



Registration No. 197301001881 (15379-V)

**ECOFIRST CONSOLIDATED BHD
AND ITS SUBSIDIARIES**

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

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/08/2023 RM'000	31/08/2022 RM'000	31/08/2023 RM'000	31/08/2022 RM'000
Revenue	13,640	4,226	13,640	4,226
Cost of sales	(10,887)	(2,212)	(10,887)	(2,212)
Gross profit	2,753	2,014	2,753	2,014
Other operating income	211	81	211	81
Distribution costs	(88)	(230)	(88)	(230)
Administration expenses	(3,836)	(2,629)	(3,836)	(2,629)
Other operating expenses	(1,165)	(365)	(1,165)	(365)
Net allowance for expected credit loss	1,530	-	1,530	-
Loss from operations	(595)	(1,129)	(595)	(1,129)
Finance income	15	20	15	20
Finance costs	(3,675)	(3,816)	(3,675)	(3,816)
Net finance costs	(3,660)	(3,796)	(3,660)	(3,796)
Loss before tax	(4,255)	(4,925)	(4,255)	(4,925)
Income tax expense	(12)	-	(12)	-
Net loss for the period	(4,267)	(4,925)	(4,267)	(4,925)
Attributable to:-				
Owners of the Company	(3,383)	(4,382)	(3,383)	(4,382)
Non-controlling interests	(884)	(543)	(884)	(543)
Net loss for the period	(4,267)	(4,925)	(4,267)	(4,925)
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	(4,267)	(4,925)	(4,267)	(4,925)
Total comprehensive loss				
Attributable to:-				
Owners of the Company	(3,383)	(4,382)	(3,383)	(4,382)
Non-controlling interests	(884)	(543)	(884)	(543)
	(4,267)	(4,925)	(4,267)	(4,925)
Basic loss per ordinary share (sen)	(0.28)	(0.38)	(0.28)	(0.38)
Diluted loss per ordinary share (sen)	(0.28)	(0.38)	(0.28)	(0.38)

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 31 AUGUST 2023**

	(Unaudited) 31/08/2023 RM'000	(Audited) 31/05/2023 RM'000
Non-current assets		
Plant and equipment	1,438	1,600
Right of use assets	661	499
Investment properties	418,446	418,434
Inventories	238,156	238,155
Other financial assets	2,356	2,356
Deferred tax assets	663	663
	<u>661,720</u>	<u>661,707</u>
Current assets		
Inventories	184,501	226,704
Contract costs	69,915	25,933
Contract assets	6,198	2,589
Trade receivables	5,616	6,847
Other receivables, deposits and prepayments	5,581	5,414
Tax recoverable	129	129
Other financial assets	6	6
Cash and bank balances	6,948	17,007
	<u>278,894</u>	<u>284,629</u>
TOTAL ASSETS	<u>940,614</u>	<u>946,336</u>
Equity		
Share capital	269,390	269,390
Reserves	237,664	241,047
Equity attributable to shareholders of the Company	<u>507,054</u>	<u>510,437</u>
Non-controlling interests	91,654	92,538
Total equity	<u>598,708</u>	<u>602,975</u>
Non-current liabilities		
Lease liabilities	289	14
Borrowings	161,384	106,708
Other payables	8,400	8,400
Deferred tax liabilities	7,117	7,117
	<u>177,190</u>	<u>122,239</u>
Current liabilities		
Trade payables	18,304	18,260
Other payables and accruals	85,647	79,653
Lease liabilities	319	531
Borrowings	34,896	96,899
Tax payable	25,550	25,779
	<u>164,716</u>	<u>221,122</u>
TOTAL EQUITY AND LIABILITIES	<u>940,614</u>	<u>946,336</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.4198	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 31 AUGUST 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 2023	269,390	(240)	241,287	510,437	92,538	602,975
Transactions with owners:						
Disposal of treasury shares	-	-	-	-	-	-
Issue of shares pursuant to private placements	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Net loss/Total comprehensive loss for the period	-	-	(3,383)	(3,383)	(884)	(4,267)
At 31 August 2023	<u>269,390</u>	<u>(240)</u>	<u>237,904</u>	<u>507,054</u>	<u>91,654</u>	<u>598,708</u>
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	-	-	(4,382)	(4,382)	(543)	(4,925)
At 31 May 2022	<u>258,969</u>	<u>(2,172)</u>	<u>222,547</u>	<u>479,344</u>	<u>99,868</u>	<u>579,212</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 31 AUGUST 2023**

