



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE QUARTER AND PERIOD ENDED
29 FEBRUARY 2024**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 29 FEBRUARY 2024**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	29/2/2024 RM'000	28/2/2023 RM'000	29/2/2024 RM'000	28/2/2023 RM'000
Revenue	45,281	4,330	77,928	13,625
Cost of sales	(39,950)	(1,914)	(65,740)	(7,004)
Gross profit	5,331	2,416	12,188	6,621
Other operating income	(115)	8	256	167
Distribution costs	(548)	(157)	(897)	(469)
Administration expenses	(4,538)	(3,229)	(13,041)	(8,371)
Other operating expenses	(554)	(1,829)	(17,445)	(2,705)
Net reversal of allowance for expected credit loss	(109)	12,475	1,530	12,475
(Loss)/Profit from operations	(533)	9,684	(17,409)	7,718
Finance income	20	10	41	49
Finance costs	(4,843)	(4,660)	(12,347)	(12,324)
Net finance costs	(4,823)	(4,650)	(12,306)	(12,275)
(Loss)/Profit before tax	(5,356)	5,034	(29,715)	(4,557)
Income tax expense	(28)	(188)	(103)	(188)
Net (loss)/profit for the period	(5,384)	4,846	(29,818)	(4,745)
Attributable to:-				
Owners of the Company	(5,476)	5,842	(28,871)	(2,636)
Non-controlling interests	92	(996)	(947)	(2,109)
Net (loss)/profit for the period	(5,384)	4,846	(29,818)	(4,745)
Total comprehensive (loss)/income				
Attributable to:-				
Owners of the Company	(5,476)	5,842	(28,871)	(2,636)
Non-controlling interests	92	(996)	(947)	(2,109)
	(5,384)	4,846	(29,818)	(4,745)
Basic (loss)/earnings per ordinary share (sen)	(0.45)	0.50	(2.39)	(0.23)
Diluted (loss)/earnings per ordinary share (sen)	(0.45)	0.50	(2.39)	(0.23)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2023.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024**

	(Unaudited) 29/2/2024 RM'000	(Audited) 31/05/2023 RM'000
Non-current assets		
Plant and equipment	1,104	1,600
Right-of-use assets	1,204	499
Investment properties	418,705	418,434
Inventories	188,979	238,155
Other financial assets	5,357	2,356
Deferred tax assets	663	663
	<u>616,012</u>	<u>661,707</u>
Current assets		
Inventories	161,739	226,704
Contract costs	229,131	25,933
Contract assets	66,319	2,589
Trade receivables	23,166	6,847
Other receivables, deposits and prepayments	6,560	5,414
Tax recoverable	131	129
Other financial assets	-	6
Cash and bank balances	16,526	17,007
	<u>503,572</u>	<u>284,629</u>
Asset held for sale	34,000	-
	<u>537,572</u>	<u>284,629</u>
TOTAL ASSETS	<u>1,153,584</u>	<u>946,336</u>
Equity		
Share capital	269,390	269,390
Treasury shares	(5,623)	(240)
Reserves	210,909	241,287
Equity attributable to shareholders of the Company	<u>474,676</u>	<u>510,437</u>
Non-controlling interests	14,181	92,538
Total equity	<u>488,857</u>	<u>602,975</u>
Non-current liabilities		
Lease liabilities	593	14
Borrowings	186,870	106,708
Other payables	8,400	8,400
Deferred tax liabilities	7,117	7,117
	<u>202,980</u>	<u>122,239</u>
Current liabilities		
Trade payables	39,342	18,260
Contract liabilities	200,050	-
Other payables and accruals	106,170	79,653
Lease liabilities	507	531
Borrowings	91,287	96,899
Tax payable	24,391	25,779
	<u>461,747</u>	<u>221,122</u>
Total liabilities	<u>664,727</u>	<u>343,361</u>
TOTAL EQUITY AND LIABILITIES	<u>1,153,584</u>	<u>946,336</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.3930	0.4226

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 FEBRUARY 2024**

	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 June 2023	269,390	(240)	241,287	510,437	92,538	602,975
Transaction with owners:						
Shares buy-back	-	(5,383)	-	(5,383)	-	(5,383)
Acquisition of shares from non-controlling interests of a subsidiary	-	-	(990)	(990)	(77,410)	(78,400)
Dividend declared	-	-	(517)	(517)	-	(517)
Total transaction with owners	-	(5,383)	(1,507)	(6,890)	(77,410)	(84,300)
Net loss/Total comprehensive loss for the period	-	-	(28,871)	(28,871)	(947)	(29,818)
At 29 February 2024	<u>269,390</u>	<u>(5,623)</u>	<u>210,909</u>	<u>474,676</u>	<u>14,181</u>	<u>488,857</u>
At 1 June 2022	258,713	(3,943)	226,929	481,699	100,411	582,110
Transaction with owners:						
Disposal of treasury shares	386	3,702	-	4,088	-	4,088
Issuance of share pursuant to private placements	10,291	-	-	10,291	-	10,291
Total transaction with owners	10,677	3,702	-	14,379	-	14,379
Net loss/Total comprehensive loss for the period	-	-	(2,636)	(2,636)	(2,109)	(4,745)
At 28 February 2023	<u>269,390</u>	<u>(241)</u>	<u>224,293</u>	<u>493,442</u>	<u>98,302</u>	<u>591,744</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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 FEBRUARY 2024**

