 2023 was 22% higher as compared to RM24.04 million for the corresponding year in 2022. The improved operational performance was mainly attributed to revenue recognition in KL48 project. The profit before tax of RM14.55 million for the year ended 31 May 2023 compared to loss before tax of RM9.11 million for the year ended 31 May 2022 was mainly due to the provision of doubtful debts no longer required, and fair value gain on investment properties despite increase in finance cost after the end of the moratorium.

**2. Variation of Results against Preceding Quarter**

The Group's revenue of RM15.73 million in 4QFY2023 was 263% higher than the preceding quarter's revenue of RM4.33 million. The increase in revenue was mainly due to reasons stated in B1 above.

For the 4QFY2023, the Group recorded a profit before tax of RM19.11 million compared to a profit before tax of RM5.03 million in the preceding quarter. The profit before tax in 4QFY2023 was mainly due to reasons stated in B1 above.

**3. Next Financial Year's Prospects**

The Malaysian economy expanded in the first quarter of 2023 by 5.6%, driven mainly by domestic demand, especially private consumption spending, continued investment activity, and higher inbound tourism. The economy benefits from the continued improvement in labour markets, and stable price indexes.

The Group's performance, as indicated by the Q4FY2023 showed an encouraging trend in property sales. We are confident that our results for FY2024 will be better, given this current property sales trend coupled with our rental income from investment properties.

With an estimated gross development value of approximately RM1.0 billion from our KL48 project, the Group is optimistic on the prospects of this new property development 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</u> <u>Quarter</u> <u>Ended</u> 31/05/2023 RM'000	<u>Comparative</u> <u>Quarter</u> <u>Ended</u> 31/05/2022 RM'000	<u>12 Months</u> <u>Cumulative</u> <u>Ended</u> 31/05/2023 RM'000	<u>12 Months</u> <u>Cumulative</u> <u>Ended</u> 31/05/2022 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Bad debts written off	9,089	942	9,089	942
Depreciation and amortisation	407	412	1,717	1,420
Finance income	(35)	(9)	(84)	(32)
Finance costs				
- Interest expense	5,342	993	17,666	4,564
Gain on disposal of				
- Plant and equipment	(80)	-	(80)	(51)
- a Subsidiary	(7,451)	-	(7,451)	-
Plant and equipment written off	265	-	265	-
Net fair value surplus / (Loss) on investment properties	(24,800)	270	(24,800)	270
Fair value loss on financial asset	204	-	204	-
Written down of inventories	518	-	518	-

**6. Income Tax Expense**

	<u>Current</u> <u>Quarter Ended</u> 31/05/2023 RM'000	<u>Current Year</u> <u>To-Date</u> 31/05/2023 RM'000
Income tax expense	3,967	4,155

**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/completed as at 27 July 2023.

(i) 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.

On 17 February 2023, 31,800,000 new ordinary shares of RM0.3250 were listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) pursuant to the first tranche of the Private Placement. The status of utilization proceeds of RM10,335,000 raised from the issuance of ordinary shares, from the first tranche is as follows:

Description of utilisation	Actual proceeds raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000
General working capital	10,291	10,291	-
Expenses for the Private Placement	44	44	-
	<b>10,335</b>	<b>10,335</b>	<b>-</b>

On 14 June 2023, the Company announced that the approval by Bursa Securities for the Private Placement has lapsed on 14 June 2023 and is deemed completed on the same date.

**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 BCM acquisition**

The Company had on 23 September 2022, entered into a conditional share sale agreement (“SSA”) with Mr Tan You Tiong (“Mr Tan”) 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”).

On 21 March 2023, the Company announced that the Company and Mr Tan had vide an agreement dated 21 March 2023, mutually agreed to extend the cut-off date for a further 6 months, from 23 March 2023 to 22 September 2023.

On 13 June 2023, the Company announced that the conditions precedent set out in the SSA has been fulfilled. Accordingly, the SSA has on 13 June 2023 become unconditional.

**(iii) 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.

On 6 April 2023, the Company announced that ECB, EOSB and USB had on even date agreed in writing to extend the Approvals Period by another month, from 7 April 2023 to 6 May 2023.

On 15 May 2023, the Company announced that USB via their solicitors, via letter dated 15 May 2023, agreed that the Proposed EHSB Disposal has been completed in accordance with the terms of the SSA. Accordingly, the completion date of the SSA shall be 15 May 2023.

**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 2023 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	64,747	-	64,747
	<u>64,747</u>	<u>-</u>	<u>64,747</u>
<b>Short-Term Borrowings</b>			
Current portion of long term borrowings	137,860	-	137,860
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>137,860</u>	<u>1,000</u>	<u>138,860</u>
Total Group Borrowings	<u>202,607</u>	<u>1,000</u>	<u>203,607</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 27 July 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.

On 9 March 2023, Plaintiffs' solicitor issued a S466 Notice to PDSB for the amount of RM1,729,404.82, being the alleged additional interest incurred under Order 42 Rule 12 of the Rules of Court 2012 pursuant to the Order dated 17 September 2019 for Enclosure 45 which was affirmed by the High Court on 5 January 2021 and Court of Appeal on 16 January 2023. PDSB has on 28 March 2023 filed an Originating Summons to the Shah Alam High Court to seek for amongst others, an order of injunction against the Defendants (Enclosure 1). At the same time, PDSB has on 28 March 2023 filed a Notice of Application (ex-parte) for an order of interim injunction (Enclosure 4) to the Shah Alam High Court. On 17 April 2023, the Plaintiffs' solicitor has confirmed an undertaking before the Shah Alam High Court that they will not be filing any winding-up petition against PDSB pending the disposal of PDSB's Fortuna Injunction application and the Shah Alam High Court has fixed 19 September 2023 for case management.

On 21 March 2023, Plaintiffs' solicitors issued Notice to Show Cause pursuant to Order 52 Rule 2B, Rules of Court 2012 to PDSB and its directors. PDSB and its directors have replied to the show cause on 29 March 2023. On 6 April 2023, the Plaintiffs' solicitors issued a letter dated 6 April 2023 in reply to PDSB's reply to the show cause notice dated 29 March 2023. On 20 April 2023, PDSB and its directors have further replied to the Plaintiffs' solicitors letter dated 6 April 2023.

**(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").



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

**9. Changes in Material Litigation (Cont'd)**

The appeal before the SCIT is fixed for 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.

**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	Current Quarter Ended	Cumulative Year To Date	Cumulative Year To Date
	31/05/2023	31/05/2022	31/05/2023	31/05/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Net profit/(loss) attributable to owners of the Company</b>	16,071	(4,274)	13,435	(9,844)
<b>Weighted average number of ordinary shares (Basic)</b>	1,180,156	1,123,655	1,180,156	1,123,655
<b>Basic profit/(loss) per ordinary shares</b>	1.36	(0.38)	1.14	(0.88)
<b>Weighted average number of ordinary shares (Diluted)</b>	1,180,156	1,123,655	1,180,156	1,123,655
<b>Diluted profit/(loss) per ordinary shares</b>	1.36	(0.38)	1.14	(0.88)