	3 months ended 31/08/2023 RM'000	3 months ended 31/08/2022 RM'000
Cash flows from/(used in) operating activities		
Loss before tax	(4,255)	(4,925)
Adjustments for:-		
- Allowance for expected credit loss no longer required	(1,530)	-
- Depreciation	420	441
- Dividend income	(50)	(75)
- Finance costs	3,675	3,816
- Interest income	(15)	(20)
Operating loss before working capital changes	(1,755)	(763)
Changes in working capital		
- Inventories	42,202	(2,039)
- Trade and other receivables	2,594	236
- Trade and other payables	4,937	529
- Contract costs / assets / liabilities	(47,591)	-
Cash generated from / (used in) operations	387	(2,037)
Income tax paid	(241)	(632)
Net cash generated from / (used in) operating activities	146	(2,669)
Cash flows from/(used in) investing activities		
- Increase in investment properties	(12)	(7)
- Changes in fixed deposit pledged	-	1,320
- Net dividend and interest received	65	95
- Additions to plant and equipment	(421)	(78)
Net cash (used in) / generated from investing activities	(368)	1,330
Cash flows from/(used in) financing activities		
- Drawdown from term loans	65,175	2,156
- Interest paid	(2,574)	(3,816)
- Repayments of lease liabilities	63	(305)
- Proceed from sales of treasury shares	-	2,027
- Repayments of term loans	(69,620)	(1,621)
Net cash used in financing activities	(6,956)	(1,559)
Net decrease in cash and cash equivalents	(7,178)	(2,898)
Cash and cash equivalents at beginning of period	8,146	938
Cash and cash equivalents at end of period	968	(1,960)
Cash and cash equivalents comprise: -		
	RM'000	RM'000
Cash and bank balances	6,948	6,941
Less : Bank overdraft	(5,980)	(8,901)
	968	(1,960)

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 AUGUST 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 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 : 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 that 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

There are no seasonal factors affecting the Group’s performance.

5. Material Changes in Estimates

There were no material changes in estimates that have had a material effect in the financial period to-date results.

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

6. Debt and Equity Securities

There were no 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 (financial period ended 31 August 2023)

	<u>Gross Operating Revenue</u> RM'000	<u>Profit/(Loss) Before Tax</u> RM'000
Property Investment	3,789	(143)
Property Development	11,282	(5,615)
Property Management	660	143
Investment and Others	1,725	1,246
	<hr/> 17,456	<hr/> (4,369)
Elimination Inter-Group	(3,816)	114
	<hr/> 13,640	<hr/> (4,255)

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 26 October 2023, there were no material subsequent events that have not been reflected in the financial statements for the current financial period.

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

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. 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> 31/08/2023 RM’000	<u>Cumulative Year To Date</u> 31/08/2023 RM’000
Mercury	Billings for rental	58	58

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 RM13.64 million for the current quarter ended 31 August 2023 was 222% higher as compared to RM4.23 million for the corresponding quarter in 2022. The improved operational performance was mainly due to recognition of revenue from our new project (KL48) and sales of inventories. The Group recorded a loss before tax of RM4.26 million in the current quarter ended 31 August 2023, as compared to loss before tax of RM4.93 million for the corresponding quarter in 2022. The loss before tax of current quarter was lower than the corresponding quarter in FY2022 mainly due to expected credit loss no longer required.

