

Taking Steps towards a
**Greener
Future**

ANNUAL REPORT

2023

An aerial photograph of a dense tropical forest, likely in a coastal region, featuring numerous palm trees and lush green foliage. A light-colored, unpaved road or path winds through the center of the forest, leading from the bottom towards the top of the frame. The overall scene is vibrant and natural.

Table of **Contents**

1	Our Vision & Mission / Corporate Information
2	Notice of Fiftieth Annual General Meeting
8	5-Year Group Financial Highlights
9	Directors' Profile
16	Management Team Profile
19	President's Management Discussion and Analysis
29	Sustainability Statement
50	Corporate Governance Overview Statement
61	Statement Of Directors' Responsibility In Preparing The Annual Financial Statements
62	Additional Compliance Information
65	Audit Committee Report
68	Statement on Risk Management and Internal Control
71	Financial Statements
150	Particulars of Group Properties
152	Analysis of Shareholdings
155	Analysis of Warrant Holdings
	Form of Proxy

Corporate Information

OUR VISION



We aspire to be the leading, successful pioneers and builders of innovative businesses in the region.

OUR MISSION



Leveraging on the experience and expertise amassed over the years and constantly acquiring new knowledge, we strive to achieve successes in our business undertakings. We are committed to delivering exceptional value to our customers, business partners, shareholders and other stakeholders.

BOARD OF DIRECTORS

DATO' (DR) TEOH SENG FOO

President/ Executive Director

DATUK NG HOCK HENG

Independent Non-Executive Director

DATO' TIONG KWING HEE

Group Chief Executive Officer/ Executive Director

CHIN WING WAH

Independent Non-Executive Director

DATO' TEOH SENG KIAN

Executive Director

CHAN KIM HONG

Independent Non-Executive Director

DATO' BOEY CHIN GAN

Non-Independent Non-Executive Director

COMPANY SECRETARIES

Mr Yeoh Chong Keat

SSM PC NO. 201908004096 (MIA 2736)

Ms Tan Fong Shian

SSM PC NO. 201908004045 (MAICSA 7023187)

AUDITORS

Russell Bedford LC PLT

Suite 37, Level 21, Mercu 3, No. 3, Jalan Bangsar
KL Eco City, 59200 Kuala Lumpur, Malaysia

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

Registration No: 199601006647 (378993-D)

11th Floor, Menara Symphony

No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13

46200 Petaling Jaya, Selangor, Malaysia

Tel : +603-7890 4700

Fax : +603-7890 4670

Email : BSR.Helpdesk@boardroomlimited.com

www.boardroomlimited.com

REGISTERED OFFICE

Lot 5, Level 10, Menara Great Eastern 2

No. 50, Jalan Ampang, 50450 Kuala Lumpur
W.P. Kuala Lumpur

Tel : +603-2031 1988

Fax : +603-2031 9788

Email : archer@archer.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

WEBSITE

www.ecofirst.com.my

Notice of Fiftieth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of EcoFirst Consolidated Bhd (“EcoFirst” or the “Company”) will be held at Ballroom 1, Level 5, Summit Hotel Subang USJ, Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan on Thursday, 26 October 2023 at 3:00 p.m. to transact the following business:-

AGENDA

ORDINARY BUSINESS

- | | | |
|----|--|-------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 May 2023 together with the Directors’ and Auditors’ Reports thereon. | (See Explanatory Notes) |
| 2. | To approve the payment of Directors’ fees amounting to RM270,000.00 for the financial year ended 31 May 2023. | (Resolution 1) |
| 3. | To approve the payment of Directors’ benefits and allowances of up to RM70,000.00 from 27 October 2023 until the conclusion of the next annual general meeting of the Company. | (Resolution 2) |
| 4. | To re-elect Ms Chan Kim Hong who is retiring by casual vacancy pursuant to Clause 113 of the Company’s Constitution. | (Resolution 3) |
| 5. | To re-elect Dato’ Teoh Seng Kian who is retiring by casual vacancy pursuant to Clause 113 of the Company’s Constitution. | (Resolution 4) |
| 6. | To re-elect Dato’ Boey Chin Gan who is retiring by rotation pursuant to Clause 110 of the Company’s Constitution. | (Resolution 5) |
| 7. | To re-appoint Russell Bedford LC PLT as the Company’s Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | (Resolution 6) |

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:-

- | | | |
|----|--|----------------|
| 8. | ORDINARY RESOLUTION
Authority for Directors to Issue Shares | (Resolution 7) |
|----|--|----------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, without first offer to holders of existing issued shares of the Company, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

THAT pursuant to Section 85 of the Act to be read together with the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

THAT the Directors be and are also empowered to obtain the approval of Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

Notice of Fiftieth Annual General Meeting
(Cont'd)9. **ORDINARY RESOLUTION**

(Resolution 8)

Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")

"THAT authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in Part A of the Circular/Statement to Shareholders dated 27 September 2023, with the Mandated Related Party as described in the said Circular/Statement, provided that such recurrent transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this resolution until:-

- i. the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse, unless by Ordinary Resolution passed at a general meeting whereby the authority is renewed; or
- ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed RRPT Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed RRPT Mandate in the best interest of the Company."

Notice of Fiftieth Annual General Meeting
(Cont'd)

10. **ORDINARY RESOLUTION**

(Resolution 9)

Proposed Renewal of Share Buy-Back Authority

“THAT subject to the provisions of the Act, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit in the best interest of the Company provided that:-

- i. the aggregate number of shares to be purchased does not exceed 10% of the total number of issued shares of the Company (“Purchased Shares”) at the point of purchase(s);
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the retained profits of the Company at the time of the purchase(s);
- iii. the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until;
 - a. the conclusion of the next AGM of the Company at which time the authority shall lapse, unless by Ordinary Resolution passed at a general meeting, whereby the authority is renewed; or
 - b. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - c. revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,whichever is earlier.
- iv. upon the completion of the Proposed Renewal of Share Buy-Back Authority, the Directors be and are hereby empowered to deal with the shares so purchased in the following manner:-
 - a. to cancel such shares;
 - b. to retain such shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act);
 - c. to retain part of such shares as treasury shares and cancel the remainder; and/or
 - d. in any other manner as may be prescribed by the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company, to take all such steps as are necessary or expedient to implement, finalise and give full effect to the purchase of the Company’s own shares, with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the provisions of the Company’s Constitution and the guidelines issued by Bursa Securities and any other relevant authorities.”

Notice of Fiftieth Annual General Meeting
(Cont'd)

BY ORDER OF THE BOARD

YEOH CHONG KEAT

SSM PC NO. 201908004096 (MIA 2736)

TAN FONG SHIAN

SSM PC NO. 201908004045 (MAICSA 7023187)

Secretaries

Kuala Lumpur

27 September 2023

Notes:

- (i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint two (2) or more proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (iv) Only a depositor whose name appears in the Company's Record of Depositors as at 19 October 2023 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (vi) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
- (vii) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

Notice of Fiftieth Annual General Meeting (Cont'd)

Explanatory Notes:

1. Audited Financial Statements for the financial year ended 31 May 2023 ("AFS")

The AFS is meant for discussion only as under the provisions of Section 340(1)(a) of the Act and Clause 72 of the Company's Constitution, the AFS do not require the formal approval of shareholders. Hence the matter will not be put forward for voting.

2. Ordinary Resolutions 3 – 5 – Re-election of Directors

Pursuant to Clause 113 of the Company's Constitution, Ms Chan Kim Hong ("Ms Chan"), who was appointed during the year, is to retire at this Fiftieth AGM of the Company, and being eligible, has offered herself for re-election. The Board of Directors ("the Board") has through the Nominating Committee ("NC") carried out the necessary assessment on Ms Chan and recommended the re-election of Ms Chan.

Pursuant to Clause 113 of the Company's Constitution, Dato' Teoh Seng Kian ("Dato' Teoh"), who was appointed on 14 September 2023, is to retire at this Fiftieth AGM of the Company, and being eligible, has offered himself for re-election. The Board has through the NC carried out the necessary assessment on Dato' Teoh during his appointment and recommended his re-election at the Fiftieth AGM.

Pursuant to Clause 110 of the Company's Constitution, Dato' Boey Chin Gan ("Dato' Boey"), who is retiring by rotation, is to retire at this Fiftieth AGM of the Company, and being eligible, has offered himself for re-election. The Board has through the NC carried out the necessary assessment on Dato' Boey and recommended the re-election of Dato' Boey.

Pursuant to Clause 110 of the Company's Constitution, Dato' Tiong Kwing Hee ("Dato' Tiong"), who is retiring by rotation, has expressed his intention not to seek for re-election. Hence, Dato' Tiong will retire from office at the conclusion of the Fiftieth AGM of the Company.

The profiles of the Directors standing for re-election are set out in the Directors' Profiles section of the Annual Report 2023.

3. Ordinary Resolution 7 – Authority for Directors to Issue Shares

The proposed Ordinary Resolution 7, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company pursuant to Sections 75 and 76 of the Act ("General Mandate"), without first offer to holders of existing issued shares of the Company, provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue and waive the statutory pre-emptive rights of shareholders of the Company ("Waiver"). This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to enable the Company to raise funds expeditiously for the purpose of funding future project(s), working capital, repayment of borrowings and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The Waiver will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company had been granted a general mandate by its shareholders at the Forty-Ninth AGM of the Company held on 23 November 2022 ("Previous Mandate"). As at the date of this Notice, the Company had placed out 31,800,000 new ordinary shares which raised a total gross proceeds of RM10,335,000.00 pursuant to the Previous Mandate through a private placement exercise ("Private Placement"). The proceeds raised have been utilised for general working capital and defraying of expenses incidental to the Private Placement.

Notice of Fiftieth Annual General Meeting (Cont'd)

4. **Ordinary Resolution 8 – Proposed RRPT Mandate**

The proposed Ordinary Resolution 8, if passed, will authorise and renew the mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specified related parties in accordance with the applicable regulatory rules and requirements. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Details of the Proposed RRPT Mandate are contained in Part A of the Circular/Statement to Shareholders of the Company dated 27 September 2023.

5. **Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority**

The proposed Ordinary Resolution 9, if passed, will renew the authority given to the Directors to purchase issued ordinary shares in the Company of not exceeding 10% of the total number of issued shares of the Company through Bursa Securities in accordance with the Act, the provisions of the Constitution of the Company and the requirements of Bursa Securities. This authority unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Details on the Proposed Renewal of Share Buy-Back Authority are contained in Part B of the Circular/Statement to Shareholders dated 27 September 2023.

STATEMENT ACCOMPANYING NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

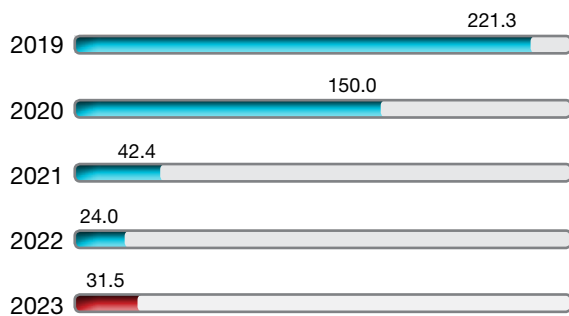
No individual is standing for election as Director at the forthcoming Fiftieth Annual General Meeting of the Company.

5-Year Group Financial Highlights

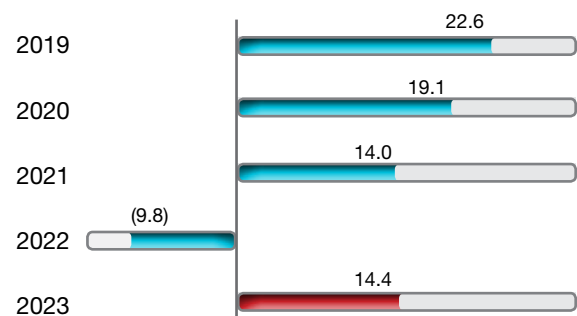
FINANCIAL YEAR ENDED 31 MAY						
		2019	2020 (Restated) ¹	2021 (Restated) ¹	2022	2023
Revenue	(RM' million)	221.3	150.0	42.4	24.0	31.5
Profit/(Loss) Before Tax & Non-controlling Interests	(RM' million)	31.6	26.4	13.2	(9.1)	14.9
Profit/(Loss) After Tax	(RM' million)	23.0	19.2	14.0	(12.2)	10.7
Profit/(Loss) Attributable to Owners of the Company	(RM' million)	22.6	19.1	14.0	(9.8)	14.4
Total Assets Employed	(RM' million)	706.7	706.2	717.3	959.3	946.3
Net Borrowings	(RM' million)	122.6	137.7	182.4	182.7	187.2
Shareholders' Fund	(RM' million)	331.3	346.5	380.6	481.7	510.4
Total Equity	(RM' million)	346.0	361.2	395.4	582.1	603.0
Return on Equity	(%)	7.0	5.5	3.7	(2.5)	2.1
Gearing Ratio		0.26	0.28	0.32	0.24	0.24
Basic Earnings/(Loss) Per Share	(sen)	2.82	2.40	1.71	(0.87)	1.22
Net Assets Per Share	(RM)	0.41	0.43	0.44	0.41	0.42

¹ - The comparative for financial year ended 31 May 2020 and 2021 have been restated to reflect the adjustments made pursuant to IFRIC Agenda Decision on IAS 23 "Borrowing Cost".

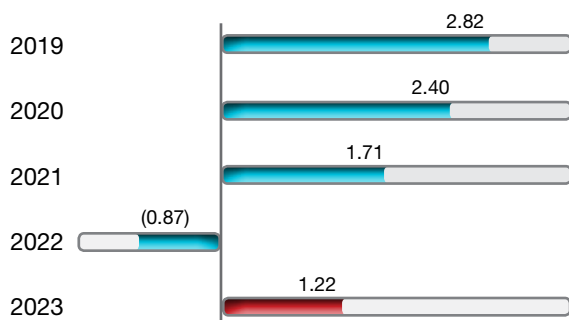
REVENUE (RM'mil)



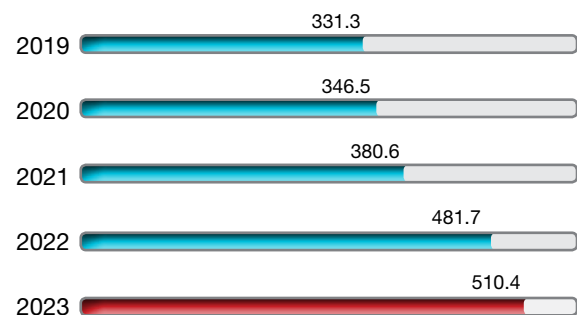
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'mil)



BASIC EARNINGS/(LOSS) PER SHARE (sen)



SHAREHOLDERS' FUND (RM'mil)



Directors' Profile



DATO' (DR) TEOH SENG FOO

President / Executive Director

Nationality



Gender



Age

67

Education & Qualification:

- Honorary Doctorate in Business Administration by University of Abertay Dundee, United Kingdom
- Chartered Accountant of the Malaysian Institute of Accountants
- Chartered Global Management Accountant
- Fellow Member of the Chartered Institute of Management Accountants, United Kingdom
- Patron of the University of Abertay Foundation based in United Kingdom

Date of Appointment & Work Experience:

Dato' (Dr) Teoh Seng Foo was appointed to the Board on 5 May 1997. He was re-designated from the position of an Executive Deputy Chairman to President/Non-Independent Executive Director on 1 December 2009.