	Unaudited 9 months ended 29/2/2024 RM'000	Unaudited 9 months ended 28/2/2023 RM'000
Cash flows from operating activities		
Loss before tax	(29,715)	(4,557)
Adjustments for:-		
- Impairment loss/(Reversal of impairment loss) on receivables no longer required	1,530	(12,475)
- Depreciation	1,145	1,309
- Dividend income	(127)	(75)
- Gain on disposal of plant and equipment	(85)	(80)
- Gain on disposal of right-of-use assets	(86)	-
- Plant and equipment written off	416	265
- Finance cost	12,347	12,324
- Interest income	(41)	(49)
- Decrease in fair value of the inventory	15,177	-
Operating profit/(loss) before working capital changes	561	(3,338)
Changes in working capital		
- Inventories	64,968	(31,347)
- Trade and other receivables	(19,000)	11,193
- Trade and other payables	47,136	7,102
- Contract costs / assets / liabilities	(66,881)	-
Cash generated from / (used in) operations	26,784	(16,390)
Income tax paid	(1,493)	(2,197)
Interest paid	-	-
Net cash generated from / (used in) operating activities	25,291	(18,587)
Cash flows from investing activities		
- Increase in investment properties	(271)	(167)
- Decrease in fixed deposit pledged	-	1,320
- Net dividend and interest received	168	124
- Increase in other financial assets	(2,994)	(1,500)
- Proceeds from disposal of plant and equipment	88	80
- Proceeds from disposal of right-of-use assets	89	-
- Net cash outflow on acquisition of a subsidiary	(23,520)	-
- Additions to plant and equipment	(377)	(615)
Net cash used in investing activities	(26,817)	(758)
Cash flows from financing activities		
- Net proceeds from private placement	-	10,291
- Shares buy-back	(5,383)	-
- Net drawdown from term loans	20,356	15,115
- Interest paid	(12,394)	(9,158)
- Repayments of lease liabilities	(844)	(888)
- Proceeds from sales of treasury shares	-	4,088
Net cash generated from financing activities	1,735	19,448
Net increase in cash and cash equivalents	209	103
Effects of exchange rate changes	-	-
Cash and cash equivalents at beginning of period	8,146	938
Cash and cash equivalents at end of period	8,355	1,041
<u>Cash and cash equivalents comprise: -</u>		
	RM'000	RM'000
Cash and bank balances	16,526	9,980
Less : Bank overdrafts	(8,171)	(8,939)
	8,355	1,041

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2023.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 29 FEBRUARY 2024****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 2023. 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 2023.

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 2023, except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2023, as disclosed below :

- MFRS17 : Insurance Contracts
- Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS108 : Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates
- Amendments to MFRS112 : Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to MFRS 112 : International Tax Reform: Pillar Two Model Rules

The adoption of the above Standards and Amendments did not result in significant changes in the accounting policies and have no significant effect on the financial position, results and disclosures in the financial statements of the Group in the period of initial application.

The Group has not applied the following standards, amendments and interpretations under the MFRS framework those have been issued by the Malaysia Accounting Standards Boards as they have yet to be effective for the Group:

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 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 - Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128 - Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 10 and MFRS 128 - Consolidated Financial Statements, Investment in Associates and Joint Ventures - 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 2023 was not qualified.

4. Seasonal or Cyclical Factors

The Group’s business operations were not materially affected by seasonal or cyclical factors during the current financial quarter under review.

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.

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

6. Debt and Equity Securities

From 16 January 2024 to 23 April 2024, the Company had repurchased 24,735,700 of its issued ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad from the open market at an average price of approximately RM0.34 per ordinary share. Total purchase consideration paid was RM8,377,000.

As at 23 April 2024, the Company held 25,494,200 ordinary shares as treasury shares out of its total issued and paid-up share capital. Hence the number of outstanding shares in issue and paid-up after deducting treasury shares as at 23 April 2024 was 1,182,431,187 ordinary shares.

Save for the above, there were no other issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial quarter.

7. Dividends Paid

There were no dividends paid during the financial period to-date.

