



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND YEAR ENDED  
31 MAY 2024**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MAY 2024**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/5/2024 RM'000	31/5/2023 RM'000	31/5/2024 RM'000	31/5/2023 RM'000
<b>Revenue</b>	<b>87,863</b>	17,837	<b>165,791</b>	31,462
Cost of sales	<b>(78,632)</b>	(7,773)	<b>(144,372)</b>	(14,777)
Gross profit	<b>9,231</b>	10,064	<b>21,419</b>	16,685
Other operating income	<b>45,280</b>	25,007	<b>45,536</b>	25,174
Distribution costs	<b>(2,130)</b>	(274)	<b>(3,027)</b>	(743)
Administration expenses	<b>(6,752)</b>	(3,651)	<b>(19,793)</b>	(12,022)
Other operating expenses	<b>(2,400)</b>	(6,543)	<b>(19,845)</b>	(9,248)
Net (reversal of)/allowance for expected credit loss	<b>(73)</b>	146	<b>1,457</b>	12,621
<b>Profit from operations</b>	<b>43,156</b>	24,749	<b>25,747</b>	32,467
Finance income	<b>12</b>	35	<b>53</b>	84
Finance costs	<b>(6,662)</b>	(5,315)	<b>(19,009)</b>	(17,639)
Net finance costs	<b>(6,650)</b>	(5,280)	<b>(18,956)</b>	(17,555)
<b>Profit before tax</b>	<b>36,506</b>	19,469	<b>6,791</b>	14,912
Income tax expense	<b>4,989</b>	(3,990)	<b>4,886</b>	(4,178)
<b>Net profit for the year</b>	<b>41,495</b>	15,479	<b>11,677</b>	10,734
Attributable to:-				
Owners of the Company	<b>41,514</b>	17,003	<b>12,643</b>	14,367
Non-controlling interests	<b>(19)</b>	(1,524)	<b>(966)</b>	(3,633)
<b>Net profit for the year</b>	<b>41,495</b>	15,479	<b>11,677</b>	10,734
<b>Total comprehensive income</b>				
Attributable to:-				
Owners of the Company	<b>41,514</b>	17,003	<b>12,643</b>	14,367
Non-controlling interests	<b>(19)</b>	(1,524)	<b>(966)</b>	(3,633)
	<b>41,495</b>	15,479	<b>11,677</b>	10,734
Basic earnings per ordinary share (sen)	<b>3.46</b>	1.44	<b>1.05</b>	1.22
Diluted earnings per ordinary share (sen)	<b>3.46</b>	1.44	<b>1.05</b>	1.22

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2024**

	(Unaudited) 31/5/2024 RM'000	(Audited) 31/05/2023 RM'000
<b>Non-current assets</b>		
Plant and equipment	1,809	1,600
Right-of-use assets	313	499
Investment properties	452,018	418,434
Inventories	188,979	238,155
Other financial assets	4,498	2,356
Deferred tax assets	9,299	663
	<u>656,916</u>	<u>661,707</u>
<b>Current assets</b>		
Inventories	101,911	226,704
Contract costs	175,216	25,933
Contract assets	61,163	2,589
Trade receivables	14,290	6,847
Other receivables, deposits and prepayments	4,835	5,414
Tax recoverable	129	129
Other financial assets	-	6
Cash and bank balances	29,860	17,007
	<u>387,404</u>	<u>284,629</u>
<b>TOTAL ASSETS</b>	<u>1,044,320</u>	<u>946,336</u>
<b>Equity</b>		
Share capital	269,390	269,390
Treasury shares	(8,617)	(240)
Reserves	258,027	241,287
<b>Equity attributable to shareholders of the Company</b>	<u>518,800</u>	<u>510,437</u>
Non-controlling interests	8,560	92,538
<b>Total equity</b>	<u>527,360</u>	<u>602,975</u>
<b>Non-current liabilities</b>		
Lease liabilities	555	14
Borrowings	180,078	106,708
Other payables	-	8,400
Deferred tax liabilities	10,433	7,117
	<u>191,066</u>	<u>122,239</u>
<b>Current liabilities</b>		
Trade payables	63,137	18,260
Other payables and accruals	111,924	79,653
Lease liabilities	605	531
Borrowings	127,048	96,899
Tax payable	23,180	25,779
	<u>325,894</u>	<u>221,122</u>
<b>Total liabilities</b>	<u>516,960</u>	<u>343,361</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,044,320</u>	<u>946,336</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4388	0.4228