An accountant by profession, Dato' (Dr) Teoh has wide corporate experience, having held senior management positions in multinational corporations such as Intel Technology, Woodward & Dickerson Inc., Coopers & Lybrand (now Pricewaterhouse Coopers) and Esquel Group.

Attendance at Board Meetings:

He has attended all the eight (8) Board meetings held during the financial year ended 31 May 2023.

Dato' (Dr) Teoh Seng Foo is the brother of Teoh Seng Aun and Dato' Teoh Seng Kian (who is also Executive Director), who are substantial shareholders of the Company. Apart from the above, he has no other family relationship with any other Director and/or major shareholder of the Company.

He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profile (Cont'd)



Board Committee:

- Chairman of the Employees' Share Option Scheme Committee

Education & Qualification:

- Bachelor of Arts (Hons) majoring in Business Administration from Hanover College, United States of America
- Masters of Business Economics from Miami University, United States of America

Date of Appointment & Work Experience:

Dato' Tiong Kwing Hee, first joined the Board as an Alternate Director on 18 September 2008 and subsequently appointed as Executive Director/Chief Executive Officer on 2 January 2009. He is currently the Group Chief Executive Officer / Executive Director of the Company.

He started his career with Sim Lim Holdings Berhad in 1983 as Executive Officer in charge of corporate finance and was promoted to Manager in 1984 and General Manager in 1985. He left Sim Lim Holdings Berhad in 1987 following his venture into the timber industry and became a shareholder

cum director of marketing in Wansuria Sdn Bhd. He was a substantial shareholder in London Pacific Ltd, a company listed on the New Zealand Stock Exchange between 1988 and 1994.

In 1994, he left the timber industry when he sold off his stake in Wansuria Sdn Bhd. In 1995, he joined D-Systems Pte Ltd, a Singapore based company with exclusive distribution rights of drywall system from United States of America for Asia Pacific region, as the Chief Executive Officer. In 1997, he was head hunted on a two (2) years contract as an Executive Director of a listed company to prepare that company for a corporate restructuring.

During the course of his career, he has been directly involved in various industrial sectors including corporate finance, financial services, manufacturing, plantations, property, construction, education, leisure, entertainment and mineral resources. He has extensive hands-on experience, knowledge and exposure in international business, corporate planning, restructuring and corporate turnaround.

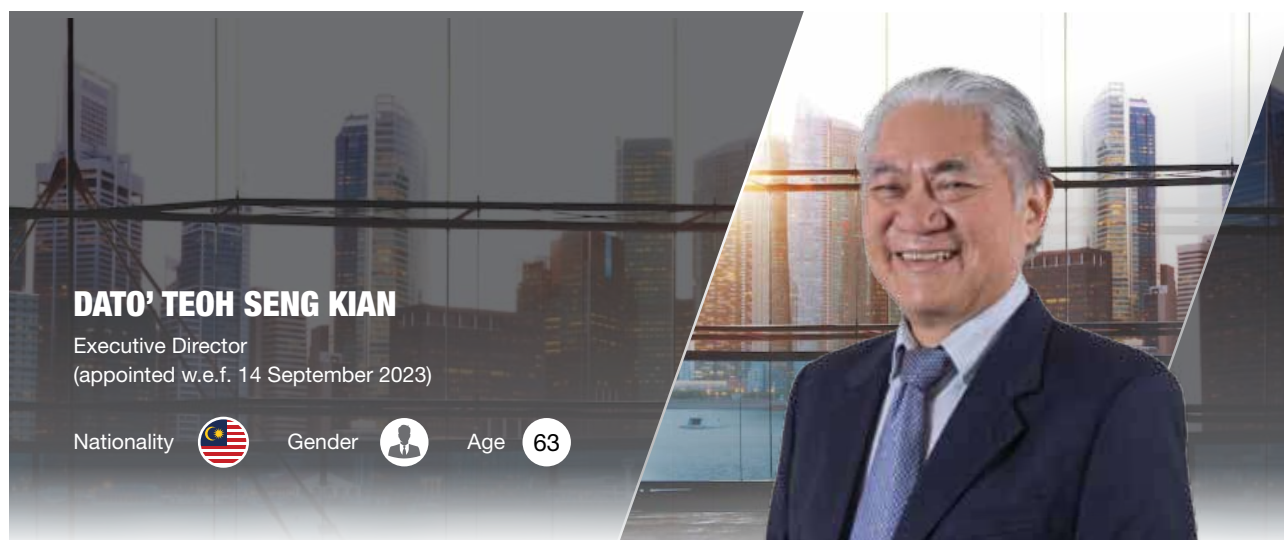
Attendance at Board Meetings:

He has attended all the eight (8) Board meetings held during the financial year ended 31 May 2023.

Dato' Tiong is also currently the Managing Director and major shareholder of Mercury Industries Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profile (Cont'd)



Education & Qualification

- Bachelor of Engineering (Mechanical) from Australia

Date of Appointment & Work Experience:

Dato' Teoh Seng Kian was appointed as Alternate Director to Dato' (Dr) Teoh Seng Foo, the President, on 1 December 2009. He was later appointed as the Executive Director of the Company on 14 September 2023.

He started his career with an Australian company specialising in manufacturing of building materials. Upon returning to Malaysia, he served as a director in a company involved in quarrying and infrastructure construction.

Attendance at Board Meetings:

He has attended two (2) out of eight (8) Board meetings held during the financial year ended 31 May 2023.

He is a substantial shareholder of the Company and is deemed to have an interest in all the shares held by the Company in the subsidiaries by virtue of his substantial interest in shares of the Company. He is brother to Dato' (Dr) Teoh Seng Foo, the President of the Company and Teoh Seng Aun, who are substantial shareholders of the Company. Apart from the above, he has no other family relationship with any other Director and/or major shareholder of the Company.

He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profile (Cont'd)



Board Committee:

- Member of the Nominating Committee
- Member of the Audit Committee

Education & Qualification:

Bachelor of Arts (Honours) from Universiti Kebangsaan Malaysia

Date of Appointment & Work Experience:

Dato' Boey Chin Gan was appointed to the Board as Independent Non-Executive Director on 1 April 2009. He was then redesignated as the Non-Independent Non-Executive Director of the Company on 31 May 2023.

Dato' Boey is very active in the social economic development of the country. He has served as the Press Secretary to the Minister of Housing and Local Government of Malaysia for eleven (11) years from 1993 to 2004. In 2004, Dato' Boey served as a Kedah State Assemblyman (for 2004-2008 terms). Dato' Boey has vast experiences and extensive knowledge in administrative

and strategic planning by virtue of his long service in government sectors.

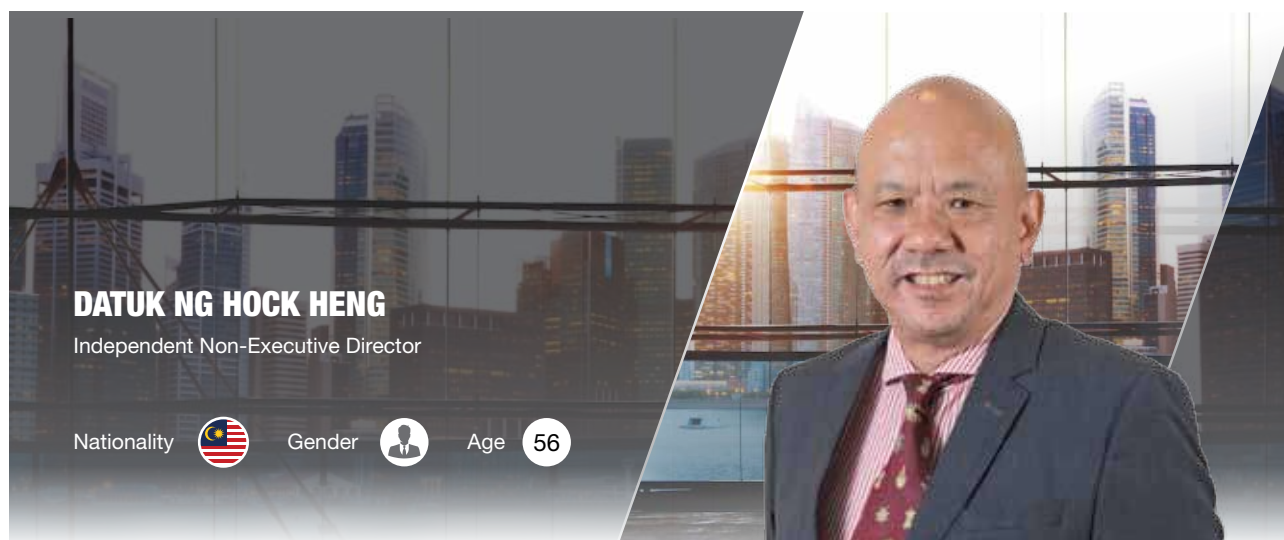
Dato' Boey is also an Independent Non-Executive Director, Nomination Committee Chairman, Audit Committee member, Remuneration Committee member and Risk Management Committee member of Ajiya Berhad.

Attendance at Board Meetings:

He has attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 May 2023.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profile (Cont'd)



Board Committee:

- Chairman of the Remuneration Committee
- Member of the Nominating Committee

Previously, he also was an Advocate and Solicitor of the High Court of Malaya.

He is currently the Group Chief Executive Officer of Zico Holdings Inc.

Education & Qualification:

- Bachelor of Economics with double majors in Banking & Accountancy from Monash University Australia
- Bachelor of Law from Monash University
- Masters of Law (Distinction) from Monash University

Attendance at Board Meetings:

He has attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 May 2023.

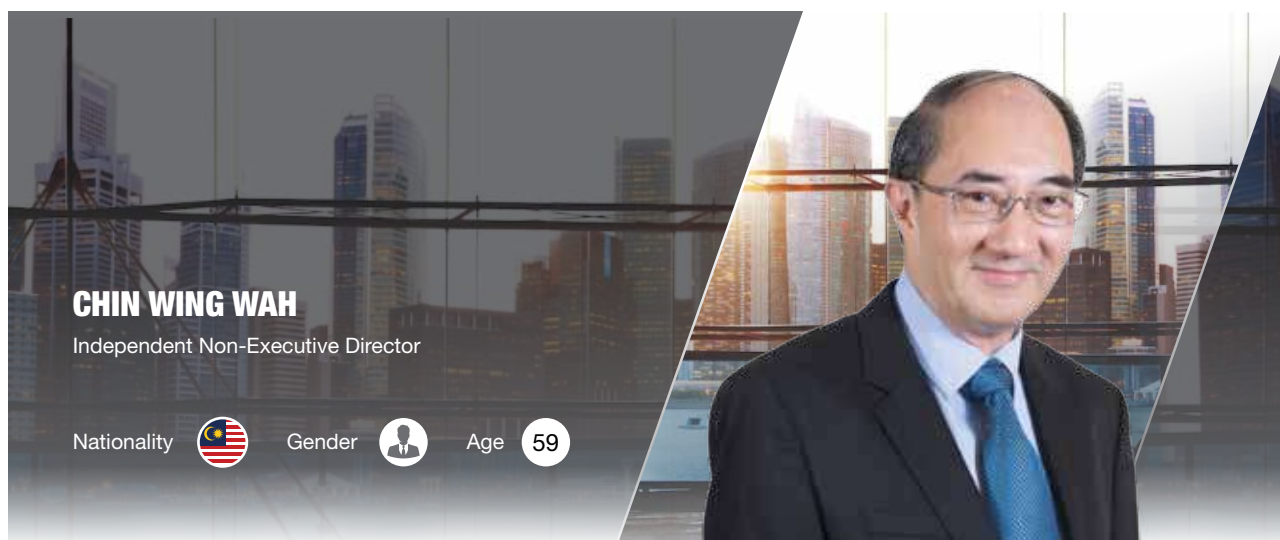
He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Date of Appointment & Work Experience:

Datuk Ng Hock Heng was appointed to the Board on 4 March 2015.

He started his career in KPMG (Australia) as a Tax Consultant before advancing his career in Deloitte Touche Totmatsu (Australia & Hong Kong) as a Senior Tax Consultant in year 1993. In 1995, he joined Zaid Ibrahim & Co. and became a partner in 1999.

Directors' Profile (Cont'd)



Board Committee:

- Chairman of the Audit Committee
- Chairman of the Nominating Committee
- Member of the Remuneration Committee

Education & Qualification:

- Chartered Accountant registered with the Malaysian Institute of Accountants
- Associate Member of the Chartered Institute of Management Accountants, United Kingdom
- Registered member with the Board of Valuers, Appraisers, Estate Agents & Property Managers (BOVAEA)

Date of Appointment & Work Experience:

Mr Chin Wing Wah was appointed to the Board on 15 January 2022.

He began his career as an Auditor in Ho Kiang Theng & Co, an audit firm, in 1985. He then joined Mahajaya

Berhad as an Assistant Accountant in 1989. Subsequently, in 1990, he joined Crimson Land Berhad as the Financial Controller. In 2007, he joined Amat Suria Sdn Bhd as Chief Operating Officer, where he was responsible for overseeing the company's daily operations and procedures.

In 2009, Mr Chin Wing Wah was appointed as an Advisor in Matrix Parking Solution Sdn Bhd and was subsequently appointed as a Director in March 2015, where he is responsible for setting the strategic direction of the company and business development.

From 2012 to 2020, he was appointed as an Independent Director in Meda Inc. Berhad.

From 2019 to current, he was appointed as the Director of Rose Vista Property Management Sdn Bhd, a BOVAEA registered property management company.

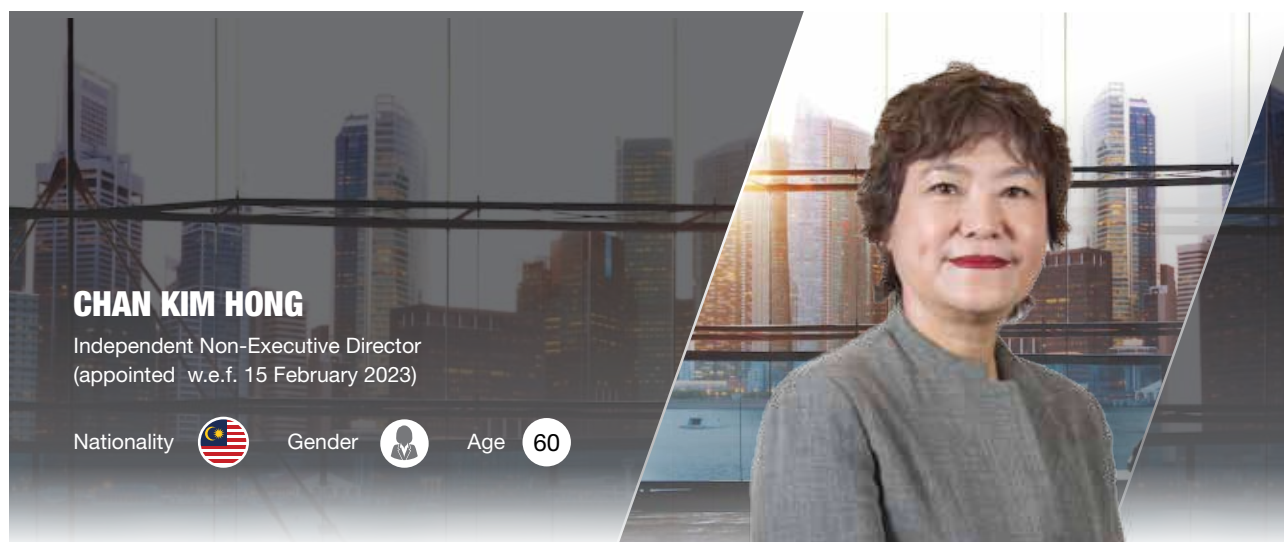
He is currently the Executive Director of Matrix Parking Solution Holdings Berhad which is listed on the LEAP Market of Bursa Malaysia Securities Berhad.