8. Segmental Reporting

	3-month ended 29 February 2024 RM'000	3-month ended 28 February 2023 RM'000	9-month ended 29 February 2024 RM'000	9-month ended 28 February 2023 RM'000
<u>REVENUE</u>				
Property investment	4,161	6,557	11,694	10,060
Property development	40,823	(2,887)	64,567	1,510
Property management	221	660	1,541	1,980
Investment and others	76	-	126	75
	45,281	4,330	77,928	13,625
<u>(LOSS)/PROFIT BEFORE TAX</u>				
Property investment	3,831	854	4,231	1,917
Property development	(2,654)	11,522	(27,696)	8,834
Property management	98	(92)	401	95
Investment and others	27,321	(2,290)	28,050	(2,604)
	28,596	9,994	4,986	8,242
Intra-group elimination	(33,952)	(4,960)	(34,701)	(3,685)
	(5,356)	5,034	(29,715)	4,557

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

There were no material subsequent events that have not been reflected in the interim 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
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.
Paramount Bounty Sdn Bhd (“PBSB”)*	PBSB is a subsidiary of Mercury.
Summer Broadway Sdn Bhd (“SBSB”)*	Mr Tan You Tiong and his son, Dato’ Sri Tan Shie Khai are the directors and the major shareholders of SBSB.

* Shareholders’ mandate had already been obtained at the Annual General Meeting held on 26 October 2023.

The information on the significant transactions which have been entered into with the related parties during the period are as follows: -

<u>Related Party</u>	<u>Nature of Transactions</u>	<u>Current Quarter Ended 29 February 2024</u> RM’000	<u>Cumulative Year To Date 29 February 2024</u> RM’000
Mercury	Billings for rental	53	70
SBSB	Rental of sales office	(51)	(51)

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 Sdn. Bhd. (“PDSB”), a wholly-owned 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 9-month ended 29 February 2024**

The Group registered a higher revenue of RM77.93 million for the current financial period as compared with RM13.63 million in the preceding financial period on the back of sales generated from the work done of a property development project (KL-48) launched since May 2023. The sales conversion rate of this project achieved nearly 67% as at 29 February 2024 which in return has contributed revenue more than 80% of the total revenue of the Group for the current financial period.

The property rental yields from property investment segment were posted higher at RM11.69 million for the current financial period as compared with RM10.06 million for the preceding financial period on the back of improved area rented or occupancy rate post pandemic. Revenue from property management segment contributed lower at RM1.54 million as compared with RM1.98 million for the preceding financial period.

The Group posted a higher gross profit of RM12.19 million for the current financial period under review as compared with RM6.62 million from the preceding financial period on the back of contribution from the KL-48 Project during the current financial period.

The Group posted a higher loss before tax (“LBT”) of RM29.72 million for the current financial period as compared with a LBT of RM4.56 million for the preceding financial period, mainly due to a provision made to write down the market value of an asset for RM15.18 million during the current financial period as a result of unfavourable market conditions coupled with certain costs incurred to enhance the inhouse project management, sales and market capabilities of the Group to manage existing and future projects which have been expensed off to the income statement during the current financial period.

2. Variation of Results against Preceding Quarter

The Group registered a higher revenue of RM45.28 million for the current quarter as compared with RM19.01 million for the preceding quarter, mainly due to an improved sales conversion rate for KL-48 project and additional work progress recognised for the current quarter.

As a result, the Group posted a higher gross profit of RM5.33 million for the current quarter as compared with RM4.10 million for the preceding quarter and a lower LBT of RM5.36 million as against a LBT of RM20.10 million for the preceding quarter mainly due to a provision was made to write down the market value of an asset for RM15.18 million in the last quarter coupled with additional operating cost employed to enhance the revenue generation which has been expensed off to the income statement in the current quarter.

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

3. Prospects

The global economic outlook remains cautionary, mainly due to slow growth in major economies, the escalation of geopolitical tensions, tightening in financial market conditions, rising costs and interest rates hikes. In a recent released “Real Estate Highlights 2nd Half of 2023” by Knight Frank Malaysia, the Malaysian economy further expanded in the second quarter of 2023, the overall residential property market is showing an uptick in both transaction volume and value through collaborations with banks, offering more customer centric products and further supported by the government’s initiatives and incentive to encourage homeownership among rakyat coupled with the recently relaxed criteria for the MM2H programme. Overall, Malaysia’s residential market maintains a cautiously optimistic outlook as it enters 2024.

The Group is focusing efforts to increase its KL-48 property sales and will continue to scouting for development ready land to further enhancing the future performance of the Group. In addition, the Group is exploring other business opportunities including forging joint ventures with landowners for property development or contemplating the rejuvenation of abandoned projects.