2. Variation of Results against Preceding Quarter

The Group's revenue of RM13.64 million in 1QFY2024 was 13% lower than the preceding quarter's revenue of RM15.73 million. The revenue in preceding quarter was higher than the current quarter mainly due to higher sales of inventories.

For the 1QFY2024, the Group recorded a loss before tax of RM4.26 million compared to a profit before tax of RM19.11 million in the preceding quarter. The loss before tax in 1QFY2024 was mainly due to higher admin and operating expenses. The profit before tax in the preceding quarter was mainly due to revaluation surplus from investment properties.

3. Current Financial Year's 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. The Malaysian economy further expanded in the second quarter of 2023, but at a slower pace due to slower external demand. Domestic demand remained the key driver of growth, supported by private consumption, investment and tourism activities.

The Group is focusing its efforts to increase its KL48 property sales and will continue to scouting for development ready land as well as to improve 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 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 Quarter Ended</u> 31/08/2023 RM'000	<u>Comparative Quarter Ended</u> 31/08/2022 RM'000	<u>Current Year Cumulative Ended</u> 31/08/2023 RM'000	<u>Previous Year Cumulative Ended</u> 31/08/2022 RM'000
Loss before tax is arrived at after charging:-				
Depreciation and amortisation	420	441	420	441
Finance income	(15)	(20)	(15)	(20)
Finance costs				
- Interest expense	3,675	3,816	3,675	3,816
	<hr/>	<hr/>	<hr/>	<hr/>

6. Income Tax Expense

	<u>Current Quarter Ended</u> 31/08/2023 RM'000	<u>Current Year To-Date</u> 31/08/2023 RM'000
Income tax expense	12	12
	<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 proposal as announced by the Company has not been completed/completed as at 26 October 2023.

(i) 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.

On 11 August 2023, the Company announced that the parties to the SSA had on 11 August 2023, mutually agreed to extend the Completion Date of the SSA for a further one (1) month from 13 August 2023 to 12 September 2023.

On 11 September 2023, the Company announced that the parties to the SSA had on 11 September 2023, mutually agreed to extend the Completion Date of the SSA for a further one (1) month from 13 September 2023 to 12 October 2023.

On 10 October 2023, the Company announced that the parties to the SSA had on 10 October 2023, mutually agreed to extend the Completion Date of the SSA for a further two (2) months from 13 October 2023 to 12 December 2023.

(ii) Proposed Disposal Of Fifteen (15) Units Of Retail Shops

On 20 October 2023, the Company’s wholly-owned subsidiaries, EcoFirst Hartz Sdn Bhd [Registration No. 200601014961(734713-U)] and EcoFirst Land Sdn Bhd [Registration No. 200601023229 (742983-T)], had entered into Sale and Purchase Agreements (“SPA(s)”) with Tan You Tiong for the proposed disposal of fifteen (15) units of retail shops for a total cash consideration of RM23,820,000.00 only subject to the terms and conditions as contained in the SPA(s) (“Proposed Disposal”).

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 August 2023 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	161,384	-	161,384
	<u>161,384</u>	<u>-</u>	<u>161,384</u>
Short-Term Borrowings			
Current portion of long term borrowings	33,896	-	33,896
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>33,896</u>	<u>1,000</u>	<u>34,896</u>
Total Group Borrowings	<u>195,280</u>	<u>1,000</u>	<u>196,280</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 26 October 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 22 November 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. Loss Per Share

The loss 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	Current Quarter Ended	Cumulative Year To Date	Cumulative Year To Date
	31/08/2023	31/08/2022	31/08/2023	31/08/2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net loss attributable to owners of the Company	(3,383)	(4,382)	(3,383)	(4,382)
Weighted average number of ordinary shares (Basic)	1,207,167	1,165,122	1,207,167	1,165,122
Basic loss per ordinary shares	(0.28)	(0.38)	(0.28)	(0.38)
Weighted average number of ordinary shares (Diluted)	1,207,167	1,165,122	1,207,167	1,165,122
Diluted loss per ordinary shares	(0.28)	(0.38)	(0.28)	(0.38)