Attendance at Board Meetings:

He has attended all eight (8) Board meetings held during the financial year ended 31 May 2023.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profile (Cont'd)



Board Committee:

- Member of the Audit Committee
- Member of the Remuneration Committee

She was appointed by the respective Ministries as a member of the Board of Labuan Port Authority and the Board of the Malaysian Rubber Council on 29 September 2017 and 30 May 2016 respectively.

Education & Qualification:

- Member of the Malaysian Bar
- Chartered Governance Professional of The Chartered Governance Institute

Attendance at Board Meetings:

She has attended one (1) out of one (1) Board meeting held during the financial year ended 31 May 2023.

Date of Appointment & Work Experience:

Ms Chan Kim Hong was appointed to the Board on 15 February 2023.

Ms Chan began her career in 1987 with Messrs Shearn Delamore & Co (Advocates & Solicitors), she then moved on to Messrs Shook Lin & Bok (Advocates & Solicitors) and eventually set up her own legal practice under the style of Messrs Azlinda & Agnes Chan in 1995.

Ms Chan was a two terms chairperson for the Corporate & Conveyancing Practice Committee of the Kuala Lumpur Bar Committee for the year 2011 and 2012.

She has no family relationship with any other Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Team Profile



WILBERT GOH LIK SIN

Financial Controller

Nationality  Gender  Age 

Education & Qualification:

- Association of Chartered Certified Accountants, UK
- Member of Malaysian Institute of Accountants

Date of Appointment & Work Experience

Mr Wilbert Goh was appointed as Financial Controller on 1 November 2022. He has twenty-seven (27) years of working experience in audit, accounts, financial management and budgeting, corporate finance and taxation.

His professional career started upon graduation from Tunku Abdul Rahman College in 1996 with accreditation of ACCA qualification. He served in a Chartered Accountancy firm in Malaysia for four (4) years started from 1996 with clientele mainly involved in the industry of construction and property development. He worked as a Group Accountant in Meda Inc Berhad for seven (7) years from 2001 to 2007 before joining Mah Sing Group Berhad as a Group Financial Controller. Two years later in 2009, he joined Naza Group as a Group General Manager of Finance and his portfolio covered various industries eg. Property investment, budget and executive taxi, plantation, credit and leasing, insurance agency and transportation. During his four (4) years with Naza Group from 2009 to 2012, he was also a Business Head overseeing the business operation of property maintenance of the group. He joined a bumiputra contractor company as a Chief Financial Officer in 2013 until November 2022.

Mr Wilbert Goh oversees the accounting and finance operations of EcoFirst. He has been entrusted to undertake the full spectrum of accounting and finance functions of the Group covering financial reporting, taxation, financial planning and management, corporate finance and treasury.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



JANICE LOH CHUEN YANN

Head of Sales and Marketing

Nationality  Gender  Age 

Education & Qualification:

- Quality Management System and Assessment from University of Portsmouth, United Kingdom

Date of Appointment & Work Experience

Ms Janice Loh was appointed as the Head of Sales and Marketing on 9 May 2022. She previously served as the Head of Properties and Development since 1 November 2018 and was the General Manager, Marketing and Retail Leasing since 1 June 2016.

Her career in the property industry began with MBF Property Services, City Square and Empire Tower in Jalan Tun Razak as well as Rivercity in Jalan Ipoh under Low Yat Group. Since then, she has served as the Director of Leasing and Marketing for Hatten Group retail properties in Malacca including Dataran Pahlawan and Hatten Square.

With forty-one (41) years of working experience, she has also served at Henry Butcher Retail, in charge of leasing, marketing, promotion, management and retail operation for Seremban Prima. Prior to joining EcoFirst, she was the Vice President of Retail Leasing for See Hoy Chan Group, Starling Mall.

Ms Janice oversees the overall project development, sales marketing and sales administration, corporate and customer service as well as property management for the Group.

Her role is to drive, formulate, implement and establish policies that promote the company's culture and vision through its operations. She is also responsible for driving efficiency by maintaining control of diverse business operations of sales and marketing, strategic leasing related transactions and property related matters.

She has no family relationship with any other Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Team Profile (Cont'd)



SALLY TANG

General Manager, South City Plaza

Nationality  Gender  Age  50

Education & Qualification:

- Diploma in Computer Science and Information Technology from Institute of Technology, Perak

Date of Appointment & Work Experience:

Ms Sally Tang was appointed as General Manager, South City Plaza on 1 January 2015 and previously served as the Complex Manager for South City Plaza since 1 July 2013. Prior to joining EcoFirst, Ms. Tang served the Low Yat Group, Luxor Properties and Henry Butcher Lim & Long Sdn. Bhd.

With twenty-one (21) years of extensive working experience in marketing, business development, property management, sales and leasing of residential and commercial properties, advertising and promotions, and customer relations, Ms Tang is the main driver of South City Plaza's sales revenue generation.

Ms Tang is responsible for the group operations of EcoFirst's retail complex of South City Plaza, encompassing a net lettable area of approximately 800,000 sq.ft., located in Seri Kembangan, Selangor. Her responsibilities include overseeing the daily operations, marketing, advertising and promotions, tenancy and maintenance for the whole South City Plaza.

She has no family relationship with any other Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



CHEW YET GOR

Human Resource And Administration Manager

Nationality  Gender  Age  59

Education & Qualification:

- Bachelor of Development Science degree from the National University of Malaysia
- Certificate in Personnel Management from Malaysian Institute of Personnel Management

Date of Appointment & Work Experience

Ms Chew Yet Gor was appointed as EcoFirst's Human Resource and Administration Manager on 1 November 2010 and began her career in human resources after obtaining her Development Science degree from National University of Malaysia.

Prior to joining the Group, she served as the Human Resource and Administration Manager at a manufacturing company. She has thirty-two (32) years of working experience in human resource and administration field.

Ms Chew is responsible for all human resources management and administration matters for EcoFirst, including staff recruitment, payroll administration, compensation and benefits, training and development, performance management, human resource policies and procedures and employee relations.

She has no family relationship with any other Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Team Profile (Cont'd)



LIM BEE TENG

Group Legal Manager

Nationality  Gender  Age 

Education & Qualification:

- Bachelor of Law (LLB, Hons) degree from the University of London
- Certification in Legal Practice from Profession Qualifying Board, Malaysia

Date of Appointment & Work Experience:

Ms Lim Bee Teng was appointed as the Group's Legal Manager on 12 May 2014. Prior to joining the Group, she served as the corporate in-house legal counsel in AEON Retail and possesses a wide spectrum of experience in transactional conveyancing, disputes resolutions practices, commercial and legal negotiations, corporate and commercial exercises.

Ms Lim handles the Group's legal matters including corporate and conveyancing matters. She is involved in the advisory and preparation of sales and purchase agreements, joint venture agreement, share sale agreement, lease and tenancy agreements, strata management and land acquisition matters.

She also assumes the role of providing legal training within the Group of Companies.

She has no family relationship with any other Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the notes accompanying the financial statements, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

President's Management Discussion and Analysis

Dear Valued Shareholders,

FY2023 was a pivotal year for us. We rebounded from the COVID-19 pandemic losses, demonstrating our resilience and ability to overcome challenges and adapt to new realities. As the world gradually transitions away from the challenges of the COVID-19 pandemic and moves closer to normalisation, EcoFirst stands at the forefront of embracing this new normal and directs its operations towards recovery.

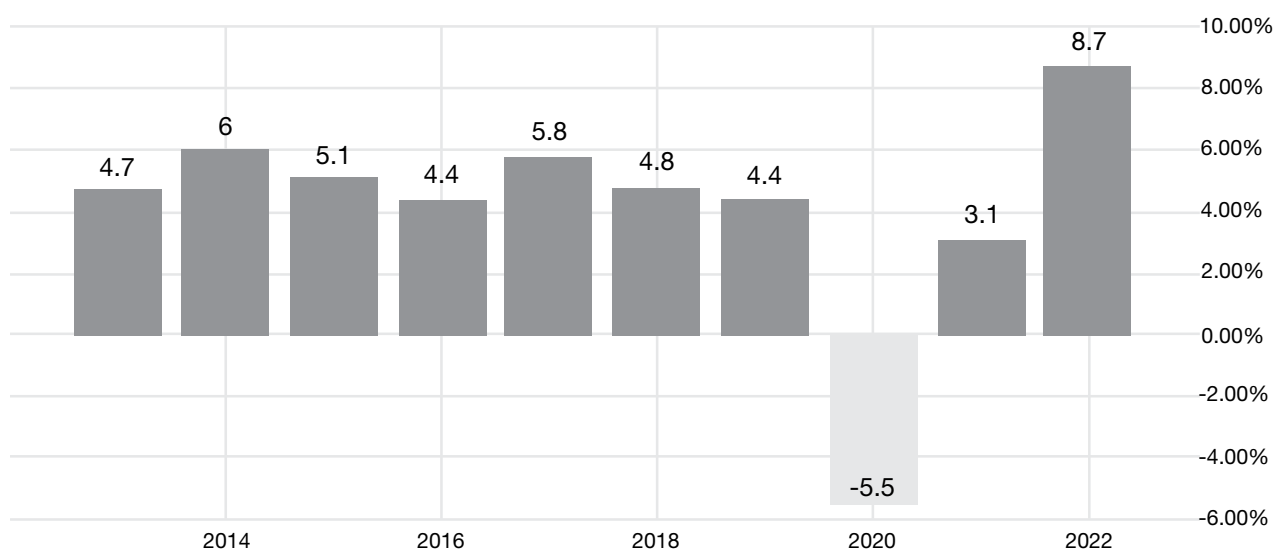
Despite ongoing challenges from persistent inflationary pressure and rising interest rates—factors that have increased borrowing costs and reduced domestic consumption power, the company remains unwavering in its commitment to growth. Bolstered by the successful launch of a new project and the proactive measures taken to enhance the company's resilience, EcoFirst is not just navigating the tumultuous waters of recovery but also laying a solid foundation for sustainable future growth.

I am pleased to present to you the annual report for the financial year ending 31 May 2023 ("FY2023"). As we look back on the past year, we recognise a transformed landscape marked by both challenges and opportunities.

The global economic climate in FY2023 was heavily influenced by the after-effects of the COVID-19 pandemic and the ensuing adaptations to new realities. In Malaysia, the business environment has rebounded as we move past the pandemic and adjust to the new normal. However, we have faced multiple headwinds, including rising interest rates, persistent inflationary pressures, geopolitical tensions from events like the Russia-Ukraine war, and domestic political uncertainties.

The domestic political instability prompted a snap general election and the dissolution of the Parliament in October 2022. However, the 15th General Elections of Malaysia ("GE15"), held in November 2022, resulted in the country's first-ever hung parliament in a federal election. This initial political uncertainty was soon addressed with the formation of a unity government, restoring stability to the political landscape.

ANNUAL GDP GROWTH (%)



Source: Department of Statistics Malaysia (DOSM), Trading Economics

President's Management Discussion and Analysis (Cont'd)

Despite these hurdles, Malaysia's economic recovery has been vigorous. Our Gross Domestic Product ("GDP") growth surged from 3.1% in 2021 to 8.7% in 2022. This was primarily due to the low base effect from the previous year and the reopening of the global economy. Such a sharp rebound has set us firmly on the path to achieving pre-COVID levels by 2023. This growth momentum persisted into 1Q 2023, with GDP expanding by 5.6%, bolstered by robust domestic demand. Our economy also gained from improvements in the labour market and stable price indexes, fostering a conducive environment for businesses to flourish.

As a Group, our performance under these circumstances has been commendable, showcasing our resilience and adaptability. Our 4Q FY2023 property sales show an encouraging upward trend, largely attributed to the surge in revenue from our new property development project.

Having weathered the extraordinarily challenging environment of the past two years, the Group is on a solid recovery path. This is further emphasised by the launch of our new property development, the KL48 project, which was a highlight this year. KL48, being the Group's maiden project post-COVID, boasts an estimated gross development value ("GDV") of approximately RM1.0 billion. We are bullish about the prospects of this new development, given its prime location in Sungai Besi, competitive pricing, and well-thought-out features. This project embodies our dedication to creating value for shareholders and enhancing the living experiences of our customers.

In our pledge to shareholders, we actively seek opportunities to capitalise on the property sector's ongoing recovery. Our focus is on developments catered to the mass market segment, providing attractively priced properties that address the country's affordability concerns.

As we progress, sustainability remains paramount. Our approach transcends mere profitability to encompass environmental, social, and governance facets. We strive to deliver projects that bolster community well-being, advocate environmental sustainability, and generate enduring value for stakeholders.

In conclusion, my sincere appreciation goes to our management team for their relentless dedication over the year. My gratitude also extends to our shareholders, customers, partners, and employees for their steadfast support and faith in the Group.

I am privileged to present the business overview, operational highlights, and FY2023 financial performance. The subsequent pages will delve into key trends, challenges, risks, and growth prospects within the property sector, giving a holistic view of the Group's performance and strategic direction.

Thank you for entrusting us and investing in the Group's vision. Together, we remain dedicated to laying a robust foundation for sustainable growth in future years.

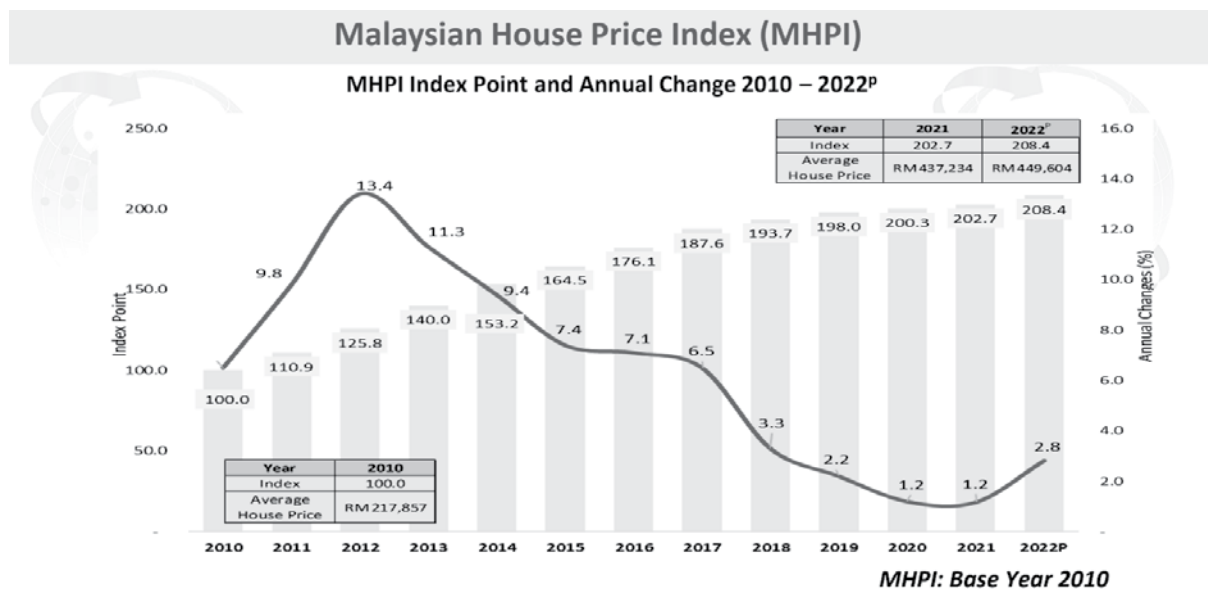
BUSINESS OVERVIEW

Established in 1973, EcoFirst has been publicly listed on the Main Board (now Main Market) of Bursa Malaysia Securities Berhad since 1984. Our core pursuits lie in property development, investment holding, and management.