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 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	-	(8,377)	-	(8,377)	-	(8,377)
Acquisition of shares from non-controlling interests of a subsidiary	-	-	4,614	4,614	(83,012)	(78,398)
Dividend declared	-	-	(517)	(517)	-	(517)
Total transaction with owners	-	(8,377)	4,097	(4,280)	(83,012)	(87,292)
Net profit/Total comprehensive income for the year	-	-	12,643	12,643	(966)	11,677
At 31 May 2024	<u>269,390</u>	<u>(8,617)</u>	<u>258,027</u>	<u>518,800</u>	<u>8,560</u>	<u>527,360</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	3,703	-	4,089	-	4,089
Acquisition of additional shares in a subsidiary	-	-	(9)	(9)	9	-
Issuance of share pursuant to private placement	10,291	-	-	10,291	-	10,291
Capital reduction of a subsidiary	-	-	-	-	(1,960)	(1,960)
Disposal of a subsidiary	-	-	-	-	(2,289)	(2,289)
Total transaction with owners	10,677	3,703	(9)	14,371	(4,240)	10,131
Net profit/Total comprehensive income for the year	-	-	14,367	14,367	(3,633)	10,734
At 31 May 2023	<u>269,390</u>	<u>(240)</u>	<u>241,287</u>	<u>510,437</u>	<u>92,538</u>	<u>602,975</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 YEAR ENDED 31 MAY 2024**

	Unaudited 12 months ended 31/5/2024 RM'000	Audited 12 months ended 31/5/2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	6,791	14,912
Adjustments for:-		
- Impairment loss/(Reversal of impairment loss) on receivables	1,457	(12,621)
- Net fair value adjustments on investment properties	(33,051)	(24,800)
- Bad debts written off	-	69
- Depreciation	858	1,716
- Dividend income	(50)	(75)
- Fair value loss on financial assets	-	204
- Gain on disposal of plant and equipment	(223)	-
- Gain on disposal of right-of-use assets	(49)	(80)
- Loss on disposal of a subsidiary	-	1,638
- Plant and equipment written off	-	275
- Interest expense	19,009	17,639
- Interest income	(53)	(84)
- Provision for litigation claims	2,323	-
- Inventories write down	15,307	518
<b>Operating profit/(loss) before working capital changes</b>	<b>12,319</b>	<b>(689)</b>
<b>Changes in working capital</b>		
- Inventories	158,662	(1,218)
- Trade and other receivables	(3,952)	14,589
- Trade and other payables	38,534	17,687
- Contract costs / assets / liabilities	(207,857)	(28,522)
<b>Cash (used in)/generated from operations</b>	<b>(2,294)</b>	<b>1,847</b>
Income tax paid	(3,032)	(3,030)
Income tax refunded	-	1
Interest paid	164	(699)
<b>Net cash used in operating activities</b>	<b>(5,162)</b>	<b>(1,881)</b>
<b>Cash flows from investing activities</b>		
- Increase in investment properties	(532)	(12)
- Decrease in fixed deposit pledged	-	1,320
- Net dividend and interest received	103	159
- Increase in other financial assets	(2,134)	(1,500)
- Proceeds from disposal of plant and equipment	406	-
- Proceeds from disposal of right-of-use assets	49	80
- Net cash inflow from disposal of a subsidiary	-	2,494
- Interest paid	-	(15)
- Additions to investment properties under construction	-	(197)
- Additions to plant and equipment	(543)	(272)
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,651)</b>	<b>2,057</b>
<b>Cash flows from financing activities</b>		
- Net proceeds from private placement	-	10,291
- Shares buy-back	(8,377)	-
- Net drawdown from term loans	49,771	11,448
- Interest paid	(19,173)	(17,639)
- Net drawdown / (Repayment) of lease liabilities	93	(1,157)
- Proceeds from disposal of treasury shares	-	4,089
- Dividend paid	(517)	-
<b>Net cash generated from financing activities</b>	<b>21,797</b>	<b>7,032</b>
Net increase in cash and cash equivalents	13,984	7,208
Effects of exchange rate changes	-	-
Cash and cash equivalents at beginning of period	8,146	938
<b>Cash and cash equivalents at end of period</b>	<b>22,130</b>	<b>8,146</b>
<b>Cash and cash equivalents comprise: -</b>		
	RM'000	RM'000
Cash and bank balances	29,860	17,007
Less : Bank overdrafts	(7,730)	(8,861)
	<b>22,130</b>	<b>8,146</b>

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 31 MAY 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**

As at 23 July 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 July 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 since last quarterly announcement was made.