With an estimated gross development value of approximately RM1.0 billion from our KL-48 project, the Group is optimistic on the prospects of this new property development given its strategic location, attractive pricing, with good products and features.

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> 29/2/2024 RM'000	<u>Comparative Quarter Ended</u> 28/2/2023 RM'000	<u>Current Year Cumulative Ended</u> 29/2/2024 RM'000	<u>Previous Year Cumulative Ended</u> 28/2/2023 RM'000
(Loss)/Profit before tax is arrived at after charging :				
Depreciation and amortisation	397	407	1,145	1,309
Dividend income	(77)	-	(127)	-
Interest income	(20)	(10)	(41)	(49)
Finance costs	4,843	4,660	12,347	12,324
Gain on disposal of :-				
- plant and equipment	(85)	(80)	(85)	(80)
- right-of-use assets	(86)	-	(86)	-
Plant and equipment written off	412	265	416	265
Inventory write down	-	-	15,177	-

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

6. Income Tax Expense

	<u>Current</u> <u>Quarter Ended</u> 29/2/2024 RM'000	<u>Preceding</u> <u>Quarter Ended</u> 28/2/2023 RM'000	<u>Current Year</u> <u>To-Date</u> 29/2/2024 RM'000	<u>Preceding Year</u> <u>To-Date</u> 28/2/2023 RM'000
Income tax expense	28	188	103	188

7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report:

8. Group Borrowings and Debt Securities

Total borrowings of the Group as at 29 February 2024 were 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	187,463	-	187,463
	<u>187,463</u>	<u>-</u>	<u>187,463</u>
Short-term Borrowings			
Current portion of long-term borrowings	90,794	-	90,794
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>90,794</u>	<u>1,000</u>	<u>91,794</u>
Total Group Borrowings	<u>278,257</u>	<u>1,000</u>	<u>279,257</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 the date of this report 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.

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)**

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) and both parties have proceeded with the appeals to the High Court and the Court of Appeal. On 16 January 2023, the Court of Appeal has decided to maintain the award of Enclosure 45. The judgment sum of RM10.4 million has released to the plaintiffs and PDSB has taken possession of the retail units.

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 23 May 2024 for Hearing of PDSB's application in Enclosure 1 and Enclosure 4.

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").

The appeal before the SCIT is fixed for Trial on 18 March 2024 and 19 March 2024. On 18 March 2024, both parties informed SCIT that PDSB is in the midst of proposing an amicable settlement to IRB and hence, SCIT fixed 24 June 2024 for mention to update the settlement status.

On 26 April 2024, IRB and PDSB had entered into a Settlement Agreement that the total additional tax inclusive of penalties shall be reduced to RM2,078,930.46 which is payable by PDSB by way of three (3) monthly instalments commencing from 30 April 2024. The settlement agreement will be recorded before the SCIT on the upcoming mention fixed on 24 June 2024. In view of this settlement, PDSB will proceed to inform the High Court of the settlement achieved by both parties.

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)

(iii) Kerjaya Prospek (M) Sdn Bhd (“KPM”) v BCM Holdings Sdn Bhd (“BCM”)

KPM had filed a suit in the Kuala Lumpur High Court (“Court”) against BCM claiming a sum of RM20 million which KPM alleged to be liquidated damages for pre-determination of the Letter of Award dated 8 June 2023 and Supplementary Letter of Award dated 15 June 2023 issued by BCM to KPM together with interest and costs. The Writ of Summons and Statement of Claim dated 6 December 2023 was served on BCM on 7 December 2023. BCM entered an appearance on 18 December 2023 and filed its defence & counter-claim on 19 January 2024. In the counter-claim, BCM has named KPM, Dato’ Tiong Kwing Hee (“Tiong”) and Mr Tan You Tiong (“Tan”) as Defendants and has pleaded causes of action for breach of fiduciary duties and conspiracy to injure.

KPM filed its Defence to the Counter-Claim on 24 January 2024. This matter is fixed for further Case Management on 14 May 2024.

10. (Loss)/Earnings Per Share

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

	Current Quarter Ended	Preceding year Quarter Ended	Cumulative Year To Date	Cumulative Year To Date
	29/2/2024	28/2/2023	29/2/2024	28/2/2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net (loss)/profit attributable to owners of the Company	(5,476)	5,842	(28,871)	(2,636)
Weighted average number of ordinary shares (Basic/Diluted)	1,207,925	1,171,053	1,207,925	1,171,053
Basic (loss)/earnings per ordinary shares	(0.45)	0.50	(2.39)	(0.23)
Diluted (loss)/earnings per ordinary shares	(0.45)	0.50	(2.39)	(0.23)

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

11. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors on 30 April 2024.