Our guiding principle, "Creating Value Now and Tomorrow," signifies the Group's enduring commitment to shareholders in enacting value-driven strategies. In sync with our objective of executing value-added strategies, the Group capitalised on the economic upturn to achieve profitability in FY2023. In Malaysia, although the business ambience improved with the country acclimating to the new normal, it wasn't devoid of challenges. These included escalating interest rates, inflation, geopolitical tensions, and local political uncertainties culminating in a snap general election. Nonetheless, Malaysia's GDP saw a significant uptick in 2022, underpinned by robust domestic demand.

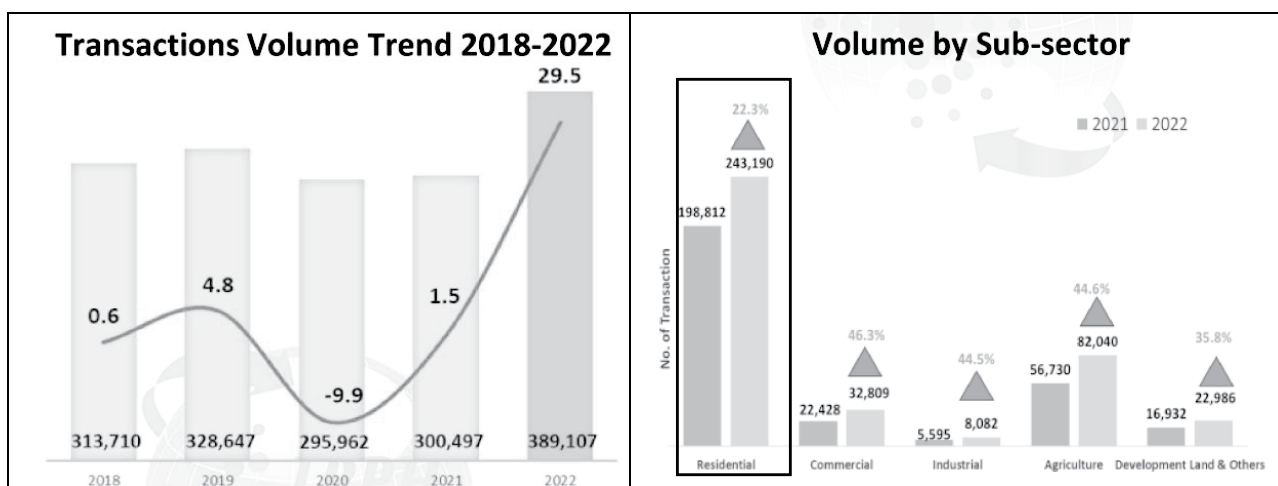
Echoing the economic resurgence, the Malaysian property market is also on an upward trajectory, steadily reverting to pre-COVID benchmarks. Post a transient phase of uncertainty during the pandemic, the market's resilience and flexibility came to the fore. This is evident from the uptick in average house prices, transaction volume and value, as well as a decline in overhang units nationwide.

President's Management Discussion and Analysis (Cont'd)



Source: NAPIC

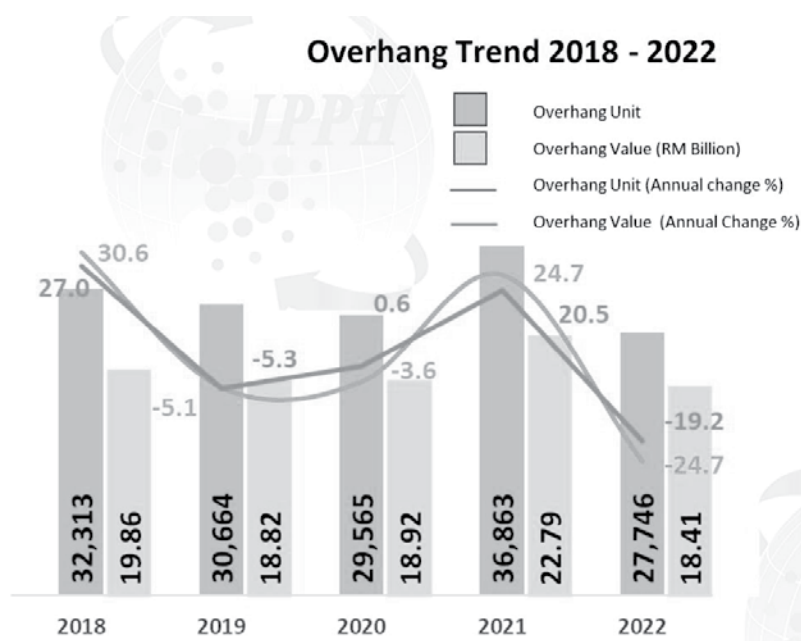
According to data from the National Property Information Centre (“NAPIC”) on the Malaysia House Price Index (MHPI), the average house price growth, which had stagnated at 1.2% over the two pandemic years, surged to 2.8% in 2022. This positive trend approaches pre-COVID levels, bolstering confidence in the market’s recovery. However, this growth was tempered by factors such as Bank Negara Malaysia (“BNM”) increasing the overnight policy rate (“OPR”) to address rising inflation, economic uncertainties, and other variable economic conditions.



Source: NAPIC

In addition to this, the transaction volume for the Malaysian property market saw a significant rebound in 2022, increasing by 29.5%. This marked a stark contrast to the 9.9% decline observed in 2020 during the peak of the pandemic. The residential segment also displayed growth, with its transaction volume rising by 22.3% in 2022.

President's Management Discussion and Analysis (Cont'd)



Source: NAPIC

Overhang units, which indicate an excess supply of unsold properties, also displayed a positive trend. In 2022, the residential segment's overhang units decreased by 24.7% y-o-y, amounting to 27,746 units.

EcoFirst benefited from the improving outlook of the property sector during FY2023. Despite facing challenges such as rising interest rates, persistent inflationary pressure that dampened consumption power, and various global macroeconomic uncertainties—including geopolitical and domestic political unrest—the Group became profitable in FY2023.

This positive shift was propelled by promising property sales in 4Q FY2023, especially with the launch of the KL48 project in Sungai Besi. This new property development, with an estimated GDV of RM1.0 billion, was the Group's inaugural project post-COVID-19. The introduction of KL48 augments the Group's already robust portfolio, which encompasses the recently completed Liberty Arc and a diverse mix of residential and commercial developments. Some highlighted projects include the Taipan@Ipoh Cybercentre in Perak, the 1Segamat Mall in Johor, South City Plaza shopping centre, and The Academia in Seri Kembangan, Selangor. The Group also proudly heralds the completed Kondominium Kelab Golf in Perak.

Additionally, the Group's property investment sector witnessed a revival in FY2023 due to enhanced rental income from investment properties post the government's Movement Control Order ("MCO").

With our strategic emphasis on the KL48 launch, we are hopeful that this property, boasting a GDV of RM1.0 billion, will spearhead our earnings recovery. We view KL48 optimistically due to its prime location in Sungai Besi, competitive pricing, and well-conceived features targeting young professionals. Priced between RM455,000 and RM595,000, these fully furnished units present an enticing proposition for our target demographic. This project echoes our dedication to shareholder value and enhancing our customers' living experiences.

In parallel, EcoFirst is keenly scouting for development-ready land. Opportunities under consideration include forging joint ventures with landowners for property development or contemplating the rejuvenation of abandoned projects.

This strategy will supplement the Group's revenue, especially since the next phase of its Ampang Ukay project might require several more years before launching. The delay stems from the time-intensive process of repurposing the land for commercial usage, which mandates extensive planning and regulatory approvals, inclusive of a comprehensive Master Plan. Positioned to be a signature monument in the emergent urban hotspot, the Ampang Ukay flagship development anticipates a GDV exceeding RM5.0 billion, fortifying the Group's growth trajectory for the next decade or more.

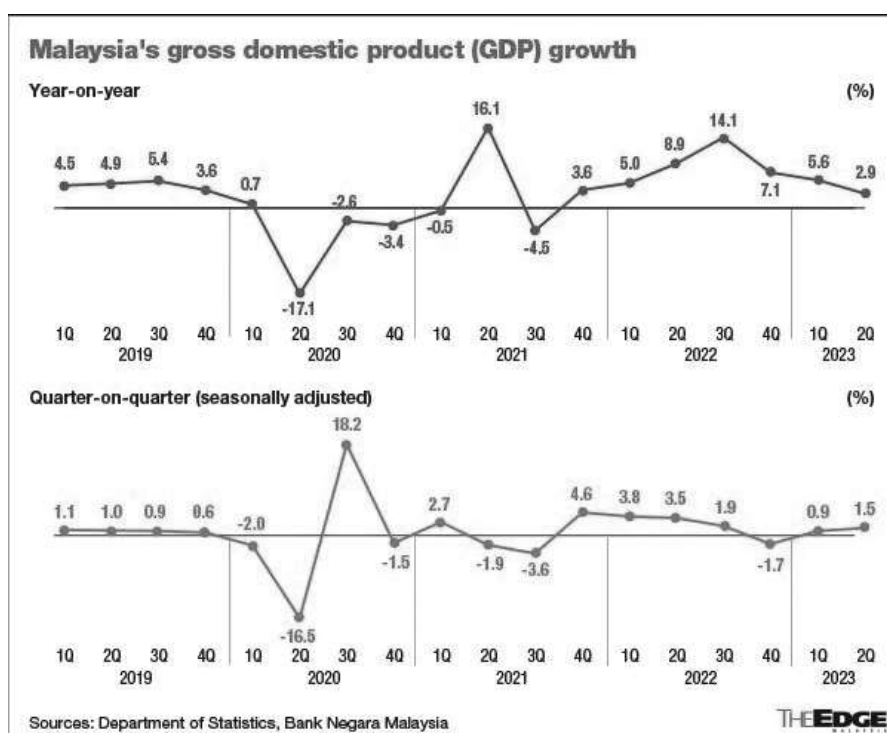
President's Management Discussion and Analysis (Cont'd)

The Group's undertakings also span property investment and management services. Presently, EcoFirst oversees leasing and administrative roles for the South City Plaza mall and the retail locales in Seri Kembangan and Liberty @ Ampang Ukay. Rental income experienced a resurgence as economies reopened and international borders became accessible. As the economic revitalisation persists, it will bolster rental returns from the Group's property investment portfolio.

FINANCIAL PERFORMANCE

EcoFirst marked a significant return to profitability in FY2023, posting a net profit of RM10.73 million, a sharp reversal from the RM12.20 million net loss the preceding year. This laudable transformation largely stems from the discontinuation of provisions for doubtful debts and the fair value gains on investment properties, even considering the finance cost increment post the moratorium period.

Furthermore, the Group witnessed a robust revenue resurgence, registering a 31% hike to RM31.46 million, an ascent from RM24.04 million in FY2022. The primary thrust behind this enhanced operational performance was the revenue garnered from the KL48 project—a noteworthy accomplishment given the sales from KL48 spanned just two months by May 2023.



The earnings recovery of EcoFirst aligns with the broader reopening of the economy and the resurgence of domestic economic activities. Notably, Malaysia's economy demonstrated resilience, with GDP growth of 5.6% in 1Q 2023 and 2.9% in 2Q 2023. While the economic revival fueled demand for property projects, EcoFirst launched its new development, KL48, only towards the close of FY2023.

This launch significantly bolstered the 4Q FY2023 revenue, which surged by 127%, largely due to revenue from the property project. Furthermore, FY2023 witnessed a substantial recovery in the Group's property investment arm thanks to increased rental income.

Despite not introducing new projects over the past two years, EcoFirst has maintained a strong financial stance, positioning itself to capitalise on the anticipated economic rebound. The KL48 launch is set to amplify near-term earnings further and enhance future prospects.

President's Management Discussion and Analysis (Cont'd)

As of 31 May 2023, shareholders' equity increased by 6% to RM510.44 million, up from RM481.70 million the previous year. This growth primarily stemmed from new share capital and an uptick in reserves resulting from the current fiscal year's retained earnings. The Group's gross debt-to-equity ratio held steady, registering at 0.34 in May 2023 compared to 0.33 in May 2022.

The Group's total assets remained stable, at RM946.34 million as of 31 May, 2023, versus RM959.30 million on the same date in 2022. This stability primarily resulted from a reduction in the Group's current assets' inventories.

However, even with this slight dip in total assets, EcoFirst's net asset value (NAV) per share grew to 42 sen at the end of May 2023 from 41 sen the prior year. The KL48 project launch in Sungai Besi positions EcoFirst to tap into the burgeoning property sector. With the economy reopening, the growing demand for affordable housing is evident. The introduction of KL48, tailored for young professionals, aligns perfectly with this emergent market segment's requirement.

SEGMENTAL REPORTING

• Property Development

The property development segment underpins EcoFirst's operations. Despite challenges from the COVID-19 pandemic, the company displayed commendable resilience. The pandemic significantly impacted EcoFirst's operations, culminating in a sharp revenue drop to RM9.35 million in FY2022. However, FY2023 saw a resurgence, with revenue soaring over threefold to RM15.36 million, constituting about 49% of that year's total revenue.

This impressive rebound is largely credited to the successful introduction of the KL48 project—EcoFirst's inaugural property development since the COVID-19 pandemic's onset. Strategically positioned in Kuala Lumpur, KL48 offers urban living amidst the city's dynamic sectors. As a Transit-Adjacent Development (TAD), KL48's location ensures convenient access to major public transport routes, attracting investors seeking connectivity.



President's Management Discussion and Analysis (Cont'd)

Sprawled across 1.61 hectares of freehold land in the Jalan Chan Sow Lin area, KL48 boasts a gross GDV of RM1 billion. The property houses two 47-story towers comprising nine retail units and 1,700 serviced apartment units. These apartments, catering primarily to young professionals, range between 650 and 850 square feet. Furthermore, KL48 offers a three-tiered security system, bolstering residents' overall experience.

With units priced starting at RM455k or approximately RM700 per square foot, KL48 is an affordable yet premium option for young professionals aspiring for prime location residences. The market's positive response to KL48 is palpable, with 750 units swiftly booked after sales commenced. The property is slated for completion over the coming four years.