**7. Dividends Paid**

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

**8. Segmental Reporting**

	3-month ended 31 May 2024	3-month ended 31 May 2023	12-month ended 31 May 2024	12-month ended 31 May 2023
	RM'000	RM'000	RM'000	RM'000
<b><u>REVENUE</u></b>				
Property investment	3,368	3,323	15,062	13,383
Property development	84,210	13,854	148,777	15,364
Property management	361	660	1,902	2,640
Investment and others	(76)	-	50	75
	87,863	17,837	165,791	31,462
<b><u>PROFIT BEFORE TAX</u></b>				
Property investment	39,393	20,065	43,624	21,982
Property development	(5,810)	(16,321)	(33,506)	(7,487)
Property management	(14)	249	387	344
Investment and others	(1,943)	(42,884)	26,107	(45,488)
	31,626	(38,891)	36,612	(30,649)
Intra-group elimination	4,880	58,360	(29,821)	45,561
	36,506	19,469	6,791	14,912

**9. Valuation of Plant and Equipment**

The valuation of plant and equipment has been brought forward, without amendments from the previous annual report.



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

**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: -

<b>Name of Related Party</b>	<b>Relationship</b>
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.
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</u> 31 May 2024 RM’000	<u>Cumulative Year To Date</u> 31 May 2024 RM’000
Mercury	Billings for rental	53	123
SBSB	Rental of sales office	(192)	(243)

**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 12-month ended 31 May 2024**

The Group registered a higher revenue of RM165.79 million for the current financial year as compared with RM31.46 million in the preceding financial year mainly due to additional contribution of the work done of a property development project (“KL-48 project”) which was launched since May 2023. The sales conversion rate of this project achieved over 80% and the site work progress achieved over 22% as at 31 May 2024.

The rental from property investment segment were posted higher at RM15.06 million for the current financial year as compared with RM13.38 million for the preceding financial year on the back of improved area occupancy rate post pandemic. Revenue from property management and other segment contributed lower at RM1.95 million as compared with RM2.72 million for the preceding financial year.

Consequently, the Group posted a higher gross profit of RM21.42 million for the current financial year under review as compared with RM16.69 million from the preceding financial year.

The Group posted a lower profit before tax (“PBT”) of RM6.79 million for the current financial year as compared with RM14.91 million for the preceding financial year, mainly due to a provision made to write down the market value of an asset for RM15.18 million as a result of unfavourable market conditions coupled with a higher administrative expense incurred during the current financial year.

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

The Group registered a higher revenue of RM87.86 million for the current quarter as compared with RM45.28 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 RM9.23 million for the current quarter as compared with RM5.33 million for the preceding quarter, and a PBT of RM36.51 million as against a Loss Before Tax (“LBT”) of RM5.36 million for the preceding quarter on the back of fair value gain on the investment properties of RM33.05 million recognised during the current quarter, and in the absence of a provision made to write down the market value of an asset for RM15.18 million recognised during the preceding quarter.

**3. Prospects**

In a recent released “Real Estate Highlights 2<sup>nd</sup> 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.

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

**3. Prospects (Cont'd)**

The Malaysia's real estate market remains robust after registering 104,297 transactions values at RM56.53 billion in the period of January 2024 to March 2024 (1Q2024). This represents a 34.3 percent increase over the same period in 2023 which saw 89,024 transactions valued at RM42.11 billion. The strengthening of the real estate industry in 1Q2024 provides confidence that Malaysia is on the right track to achieve robust growth for 2024 and to successfully implement the national transformation outlined in the Madani Economy Framework (*Source: press release published by New Straits Times dated 15 May 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</u> <u>Quarter</u> <u>Ended</u> 31/5/2024 RM'000	<u>Comparative</u> <u>Quarter</u> <u>Ended</u> 31/5/2023 RM'000	<u>Current Year</u> <u>Cumulative</u> <u>Ended</u> 31/5/2024 RM'000	<u>Previous Year</u> <u>Cumulative</u> <u>Ended</u> 31/5/2023 RM'000
Profit before tax is arrived at after charging :				
Depreciation and amortisation	(287)	407	858	1,716
Dividend income	77	-	(50)	(75)
Interest income	(12)	(35)	(53)	(84)
Finance costs	6,662	5,315	19,009	17,639
Fair value gain on investment properties	(33,051)	(24,800)	(33,051)	(24,800)
(Gain)/Loss on disposal of :-				
- plant and equipment	(138)	-	(223)	-
- right-of-use assets	37	(80)	(49)	(80)
- a subsidiary	-	1,638	-	1,638
(Reversal of)/Provision for impairment loss on receivables	(73)	(146)	1,457	(12,621)
Provision for litigation claim	2,323	-	2,323	-
Plant and equipment written off	(416)	10	-	275
Inventory write down	130	518	15,307	518