EcoFirst's proactive pandemic-era management and robust financial position primes the company to seize opportunities in the revitalising property market. Emphasis will be on the affordable and mid-market segments in chosen locales. Spearheading the company's long-term property ventures will be its flagship projects in Ampang Ukay. Upon successfully concluding the first phase of the Ampang Ukay development, management is strategising for the subsequent seven phases, which includes devising a comprehensive master plan for this flagship initiative. EcoFirst's objective is to channel its prospects over the forthcoming 10 to 15 years through this flagship endeavor, marking a pivotal phase in building a solid foundation.

Given the lessons of the past two years, EcoFirst's conservative approach prioritises capital discipline amid economic recovery uncertainties. This mindset allows the team to concentrate on long-haul growth avenues within the property development sector.

- **Property Investment**

Our property investment segment encompasses the South City Plaza shopping mall in Seri Kembangan, Selangor. This five-story mall is renowned as Malaysia's premier digital device accessory centre and stands out for its collection of Chinese antiques, tea, and porcelain products. The recently completed Liberty Arc @ Ampang Ukay project adds 38 retail units to our portfolio.

In FY2023, segment revenue grew by 13%, reaching RM13.38 million compared to RM11.90 million in FY2022, a boost attributable to the economy's reopening and shoppers' return to malls. By the end of May 2023, the mall's occupancy rate stood at 86%, up from 85% in FY2022. The influx of tourists will further aid the recovery of the retail sector, benefiting shopping centres like ours.

In FY2023, property investments contributed approximately 43% to our revenue. However, given the anticipated growth in the property development segment next year, we expect the property investment's revenue share to decrease. In the long run, the management projects this division's contribution to be between 12% and 20% of the Group's total revenue, ensuring consistent rental income. The Group remains cautiously optimistic about South City Plaza's long-term prospects, especially with the upcoming Klang Valley Mass Rapid Transit 2 (KVMRT2). This transit system will connect pivotal areas such as Kuala Lumpur, Cyberjaya, Putrajaya, and Seri Kembangan, potentially boosting the mall's footfall.

In summary, the management is confident that the property investment segment will provide sustained rental income and exhibit resilience as the economy recovers.

- **Property Management**

The remaining RM2.64 million revenue is credited to our property management segment, supervised by Budaya Fokus Sdn Bhd, an EcoFirst subsidiary. This entity is entrusted with managing the South City Plaza, our shopping mall in Seri Kembangan.

Budaya Fokus Sdn Bhd is instrumental in preserving and enhancing South City Plaza's value, ensuring it remains appealing to both shoppers and tenants. The company assumes a myriad of responsibilities, from daily operations and security assurance to maintenance and repair coordination. In addition, its role extends to marketing, aiming to attract and retain tenants, which ensures a regular revenue stream. They foster robust relationships with retailers and tenants, enriching the overall shopping experience for visitors.

President's Management Discussion and Analysis (Cont'd)

KEY RISKS AND CHALLENGES

Navigating the dynamic landscape of the property development industry demands the identification and mitigation of key risks and challenges to guarantee long-term stability and growth. A multitude of external and internal factors influence this sector, underscoring the importance of meticulous risk management, strategic planning, and proactive problem-solving. As EcoFirst strives to meet the burgeoning demand for affordable housing, it must stay alert to challenges stemming from market shifts, political instability, economic volatility, and regulatory adjustments. Moreover, our unwavering dedication to top-tier property development and client satisfaction mandates continual vigilance against project delays, liquidity issues, and potential reputation risks.

In the subsequent section, we will elucidate the ten primary challenges and risks that could influence EcoFirst, along with a blueprint for risk mitigation. By recognising these potential pitfalls, we aim to enable the Group to make well-informed decisions and align its tactics with broader objectives. Comprehensive risk evaluations, combined with custom mitigation strategies, will guide EcoFirst in its ascent, adeptly navigating market ambiguities and laying the groundwork for sustained success in the property development arena.

The following are the seven key risks for EcoFirst, along with our mitigation strategies:



KEY RISKS AND CHALLENGES

Key Risks	Findings	Mitigations
Market Risk	The property market may experience fluctuations in demand and supply, affecting the Group's sales and profitability.	Diversify the property portfolio through different geographical areas to ensure a steady revenue stream even in downturns. Hold some property portfolio for stable rental income.
Political Risk	Political uncertainty, such as snap elections, can lead to economic volatility.	Stay informed of political developments, adapt business strategies accordingly, and engage in advocacy efforts to promote stable, business-friendly policies.
Interest Rate Risk	Rising interest rates could increase the Group's financing costs, impacting profitability.	Opt for fixed-rate loans, refinance existing loans at lower rates, or reduce debt levels by using internal funds for projects.
Inflationary Risk	Inflation can erode purchasing power, affecting consumers' ability to buy properties.	Monitor inflation trends, adjust pricing strategies, and focus on properties catering to different market segments to attract a wider customer base.
Reputational Risk	Negative perceptions can affect customer trust and brand value.	Maintain high-quality standards in projects, prioritise customer satisfaction, and implement effective communication strategies to address concerns and enhance the Group's reputation.
Project Delay Risk	Delays in project completion can increase costs and erode customer confidence.	Implement robust project management practices, maintain a buffer in project timelines for unforeseen delays, and maintain transparent communication with stakeholders.
Regulatory Risk	Changes in regulations can impact the Group's operations.	Monitor regulatory changes, engage with policymakers and industry associations, and ensure compliance with all applicable regulations.

By implementing these mitigation strategies, EcoFirst can proactively manage risks and ensure sustainable business growth.

President's Management Discussion and Analysis (Cont'd)

GROWTH PROSPECTS

EcoFirst is poised to capitalise on numerous positive trends in the property development sector, even in the face of broader economic challenges. The company is strategically positioned to leverage growth opportunities presented by the Malaysian government's initiatives and the ongoing recovery of the property market. This is especially evident in its KL48 project, which targets young professionals.

One particularly encouraging factor is the Malaysian government's stamp duty exemption, in place until 31 December, 2023. This policy offers significant advantages for properties priced below RM500k with a full 100% exemption. Meanwhile, properties priced from RM501k to RM1m receive a 75% exemption. These stamp duty exemptions are set to boost demand for affordable housing within these price brackets, paving the way for EcoFirst to reach a broader market segment.



In addition to the stamp duty exemptions, the government's initiative to increase workers' salaries by allocating between RM1 billion and RM2 billion is anticipated to enhance purchasing power. By raising salaries from RM2,000 to RM2,200, the government aims to invigorate domestic consumption and foster homeownership, especially for those previously constrained by affordability.

The return of foreign tourists and the revitalised economy have rejuvenated interest in property development. The influx of international visitors, especially from China, is expected to heighten demand for accommodations, retail spaces, and investment properties. This trend bodes well for the property market sentiment, benefitting EcoFirst. Additionally, the Group's property investment segment stands to gain from the tourism sector's resurgence.

President's Management Discussion and Analysis (Cont'd)

It's vital, however, to recognise that Malaysia's economic growth experienced a slowdown in 2023. Particularly in the second quarter, GDP growth receded to 2.9% year-on-year (yoy), a decline from 5.6% yoy in the preceding quarter. This downturn is ascribed to dwindling external demand and the pronounced base effect from 2Q 2022, which recorded robust growth due to reopening impacts and policy initiatives. Yet, domestic demand remains a pivotal growth driver fueled by private consumption and investment.

Given the lacklustre 2Q 2023 GDP growth and a challenging external landscape, economists have adjusted Malaysia's growth projections for 2023. Market analysts have reduced the full-year GDP forecast for 2023 to roughly 4%, with some forecasting a 4.3% growth rate. Consensus suggests Malaysia's economic performance is commendable, especially in light of global headwinds and the domestic demand recalibration post-Covid-19. Specifically, Malaysia's domestic demand has demonstrated resilience against the challenging global backdrop, with foreign inflows and the labour market reflecting improvement.

EcoFirst intends to harness these growth prospects by emphasising targeted developments that resonate with the projected rise in purchasing power. Prioritising projects that tap robust domestic demand capitalising on the resurgence of foreign tourists diversifying project assortments, and bracing for potential economic challenges are integral to the Group's strategy. Aligning with macroeconomic trends and governmental initiatives is paramount for EcoFirst to seize forthcoming opportunities and fortify its foothold in the Malaysian property domain.

In the long run, Ampang Ukay is envisaged as the Group's crown jewel, propelling EcoFirst into recognition as a premier boutique developer upon its culmination in 10 to 15 years. We're meticulously crafting the designs and plans for our subsequent launches to satisfy the discerning tastes of buyers, ensuring swift progression through submission and approval channels. The nearing completion of the SUKE highway only augments Ampang Ukay's appeal, granting unparalleled access to both the town centre and the sprawling Greater Klang Valley.

We firmly believe that a harmonious blend of product, pricing, and location underpins compelling investment avenues. Confident in our strategically positioned offerings, we're primed to connect meaningfully with property buyers and investors. Our latest project, KL48, is set to sustain our revenue trajectory in the short term. Located proximal to landmarks such as KLCC, Tun Razak Exchange, and the Royal Selangor Golf Club, KL48 enriches the Group's diverse portfolio. As a Transit-Adjacent Development, its proximity to MRT and LRT stations elevates the Group's asset value. KL48's incorporation into EcoFirst's repertoire underscores the Group's capacity to manage a diverse project spectrum, reinforcing its market stature. With a keen focus on affordable housing, KL48 has garnered substantial interest from buyers in its FY2023 launch.

The property investment segment is ripe with potential, with the South City Plaza shopping complex set to emerge as a hub for sustainable, long-term recurring rental income. Its strategic positioning, coupled with impending connectivity via KVMRT2, only adds to its charm. The addition of 38 retail units from Liberty Arc @ Ampang Ukay to our portfolio equips us to capitalise on economic rejuvenation.

While challenges loom on the horizon, we remain resolute, drawing from our decade-long transformative journey. We're committed to steering forward with discernment, pragmatism, and efficacy. Your unwavering support amplifies our resolve to mature into a distinguished boutique property developer, specialising in unique, affordable housing projects designed for the broader market.

Sustainability Statement

THE STATEMENT

EcoFirst Consolidated Bhd (“EcoFirst” or “the Group”) is pleased to present its Sustainability Statement for FY2023 (“Statement”), which details the Group’s efforts to integrate Environmental, Social, and Governance (“ESG”) Sustainability initiatives into our business operations. We recognise the significance of the socio-economic and environmental impact on our business activities, which drives us to create long-term value for our stakeholders.

Our guiding theme, “Creative Value Now and Tomorrow,” underscores our commitment to building a sustainable business for the long haul. This Statement showcases EcoFirst’s unwavering dedication to reinforcing our sustainability performance, highlighting key achievements and milestones reached in the financial year ended 31 May 2023 (“FY2023”).

EcoFirst has harnessed the shift towards the new normal to drive forward its sustainability agenda. Recognising the need to adapt and innovate, the Group has seized the opportunity to accelerate its ESG initiatives, staying agile and responsive to emerging trends and challenges. Our approach to sustainability has become more proactive, encompassing new strategies, partnerships, and innovations, with an emphasis on creating lasting, positive impacts for our communities, stakeholders, and the environment.

Sustainability is a continuous journey, and we believe that through improved reporting quality, we can provide greater clarity and transparency regarding our sustainability approach. This Statement serves as a summary of our sustainability approach and the key outcomes achieved during the financial year.

REPORTING STANDARDS

The Statement has been prepared by the following:

- Global Reporting Initiative (“GRI”) Standards
- Bursa Malaysia’s Sustainability Reporting Guide Third Edition issued by Bursa Malaysia
- United Nations Sustainable Development Goals (“UN SDGs”)
- EcoFirst Sustainability Framework

Our sustainability framework is underpinned by robust governance, which provides oversight for these policies and processes. This framework and governance structure serve as a comprehensive roadmap that delineates our goals and the methods to attain them.

REPORT SCOPE AND BOUNDARY

This Sustainability Statement encompasses the reporting period from 1 June 2022 to 31 May 2023 (“FY2023”). Our focus spans economic, environmental, and social (“EES”) dimensions, spotlighting initiatives and areas we have identified. The Statement predominantly covers the business activities conducted by the Group at the headquarters level (in Kuala Lumpur), Property Development relating to Ampang Ukay (in Ampang), KL48 (in Sungai Besi), and Property Management about South City Plaza shopping mall (in Seri Kembangan). The information and data disclosed in this Statement have been sourced from internal reporting processes, systems, and records.

In line with our commitment to sustainability, EcoFirst is progressively enhancing and expanding its reporting and articulation of sustainability practices as an integral part of its business strategy. We are also working on cascading our sustainability commitment, practices, and culture to our extended business partners, suppliers, and contractors. This includes reporting value chain partners’ ESG highlights, fostering a collective approach to sustainability, and promoting responsible business practices throughout our value chain.

Sustainability Statement (Cont'd)

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework encapsulates our approach to sustainability, guided by our theme, “Creative Value Now and Tomorrow,” and aligned with our vision of becoming the leading pioneers and builders of innovative businesses in the region.

We have identified four pillars of sustainability: quality products, workplace, environment, and community, which form the foundation of our sustainable practices. Meanwhile, our focus spans the economic, environmental, and social (“EES”) dimensions.

Under the economic dimension, we emphasise economic performance, anti-corruption, compliance, customer satisfaction, multiplier effects, innovation, supply chain management, and quality products and services.

In our environmental dimension, we focus on resource and waste management, energy efficiency, water and effluent conservation, climate change mitigation, responsible material sourcing, biodiversity preservation, and product and service responsibility.

The social dimension prioritises labour practices, occupational health and safety, training and education, community development, and human rights.

Together, our initiatives under these three dimensions serve as the cornerstone of our comprehensive Sustainability Framework, ensuring our commitment to building a sustainable, responsible, and value-driven business.















Sustainability Statement
(Cont'd)**CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")**

At EcoFirst, we are committed to contributing to sustainable development both nationally and globally. To achieve this, we have aligned our operations with the United Nations' Sustainable Development Goals (SDGs).

In FY2023, we maintained our adopted SDGs 3, 4, 5, 8, 9, 11, 12, and 13, and linked our sustainability efforts in this area to these goals.

The table below highlights how we have integrated our sustainability efforts with the SDGs we have adopted.

Sustainability Pillars	Material Topics	UN SDG Linkages
Quality Products	<ul style="list-style-type: none"> Economic Performance Materials Innovation Customer Satisfaction Supply Chain Management Quality Products/Services Products and Services Responsibility Labour Practices Anti-Corruption Compliance 	  
Workplace	<ul style="list-style-type: none"> Training and Education Labour Practices Economic Performance Innovation Anti-Corruption Whistleblowing 	  
Environment	<ul style="list-style-type: none"> Occupational Health and Safety Products and Services Responsibility Resource and waste management Energy Climate Change Water and Effluents Materials Biodiversity 	  
Community	<ul style="list-style-type: none"> Labour practices Occupational Health and Safety Human Rights Multiplier Effect Community development 	  

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE

At the heart of EcoFirst's commitment to sustainability lies its comprehensive sustainability framework, which is underpinned by a robust governance structure. The Board plays a pivotal role in driving the Group's sustainability agenda by discussing and deliberating on sustainability matters, setting the tone for sustainability at the highest levels of the organisation. This approach ensures that sustainability considerations permeate the entire organisation and become an integral part of the Group's corporate governance framework.

Once the Board establishes the direction for sustainability, the responsibility for implementing the initiatives and strategies falls to the Group CEO and Senior Management team. They actively engage with the operations teams to ensure the execution of these strategies, translating the Board's vision for sustainability into concrete actions. This collaboration between senior leadership and operational teams facilitates a more cohesive and effective approach to sustainability, enabling the Group to achieve its goals and make a lasting positive impact.

BOARD OF DIRECTORS

oversees the sustainability and policies that drive sustainability practices in the Group

PRESIDENT, GROUP CEO AND SENIOR MANAGEMENT

drive sustainability objectives with the business and function
divisions who shall drive sustainability efforts and initiatives

OPERATIONS TEAMS

drive and implement sustainability strategies

Good governance serves as a cornerstone for any organisation that aspires to achieve sustainable growth, and EcoFirst is no exception. The Group has implemented policies that uphold the highest standards of integrity, accountability, and governance in its business operations. Among these policies are the Code of Business Conduct & Ethics and the Whistleblowing Policy. The Code of Business Conduct & Ethics outlines the ethical principles and standards that guide the behaviour and decision-making of EcoFirst's employees and stakeholders. It establishes a clear framework for conducting business in an ethical, transparent, and responsible manner.

The Whistleblowing Policy, on the other hand, provides a mechanism for employees, stakeholders, and other parties to report concerns or allegations of wrongdoing within the Group. It offers protection for whistleblowers and ensures that reported concerns are handled confidentially and impartially. This policy is crucial for promoting a culture of transparency and accountability within the organisation.




By integrating sustainability into its governance structure and implementing policies that prioritise ethical conduct and accountability, EcoFirst demonstrates its unwavering commitment to sustainable business practices. The Group's approach to sustainability governance helps ensure that it grows in alignment with expectations for a responsible and sustainable organisation.

Sustainability Statement
(Cont'd)**OUR STAKEHOLDERS ENGAGEMENT**






The Group views consistent, two-way engagement with stakeholders as essential in ensuring its sustainability approach is inclusive of stakeholders' perspectives on financial and non-financial value creation.

Stakeholders are defined as individuals, entities, or organisations that are impacted by the Group's business model and business operations and, conversely, individuals, entities, or organisations that can impact EcoFirst's business model and its operations.

It is essential that we engage and understand our stakeholders on an ongoing basis as part of our sustainability journey.

Stakeholder	Engagement Channel	Frequency	Topics Discussions
 Employees	<ul style="list-style-type: none"> Meetings GCEO messages Social activities Employee Engagement Survey Staff orientation/ onboarding Training and development programmes Recognition awards 	Monthly, Quarterly, Annually, & as and when required.	<ul style="list-style-type: none"> Career developments and training Rewards and remunerations Healthy and safe work environment Company mission and vision
 Shareholders	<ul style="list-style-type: none"> Annual General Meeting Financial report Announcements via Bursa Malaysia Company's website Briefings/updates for analysts/fund managers Media engagements 	Annually, Quarterly & As and when required	<ul style="list-style-type: none"> Financial performance Business strategy Corporate governance
 Customers (Property)	<ul style="list-style-type: none"> Sales events Customer feedback channels Formal and informal meetings Customer service unit Facebook channels Company's website 	Fortnightly, Bimonthly, & As and when required	<ul style="list-style-type: none"> Product affordability Product quality Pre-delivery inspection prior handing over of product to customer Customer satisfaction survey

Sustainability Statement (Cont'd)

Stakeholder	Engagement Channel	Frequency	Topics Discussions
 Customers (Tenant)	<ul style="list-style-type: none"> Formal and informal meetings Customer satisfaction survey and feedback 	Throughout the year	<ul style="list-style-type: none"> Services Rental/Cost reductions/Savings Promotion activities
 Governments and Regulators	<ul style="list-style-type: none"> Formal meetings Emails and letters On-site inspection Dialogue sessions 	As and when required	<ul style="list-style-type: none"> Compliance Environmental management Security and safety
 Suppliers/ Business Partners	<ul style="list-style-type: none"> Meetings Tendering and procurement platforms 	Throughout the year	<ul style="list-style-type: none"> Supply chain management Cost reduction/savings Procurement practices
 Media and analyst/fund manager	<ul style="list-style-type: none"> Media release/interviews Financial results briefings Public events 	As and when required	<ul style="list-style-type: none"> Financial performance Business strategies Market presence
 Local community	<ul style="list-style-type: none"> Volunteer opportunities Charitable/community events 	Quarterly & As and when required	<ul style="list-style-type: none"> Corporate responsibility Community building

Sustainability Statement
(Cont'd)**MATERIAL SUSTAINABILITY MATTERS**

The materiality assessment enables the Group to map out its sustainability-related material matters that can contribute to improving the effectiveness of the business strategies in the short, medium, and long term. The materiality assessment process is done by these three steps:



We identified relevant sustainability matters that are important to our stakeholders and prioritised them, and the materiality matrix was reviewed and validated through discussions within the senior management team. The materiality matrix was then presented to the Board for approval.

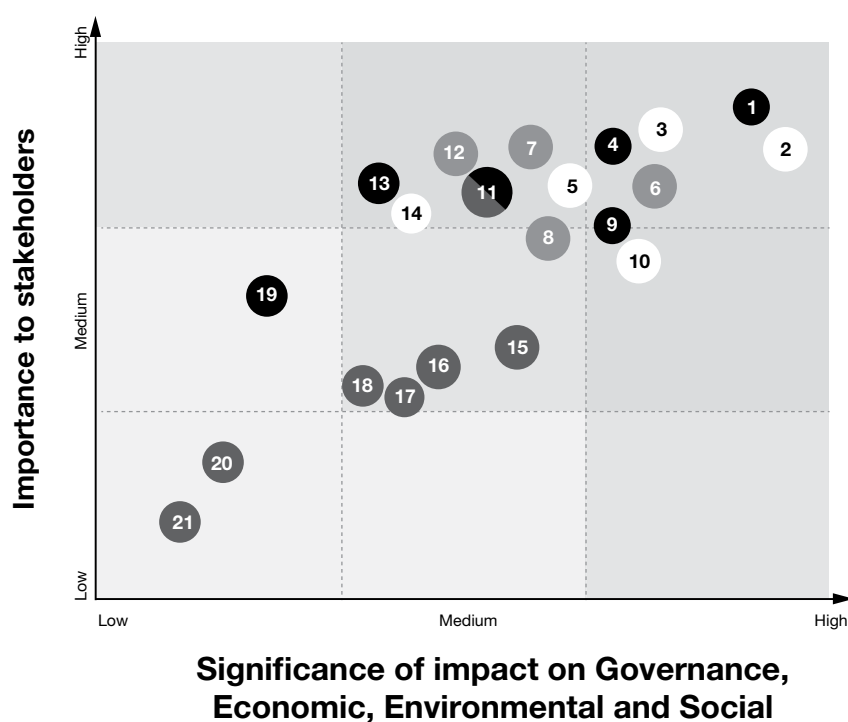
Below is the material matters that we have identified based on governance, economic, environmental, and social pillars:

Governance & Compliance	Economic	Environment	Social
<ul style="list-style-type: none"> • Anti-Corruption • Whistleblowing • Ethics • Compliance 	<ul style="list-style-type: none"> • Economic Performance • Innovation • Customer Satisfaction • Supply Chain Management • Quality Products/ Services • Multiplier Effect 	<ul style="list-style-type: none"> • Products and Services Responsibility • Resource and waste management • Energy • Climate Change • Water and Effluents • Materials • Biodiversity 	<ul style="list-style-type: none"> • Training and Education • Labour Practices • Occupational Health and Safety • Products and services Responsibility • Human Rights • Community development

Sustainability Statement (Cont'd)

MATERIALITY MATRIX

Based on the materiality assessment exercise, EcoFirst has updated its materiality matrix to reflect the prioritisation assessment of the Group's material topics.



Legend:



High Priority	Medium Priority	Low Priority
1) Occupational Health & Safety 2) Customer Satisfaction 3) Multiplier Effect 4) Labour Practices 5) Economic Performance 6) Compliance 7) Anti-Corruption 8) Whistleblowing 9) Training and Education 10) Innovation 11) Products and Services Responsibility 12) Ethics 13) Human Rights 14) Supply Chain Management	15) Materials 16) Water and Effluents 17) Resource and waste management 18) Energy	19) Community development 20) Climate Change 21) Biodiversity

Sustainability Statement
(Cont'd)**GOVERNANCE & COMPLIANCE**

EcoFirst is guided by the Malaysian Code on Corporate Governance (“MCCG”) and recognises the importance of enhancing shareholders’ value through a sustainable business model. This is achieved by maintaining high standards of corporate governance in the management of the Company’s business affairs. (Refer to the Corporate Governance Overview Statement on page 50).

Ethics and Principal	Anti-Bribery and Corruption	Whistleblowing
<p>EcoFirst has policies in place to ensure that all directors, officers, managers and employees conduct business ethically and with integrity.</p> <p>The Human Resources Department will ensure that employees and other stakeholders adhere to the relevant law and regulations.</p> <p>The Code and Policy are communicated to every employee during the induction programme and staff briefing session, which promote the corporate culture and engenders business ethics conduct of the Group.</p>	<p>EcoFirst is committed to conducting business dealings with integrity.</p> <p>The Group has adopted a zero-tolerance approach against all forms of bribery and corruption.</p> <p>In 2020, our ABC Policy and Procedures were officially introduced in Group.</p> <p>As of 31 May 2023, a total of 76 staff attended the ABC Policy briefing.</p> <p>The Anti-Bribery and Corruption Policy is published on Company’s website at www.ecofirst.com.my.</p>	<p>EcoFirst has a Whistleblowing policy, which is accessible via company’s website that provides avenues and reporting channels for our stakeholders to alert us of any suspected wrongdoings while preserving their anonymity and confidentiality to prevent reprisal.</p> <p>Internally, an employee who believes that an injustice has been committed against him, including discrimination or harassment against race, religion, gender, age, sexual orientation, disabilities, or nationality, can raise a grievance following procedures outlined in the Code.</p> <p>No cases were reported in FY2023.</p>

In FY2023, EcoFirst Group demonstrated its commitment to upholding the highest industry standards and adhering to established policies by achieving 100% compliance with regulatory authorities. The Group did not incur any fines or sanctions for non-compliance with environmental, social, or economic laws, regulations, and standards. Furthermore, EcoFirst was not subject to any regulatory action about corporate integrity, anti-corruption, or corporate governance. The Group’s steadfast adherence to regulatory standards underscores its dedication to maintaining ethical business practices and ensuring corporate accountability.

ECONOMIC**Financial Performance**

EcoFirst recognises that economic performance is key to sustaining earnings while enhancing shareholders’ value in terms of the appreciation of the company’s share prices, financial performance, growth and overall improvement. This is why economic performance is one of our core priorities that can positively impact both the social and environmental aspects. Our business focuses on property development, investment, and management through prudent planning and execution according to sound fiscal strategies.

In FY2023, we saw a significant return to profitability with a net profit of RM10.73 million, compared to a net loss of RM12.20 million the previous year. The turnaround is attributed to a halt in provisions for doubtful debts, gains on investment property valuations, and a rebound in revenue, despite increased finance costs. The company’s revenue surged by 31% to RM31.46 million, up from RM24.04 million in FY2022, largely driven by the KL48 project’s revenue recognition in May 2023.

Sustainability Statement (Cont'd)

EcoFirst's earnings recovery aligns with Malaysia's broader economic reopening and domestic activities resumption. Malaysia's economy grew by 5.6% and 2.9% in 1Q and 2Q 2023, respectively. The launch of the KL48 project towards FY2023's end significantly boosted EcoFirst's revenue, contributing to a 31% increase. Additionally, the Group's property investment arm reported substantial recovery during FY2023 due to enhanced rental income.

Despite minimal new project launches in the past two years, EcoFirst maintained a robust financial position, positioning itself well for anticipated economic recovery. As of May 31, 2023, shareholders' equity rose by 6% to RM510.44 million, compared to RM481.70 million a year earlier, mainly due to an influx of share capital and an uptick in reserves from retained earnings for the current fiscal year. The Group's gross debt-to-equity ratio remained stable at 0.34, and its total assets slightly declined to RM946.34 million. Despite the slight decline in total assets, EcoFirst's net asset value (NAV) per share increased to 42 sen at the end of May 2023 from 41 sen a year ago.

The property development business segment is EcoFirst's core operations, and despite COVID-19-related challenges, the company demonstrated remarkable resilience. The pandemic negatively affected EcoFirst's operations, resulting in a revenue decline to RM9.35 million in FY2022. However, FY2023 saw a strong recovery, with revenue increasing to RM15.36 million, accounting for approximately 49% of total revenue. This significant recovery is attributed to the successful launch of the KL48 project, EcoFirst's first property development since the COVID-19 pandemic began.

KL48, an integrated high-rise project located in Kuala Lumpur's Jalan Chan Sow Lin area, offers modern urban living with convenient access to major public transport routes. Positioned on 1.61 hectares of freehold land, KL48 comprises two 47-story towers with nine retail units and 1,700 serviced apartment units catering to young professionals. The development is close to key landmarks such as the KLCC, Tun Razak Exchange, and the Royal Selangor Golf Club. KL48 units start at RM455k, or about RM700 per square foot, making it an affordable option for young professionals seeking prime-location living spaces. KL48 is expected to be completed over the next four years.

EcoFirst's proactive management and strong financial position during the pandemic set the company up to capitalize on the recovering property market. The company's long-term property development plans will be led by its flagship projects in Ampang Ukay. EcoFirst plans to drive its prospects over the next 10 to 15 years through this flagship development.

EcoFirst's property investment segment, which consists of the South City Plaza shopping mall and the Liberty Arc @ Ampang Ukay project, saw segment revenue recover by 13% to RM13.38 million in FY2023, compared to RM11.90 million in FY2022. In the longer term, the management envisions the property investment division to range from around 12% to 20% of the Group's total revenue.

EcoFirst's property management segment, overseen by Budaya Fokus Sdn Bhd, a subsidiary of EcoFirst, is responsible for managing South City Plaza. The company handles day-to-day operations, security, maintenance, and repair efforts while also being involved in marketing efforts to attract and retain tenants.

Aside from that, we also make sure that the rental yield and recurring income from our investment property meet our long-term targets. We have carried out upgrades and refurbishments to the space in South City Plaza shopping mall so that it will continue to be attractive to tenants and shoppers. As of 31 May 2023, our South City Plaza's tenant mix consists of hypermarkets, wholesalers, franchisers, specialty, and others. The tenant mix and occupancy rate data below indicate the shoppers' movement.