**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> 31/5/2024 RM'000	<u>Preceding</u> <u>Quarter Ended</u> 31/5/2023 RM'000	<u>Current Year</u> <u>To-Date</u> 31/5/2024 RM'000	<u>Preceding Year</u> <u>To-Date</u> 31/5/2023 RM'000
Income tax expense	(4,989)	3,990	(4,886)	4,178

**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 31 May 2024 were 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	180,633	-	180,633
	<u>180,633</u>	<u>-</u>	<u>180,633</u>
<b>Short-term Borrowings</b>			
Current portion of long-term borrowings	118,923	-	118,923
Bank overdrafts	7,730	-	7,730
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>126,653</u>	<u>1,000</u>	<u>127,653</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: -

(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) 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.

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

**9. Changes in Material Litigation**

(ii) Chan Yoke Hong & 23 Others (“Plaintiffs”) v Pujian Development Sdn Bhd (“PDSB”) (Cont’d)

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 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 24 Purchasers (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 9 July 2024, a Consent Order has been recorded between the parties whereby both parties have agreed that PDSB’s Fortuna Injunction in Enclosure 1 be stayed on the conditions that: -

- a. PDSB shall within 14 days write to seek clarification from the Court of Appeal on the Court of Appeal Order dated 16 January 2023 in Appeal No. B-03(IM)-10-02/2021 which affirmed the Shah Alam High Court Order dated 5 January 2021 that affirmed the Enclosure 45; and
- b. Pending the clarification, the 24 Purchasers undertake not to initiate any winding-up petition and/or any execution proceedings on the Court of Appeal Order dated 16 January 2023 in Appeal No. B-03(IM)-10-02/2021 until the disposal of the PDSB’s clarification sought as stated in item (a) above.

PDSB had on 15 July 2024 written to the Court of Appeal for clarification and had further on 22 July 2024 written again to the Court of Appeal to follow-up with the clarification sought in its letter dated 15 July 2024.

(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 (“the Settlement Amount”) which is payable by PDSB by way of three (3) monthly instalments commencing from 30 April 2024. SCIT has recorded the Settlement Agreement and issued Perintah Pemutus dated 9 May 2024. In view of this settlement, PDSB has issued a letter dated 6 June 2024 to inform the 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, Tiong has filed his Defence on 16 April 2024 and Tan has filed his Defence on 13 May 2024.

Tiong had issued Third Party Notices against Aviscon Property Management Sdn. Bhd. (“Aviscon”), Dato’ Teoh Seng Kian (“TSK”) and Mr Teoh Seng Aun (“TSA”). Aviscon entered Appearance on 4 July 2024. TSK and TSA have yet to be served.

The matter fixed for further Case Management on 25 July 2024 to update the court on status of service of the Third Party Notices. At the Case Management on 25 July 2024, the Court issued pre-trial case management directions and has fixed the matter for further Case Management on 8 August 2024.

**10. Earnings Per Share**

The earnings per share have been calculated based on the consolidated net income 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
	31/5/2024	31/5/2023	31/5/2024	31/5/2023
<b>Net profit attributable to owners of the Company</b>	(RM'000) 41,514	(RM'000) 17,003	(RM'000) 12,643	(RM'000) 14,367
<b>Weighted average number of ordinary shares (Basic/Diluted)</b>	('000) 1,200,193	('000) 1,181,356	('000) 1,200,193	('000) 1,181,356
<b>Basic and diluted earnings per ordinary share</b>	(sen) 3.46	(sen) 1.44	(sen) 1.05	(sen) 1.22

**11. Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors on 29 July 2024.