Sustainability Statement
(Cont'd)

Tenant Mix	% Occupancy Rate FY2023	% Occupancy Rate FY2022
Anchor Tenant (e.g: Eonsave, Sports Planet)	15.4%	14.8%
Wholesaler Tenants (Handphone Accessories Wholesaler)	20.6%	8.3%
Franchise Tenants (Mr. DIY, Tealive, Guardian Pharmacy)	1.9%	1.7%
Specialty Tenants (China Porcelain)	8.6%	6.2%
Other Tenants (Office, Storage, Services, Education, etc.)	39.8%	53.6%
Total Occupancy	86.3%	84.6%
Remaining Vacancy	13.7%	15.4%

Innovation in our Product Offerings

While EcoFirst has taken a cautious approach by delaying the launch of its new property development projects in FY2022, the Group has successfully launched its KL48 project in Sungai Besi with a gross GDV of RM1 billion. The property development project will focus on affordable housing that offers appealing values.

- KL48: A Sustainable, Urban Living Experience Targeting Young Professionals**

EcoFirst's KL48 project represents a significant milestone in sustainable urban development. Located in Kuala Lumpur's vibrant Jalan Chan Sow Lin area, the development is positioned as an affordable yet high-quality option for young professionals seeking prime-location living spaces. With a gross GDV of RM1 billion, KL48 stands as a testament to EcoFirst's commitment to providing innovative and sustainable urban living solutions.

One of the project's key sustainable features is its strategic location. As a Transit-Adjacent Development (TAD), KL48 provides residents with convenient access to major public transport routes, including the nearby MRT & LRT station, just 500 meters away. The development also offers a complimentary shuttle service. By promoting the use of public transport, KL48 reduces car dependency and contributes to a reduction in traffic congestion and pollution.

The two 47-story towers of KL48 are designed to optimise natural lighting and ventilation, which reduces the need for artificial lighting and air conditioning. The units range in size from 650 to 850 square feet, offering a comfortable living space that caters primarily to young professionals. The development consists of nine retail units and 1,700 serviced apartment units, offering a mix of residential, commercial, and retail spaces that cater to the diverse needs of its community. This integrated approach promotes a live-work-play lifestyle within the same development, reducing the need for long commutes and promoting community interaction.

The apartments themselves are designed with modern urban living in mind. Residents can enjoy a 3-tiered security system, enhancing the overall living experience. KL48's amenities are also tailored to promote sustainable living, including green spaces and recreational facilities that encourage an active, healthy lifestyle.

Sustainability Statement (Cont'd)

• **Ampang Ukay: A Flagship of Long-Term Sustainable Development**

Ampang Ukay stands as a centerpiece of EcoFirst's long-term plan for sustainable property development. Following the successful completion of the first phase, the management is currently planning the subsequent seven phases and obtaining a master plan for this flagship development. With a vision spanning over the next 10 to 15 years, Ampang Ukay represents a crucial phase of laying a strong foundation for EcoFirst's future.

As a flagship development, Ampang Ukay is designed with sustainability at its core. EcoFirst is dedicated to integrating green building practices and innovative technologies into the development, prioritising energy efficiency, water conservation, and waste reduction. The project aims to achieve various green building certifications, showcasing its commitment to sustainable construction.

The master plan for Ampang Ukay encompasses a diverse mix of residential, commercial, and recreational spaces, creating a self-contained, sustainable community. The development aims to provide a holistic living experience where residents can work, play, and relax within a sustainable environment.

By incorporating green spaces, parks, and water features, Ampang Ukay promotes a healthy and active lifestyle for its residents. The development also focuses on fostering a sense of community by providing communal spaces and amenities that encourage social interaction.

With its innovative KL48 project and long-term plans for Ampang Ukay, EcoFirst is paving the way for sustainable urban development in Malaysia. These projects represent a significant step towards a more sustainable and inclusive future, showcasing the company's dedication to innovative, eco-friendly living solutions. As EcoFirst continues to grow and evolve, it remains committed to creating a sustainable legacy for generations to come.

Aside from that, the management is in the midst of development planning for the ensuing 7 phases of its Ampang Ukay flagship development following the completion of the first phase, known as Liberty Arc. This flagship development is poised to be a signature landmark in the up-and-coming urban hotspot and has an estimated GDV of more than RM5.0 billion, which will sustain the Group's growth phase over the next 10 to 15 years.

Multiplier effect on the local community

In striving to be sustainable for the Group, we are also cognisant of our role as a cog in the wheel of economic activities in the areas in which we operate. This is important to the Group as the mark of a successful property development or a shopping mall is only as good as the number of people who know and are confident of making a home and living from it.

We believe that our activities in the property development and property investment segments have the potential to create a positive ripple effect in the communities where they operate. By leveraging their projects, they can foster economic growth, stimulate local businesses, and sustainably promote community development.

1. Economic growth

EcoFirst's property development initiatives, such as the KL48 project, can directly contribute to economic growth by creating job opportunities in construction, real estate sales, and property management. The launch of new projects can also increase property values in the surrounding areas, which translates to increased tax revenue for local governments. As a significant player in the property development industry, EcoFirst's projects can attract further investments and stimulate growth in the region.

2. Infrastructure development

The construction of new properties, like the KL48 project, often brings infrastructure improvements to the area. As a Transit-Adjacent Development (TAD), KL48's developments can lead to better road access, improved public transportation facilities, and utility upgrades, which benefit not only the residents of the new properties but also the surrounding community. This, in turn, can further attract investment and development in the area.

Sustainability Statement (Cont'd)

3. Affordable homeownership options

EcoFirst's development is priced and targeted for the affordable housing market segment. This will provide opportunities for affordable homeownership for the local community. KL48, is also targeted at first-time homebuyers, working professionals, and growing families. This is in line with the national agenda of helping the younger generation own their own homes. The strong buying interest during the launch of the property project is a testament to the Group's ability to provide the right homes in line with market demand.

4. Local business growth

EcoFirst's property investment segment, with assets like South City Plaza shopping mall, can significantly boost local commerce. The influx of residents and businesses in areas where they have developed properties will increase foot traffic of consumer demand, supporting the growth of local wholesalers & retailers, restaurants, and services. The presence of a major shopping centre can also attract larger retail chains, entertainment options and diversifying the local economy.

South City Plaza is best known for being largest mobile phone accessories wholesale hub, which also awarded Malaysia Book of Record consecutively 2 years from 2022 & 2023. Other trades such as Chinese products, particularly China porcelain, antiques, and tea trading. It is dubbed as the country's largest digital devices accessories centre while also offering an exciting range of fashion, f&b, an International School and other lifestyle outlets.

Situated in the bustling Seri Kembangan town, the mall is strategically located with easy access from the Sungai Besi Expressway, the Silk Highway, Kuala Lumpur-Seremban Highway, SUKE Highway and the Bukit Jalil Expressway and Serdang Raya, Seri Kembangan MRT line connectivity. This makes it an attractive location to spur and support economic activities. The recovery of the mall's vibrancy will also create job opportunities for the local communities.

5. Community revitalisation

By investing in and developing properties, EcoFirst can contribute to community revitalisation. For example, the KL48 project, which transforms an underused area into a vibrant, integrated high-rise community, can attract new residents and businesses and improve the overall aesthetic and appeal of the area. Such efforts can lead to increased property values and a renewed sense of pride in the community.

6. Social responsibility

EcoFirst can contribute to the community by providing affordable housing options, as seen with the KL48 development targeting young professionals. Additionally, their property investment segment can support local charities or community initiatives, reflecting their commitment to social responsibility. These efforts can foster positive relationships with community stakeholders and enhance EcoFirst's reputation.

7. Environmental stewardship

EcoFirst is exploring ways to integrate sustainable practices into their property development and investment projects. By adopting green building practices, efficient water and energy use, and waste reduction measures, they can reduce the environmental impact of their developments and contribute to a cleaner, healthier environment for the community.

8. Sustainable planning

EcoFirst's long-term property development plans, such as the phased development in Ampang Ukay, showcase their commitment to sustainable growth. By carefully planning and executing their flagship projects, they can lay a strong foundation for future development that benefits the community over the long term.

In conclusion, EcoFirst's activities in the property development and property investment segments have the potential to create a multiplier effect that benefits the community. By promoting economic growth, local business growth, community revitalisation, social responsibility, environmental stewardship, and long-term planning, they can contribute to sustainable and inclusive development in the areas where they operate.

Sustainability Statement (Cont'd)

Quality of Products/Services

At the heart of the Group's offerings lies a commitment to sustainability, exemplified by the superior quality of services we provide. One such example is our management of South City Plaza. The quality of service at the mall is gauged by the volume of visitors who flock to the mall to enjoy its offerings. A crucial, albeit unseen, factor that attracts visitors to a mall is the ambiance it exudes.

There have been numerous studies that indicate a myriad of factors that influence customers' shopping behaviours. Beyond the retail mix, factors such as location, parking availability, cleanliness, temperature, lighting, music, pleasant scents, and the absence of tobacco smoke all play vital roles in shaping the customer experience.

At South City Plaza, we prioritise timely servicing of the facilities we provide to our shoppers. We strive to achieve less than a one-hour downtime for servicing during low-peak hours before 11 am. While occasional breakdowns do occur, we are diligent in addressing and repairing the relevant facilities depending on the severity of the issue and within a structured timeline.

In terms of our property development endeavours, we are focused on cultivating a community and lifestyle that encourages harmonious living. Throughout the construction phase and even after our projects, we collaborate closely with our contractors to ensure consistent quality. Our designated project team handles any defects or quality issues identified during the handover.

Our unwavering commitment to quality is manifested in the policies, procedures, and best practices that we adhere to, and we extend this commitment to our business partners and vendors.

Supply Chain Management

EcoFirst is steadfast in spreading its awareness, adoption, and implementation of sustainability practices across its value chain to its many suppliers, vendors, contractors, and third-party business partners. This aligns with the Group's objective of promoting sustainable corporate practices and behaviour beyond the confines of the Group's internal operations, creating a more extensive multiplier effect in terms of sustainability that extends beyond EcoFirst.

The Group is adopting screening criteria for its supply chain partners, vendors, contractors, and third-party business partners, encompassing environmental, social, and anti-corruption standards and associated policies. Below are some of the compliance requirements that EcoFirst expects from its suppliers:

1. Compliance with all regulatory requirements, including federal, state, and municipal laws and statutes.
2. Adherence to all industry standards and limits set for environmental and social impacts, including Health, Safety, and Environment (HSE) aspects.
3. A commitment to the protection of the environment, showcasing their dedication to sustainable and eco-friendly practices.
4. Abiding by the employment laws of Malaysia, ensuring fair wages, humane working conditions, and the prohibition of child labour.
5. Demonstrating respect for human rights, upholding the principles of equality, and treating employees and other stakeholders with respect and dignity.

ENVIRONMENT

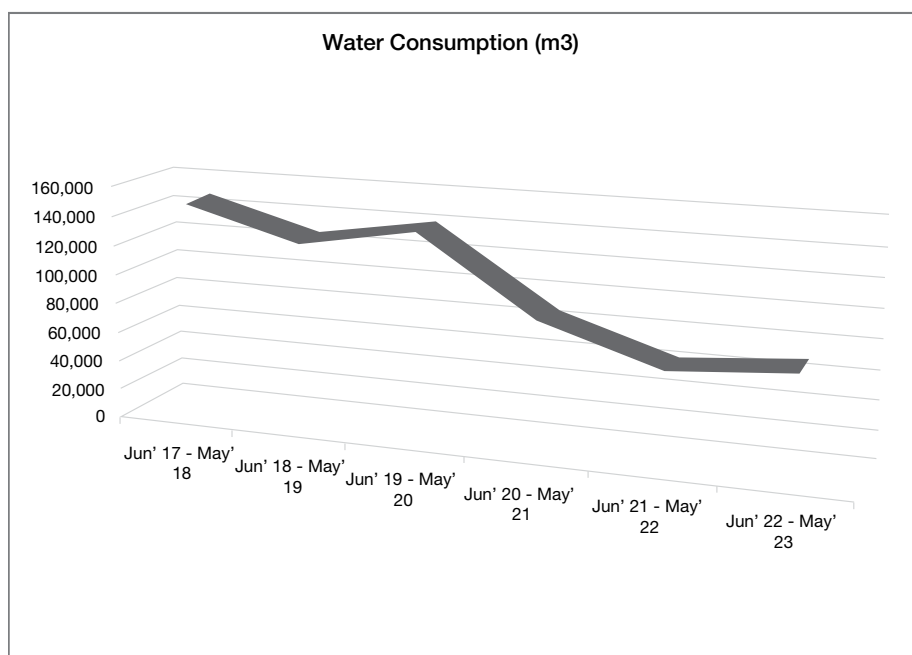
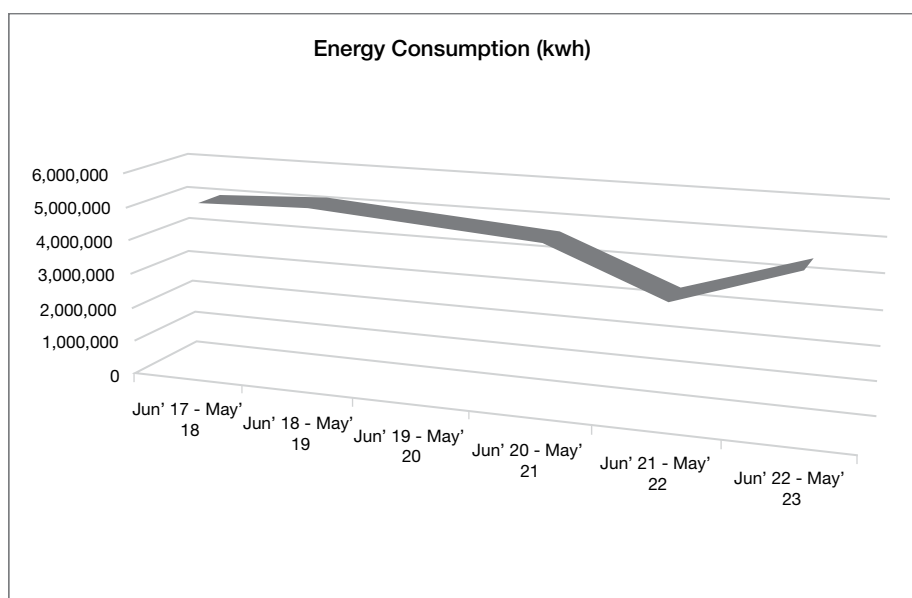
Energy Consumption

As awareness of climate change's effects increases, we must manage our environmental footprint and minimise our impact. With this in mind, we've reviewed our energy consumption and conservation practices at the South City Plaza shopping centre in Seri Kembangan.

Sustainability Statement
(Cont'd)

We have already taken steps to reduce our electricity consumption at South City Plaza by introducing more energy-efficient equipment. In 2015, we installed a new energy-efficient chiller, the Hitachi Centrifugal Water Chiller HC-F600GXG-S, 600 tons, and in 2014, we transitioned to low energy-consuming LED lights from the previous fluorescent lights. These changes, along with our efforts to raise awareness and educate our tenants, have resulted in a gradual reduction in electricity consumption.

	2019	2020	2021	2022	2023
Total Energy Consumption (kwh)	5,181,381	4,841,793	4,683,486	3,372,619	4,504,748
Water Consumption (m3)	125,852	139,465	87,817	63,047	69,497



Sustainability Statement (Cont'd)

As we focus on efficient usage of energy, we can reduce operating and capital expenses while minimising our impact on the environment.

We also recycle our papers, including cardboard carton boxes from our mall, which are given to recycling paper collectors, but this effort is not measured at the moment.

Additionally, as South City Plaza is in the middle of a bustling township, we implemented a Zen Garden project aimed at relaxing visitors with greenery and contributing back to oxygen levels. There are approximately 100 trees planted around the perimeter area of the mall, and we hope to continue expanding the greenery at the mall. Among the flora found at the Zen Garden, we have local trees and plants such as the Kemboja tree, Yam tree, Goniolimon incanum 'Blue Diamond' plant, Nerium Oleander flower, Gendarussa plant, and the Birds Nest fern.

Recognising the need for further sustainable practices, we are exploring transitioning to renewable energy sources like solar power. Solar energy provides a clean, sustainable power source that significantly reduces carbon emissions. By integrating solar panels into our infrastructure at South City Plaza, we can harness this abundant and environmentally friendly energy source to power our facilities, further reducing our reliance on fossil fuels.

In addition to our efforts to transition to renewable energy sources for our existing properties, our property development segment is also incorporating sustainability into its projects. We understand that building sustainable communities starts at the ground level, with the design and construction of energy-efficient and eco-friendly properties.

Our property development segment's commitment to sustainability extends beyond the construction phase. We collaborate with homeowners and residents to encourage sustainable living practices and foster a sense of community and environmental responsibility. Our projects are designed with the long-term well-being of residents and the environment in mind, ensuring that we are not only building houses but also creating vibrant and sustainable communities for future generations.

By integrating sustainability into both our property development and property management segments, we are contributing to a more sustainable future for our community, our stakeholders, and the planet.

Environmental friendly products and materials

EcoFirst has gradually shifted towards environmentally friendly materials and products in its property development business segments in its response to climate change and other environmental challenges.

Our property development projects prioritise the use of sustainable building materials and practices that minimise environmental impact and reduce waste. While the process is still in its early stages, the management is excited with the prospect of green buildings and features that could earn green certifications from leading green building certification bodies such as Malaysia's Green Building Index ("GBI").

By adopting green building certifications such as the GBI and Leadership in Energy and Environmental Design (LEED), we are ensuring that our properties meet high standards for energy efficiency, water conservation, and sustainable site development.

Workplace Health and Safety

Workplace health and safety are not just operational considerations for us - they are intrinsic to our ethos and culture, especially in our Property Development segment where the potential for risks and hazards on construction sites is high. Ensuring a safe workplace is more than just about compliance. It reflects our commitment to protecting our workers, promoting well-being, and maintaining high levels of productivity.

We are proud to work with turnkey contractors who share our emphasis on safety and health. As part of our appointment agreements with them, we mandate adherence to industry standards in health and safety practices on site. This is not just a stipulation on paper - it is a commitment that we see in action every day on our construction sites. Workers attend regular safety awareness briefings where they're educated on best practices and the latest safety protocols. Safety gear is non-negotiable, with workers donning gloves, hard hats, face masks, earplugs, and steel-toe safety boots to ensure their protection from potential hazards.

Sustainability Statement (Cont'd)

The COVID-19 pandemic has underscored the importance of health and safety at construction sites. Our partnership with suppliers and vendors such as Paramount Bounty Sdn. Bhd. exemplifies our commitment to sustainable development. They not only share our vision but actively contribute to it with established procedures, programs, and certifications in Health, Safety & Environmental (HSE) competence. The certifications they have earned represent their dedication to upholding HSE standards, and we proudly support their ongoing efforts.

During the financial year under review, our suppliers and vendors have undertaken various certifications and initiatives to bolster health and safety practices. They include:

Paramount Bounty Sdn. Bhd. - Safe, Healthy And Conducive Work Environment

Standard Operating Procedures

- ✓ The setting up of Occupational Safety and Health Committee to initiate various health and safety programmes to enhance employees' awareness in workplace;
- ✓ Ensuring a safe workplace with 24 hours' security surveillance;
- ✓ Constant updating and promoting the awareness of safety precautions and health issues;
- ✓ Employees are required to wear safety gears at work place to minimize work injuries at the construction site;
- ✓ Frequent disposal of construction debris and fogging/fumigation of work sites to prevent spreading of diseases by mosquitoes and rodents;
- ✓ Maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions.

As we continue to prioritise workplace health and safety, we do so with the belief that a healthy and safe work environment is foundational to sustainable development. It not only protects our most valuable assets - our people - but also ensures that we can continue to deliver high-quality properties for our clients, residents, and communities.





SOCIAL

Employee Wellbeing and Benefits

People are at the heart of our business. We recognise the contribution of our people to our organisation, and we would not be where we are today if not for them. We aim to provide our employees with a workplace that nurtures and values their contribution. We believe a nurtured employee base will help us to gain and maintain our appeal and competitive edge in the property sector.

We are committed to maintaining an environment that cultivates respect for people regardless of gender to achieve workplace diversity. Our female employee number is at around 53% as of 31 May 2023.

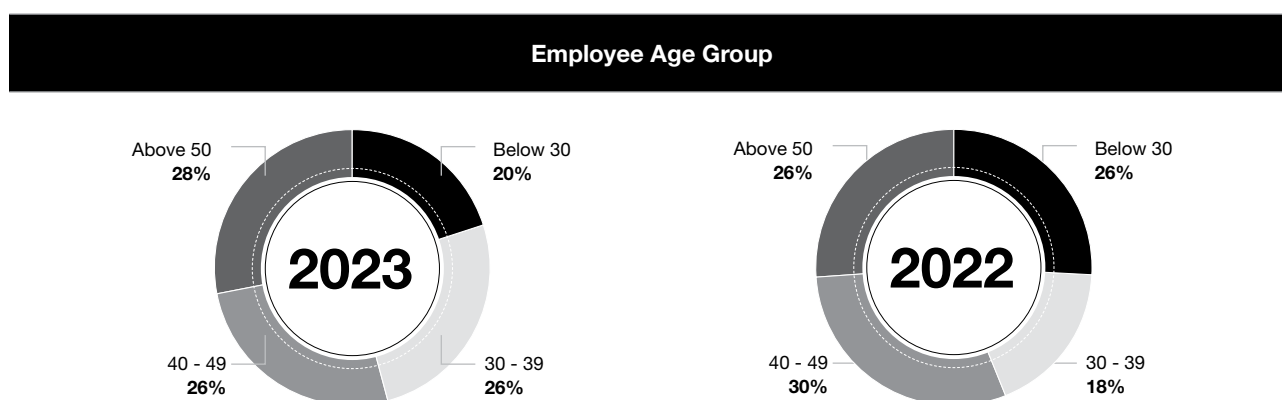
Our organisation's gender profile and employee position are as follows:

Employee Position and Gender Profile	2023		2022	
				
Top Management	3%	0%	3%	0%
Senior Management	3%	3%	1%	4%
Others	41%	50%	33%	59%

Sustainability Statement (Cont'd)

There is also the right balance in terms of the ages of our employees, which range between 21 to 67 years of age. This diversity in terms of experience, culture, skills, and expertise allows EcoFirst to grow in a vibrant environment.

Employee Age Group	2023	2022
Below 30	20%	26%
30-39	26%	18%
40-49	26%	30%
Above 50	28%	26%



Manpower Breakdown by Ethnicity

Employee Ethnicity	2023	2022
Malay	28%	27%
Chinese	61%	64%
Indian	10%	9%
Others	1%	0%
*Total Workforce	100%	100%

The Group highly values the contributions of our employees and believes in reciprocating their dedication by offering competitive staff benefits. One such benefit is the opportunity for employees to own an EcoFirst property at an exclusive discount of 20%, a perk available to both permanent and contract staff who meet certain qualifying criteria. This not only helps our staff access a quality home at an affordable price but also creates a deeper sense of belonging to the EcoFirst community.

Beyond promotions and competitive remuneration packages, we prioritise acknowledging the hard work of our employees through various incentives. Appreciation trips and service recognition awards have been instituted to celebrate the achievements of our employees. We understand that these gestures go a long way in motivating our staff to maintain their exceptional performance. The management is dedicated to inspiring all levels of staff to reach their targets and Key Performance Indicators (“KPIs”) within their respective divisions while fostering a balance between professional and personal life.

Sustainability Statement (Cont'd)

At EcoFirst, we believe in the power of teamwork and open communication, which is why Kelab Kebajikan EcoFirst's activities are specially designed to enhance interpersonal relationships and promote effective communication. We are committed to creating optimal work-life integration for our employees, and this is reflected in our full support for the club's initiatives.

In addition to the initiatives already in place, we plan to introduce several employee-focused programs for enhanced well-being and work-life balance:

1. **Flexible Working Hours:** Empowering our employees to choose their work hours, enabling them to balance work and family life better.
2. **Skill Development Workshops:** Organizing workshops and training sessions to help our employees enhance their skills, which will contribute to their career growth and add value to the Group.
3. **Health and Wellness Programs:** Providing access to fitness classes, healthy meal options, and regular health check-ups to promote physical well-being.
4. **Mentoring Programs:** Establishing mentor-mentee relationships for employees to receive guidance, advice, and support from experienced colleagues.

By investing in the well-being and development of our employees, we believe we are building a strong foundation for the continued growth and success of the EcoFirst Group.

Employee training and development

EcoFirst encourages and provides platforms for employees to continue improving themselves, both professionally and personally to remain relevant and competitive to the company and industry. We constantly explore talent and performance management strategies that work best for the Group's workplace environment.

The training provided cut across all levels of our employees. The training undertaken in FY2023 is as follows, and most of the training is conducted in hybrid mode, allowing employees the flexibility to attend virtually.

Accounting, Tax and Financial Management	Common Mistakes in Corporate Tax Return Preparation
	Controlled transactions in Form C for YA 2022
	Wiz GL Training
	Wiz Management Training
	2023 Budget Seminar
	Taxation of Property Developers and Contractors
HR & Team Building	Webinar on Employment (Amendment) Act 2022
	Building High SCORE Teams
Property System	Sales Commission Training
	MHW Road Runner Cloud Base System (Part 1)
	MHW Road Runner Cloud Base System (Part 2)
	RR Online Training – Sales Admin

Sustainability Statement (Cont'd)

Community Building

Social concern and social responsibility are values that EcoFirst believes in and is committed to. The Group has always been engaging with various community organisations in Malaysia to champion for positive impact on the local community.

During FY2023, our malls transformed from mere shopping hubs into bustling epicentres of community engagement. Alongside a series of events, the year was marked by the shared joy of celebrating together with our tenants and shoppers, forging an even stronger bond than before.



Among the main events that were organised in our South City Plaza mall is the Muay Thai Sukma-MSN event, organised from 17 to 21 September 2022. Majlis Sukan Negara (“MSN”) & Sukan Malaysia (“SUKMA”) joined hands to host the illustrious 2022 Sukma Games, marking its 20th edition. Muay Thai, an intricate blend of martial arts and sport, attracted countless enthusiasts who were eager to watch selected fighters from each state compete for glory. The event’s grandeur was elevated with the presence of Dato Sri Abdul Rahman Hamzah, the Minister of Youth, Sports, and Entrepreneur Development, who graced the venue to oversee the Muay Thai bouts.

A testament to the quality of the competition was the outstanding performance of the Sarawak Muay Thai team, which clinched two golds and four bronzes, achieving their target of securing two golds in Muay Thai. Brands like Nestle Milo, Acer, TikTok, and 100Plus were among the event’s prominent sponsors. Their presence not only contributed to the event’s success but also played a crucial part in fostering and enhancing community spirit through sports. Their involvement added a layer of credibility and appeal, drawing larger crowds and creating an atmosphere of unity and enthusiasm around the event.



Sustainability Statement (Cont'd)

In the wake of the pandemic, the importance of health and well-being was felt more profoundly than ever. In line with that focus, there were three blood donation campaigns that were held in 2023. These campaigns not only addressed an immediate medical need but also reinstated a sense of purpose and community responsibility. During the three blood donation campaigns at South City Plaza in 2023, a profound spirit of altruism and community service was palpable: on 26th February 2023, there were 300 potential donors with 242 successful donations; the 14th May 2023 campaign attracted 266 individuals, yielding 196 successful donations; and the event on 13th August 2023 saw 261 hopeful donors, with 200 of them successfully donating.



In total, the three campaigns managed to amass a commendable figure of 827 donors, out of which 638 were successful in their noble intent. The significance of these numbers becomes even more profound when one considers the countless lives potentially saved by these donations. And as a token of appreciation, every successful donor was presented with biscuits, bread, drinks, and mineral water. It was heartening to see our malls transitioning from the constraints of the pandemic to a vibrant space of return and recovery this year.

The year 2023 marked a successful blend of sportsmanship and community welfare at our malls. From hosting a segment of a national sports event to facilitating life-saving blood donation campaigns, South City Plaza's commitment to community engagement has been evident and commendable. By fostering a healthier lifestyle through events like the Muay Thai showcase or by urging people to contribute to a greater cause like blood donation, our malls played a crucial role in not only bringing back normalcy but also in promoting an enhanced, more engaged way of life. As we move forward, these events will not only be remembered for their scale and success but for the unity, spirit, and purpose they instilled in the community.

Corporate Governance Overview Statement

The Board of Directors (“Board”) of EcoFirst Consolidated Bhd (“the Company”) supports the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance (“MCCG”); and recognises the importance of enhancing shareholders’ value through building a sustainable business and growth by implementing and maintaining high standards of corporate governance in managing the business affairs of the Company.

The Board is pleased to report herewith on how the MCCG has been applied throughout the Company, and to a certain extent the Company and its subsidiaries (“the Group”). This statement is to be read together with the Corporate Governance Report 2023 (“CG Report”) of the Company as the application of each practice as set out in the MCCG is disclosed in the CG Report. The CG Report is available on the Company’s website at www.ecofirst.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Responsibilities

- Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximising shareholders’ value as well as ensuring long term sustainability of the Group’s performance;
- Reviews and adopts a strategic plan, as developed by the management, taking into account the sustainability of the businesses of the Group, with attention given to the environmental, economic, social and governance aspects of the operations;
- Oversees the conduct of the Group’s businesses, including monitoring the management’s performance to determine whether the business is being properly managed;
- Identifies principal business risks faced by the Group and ensures the implementation of appropriate internal controls and mitigating measures to manage such risks;
- Succession planning for both the Board and the Senior Management of the Group and ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place programmes to provide for the orderly succession of senior management personnel;
- Setting dividend policy for shareholders;
- Reviews the adequacy and integrity of the Group’s management information and internal control systems, ensuring there is a sound framework of internal controls reporting and regulatory compliance; and
- Ensure the integrity of the Company’s financial and non-financial reporting.

The Board is collectively responsible for meeting the objectives and goals of the Company. In order to ensure the effective discharge of the Board’s functions and responsibilities, the Board delegates specific responsibilities and functions to various committees, namely Audit Committee, Nominating Committee, Remuneration Committee, and Employees’ Share Option Scheme Committee (collectively referred to as “Board Committees”).

2. Roles and Responsibilities of the Chairman and the Group Chief Executive Officer (“Group CEO”)

The Board ensures that there is a clear division of responsibilities between the Group CEO and the Chairman to ensure a proper balance of power and authority such that no one individual has unrestricted powers over decision-making. The former leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board’s policies and decisions, whilst the latter is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand. The responsibilities of the Chairman and the Group CEO are set out in the Board Charter which can be viewed at the Company’s website, www.ecofirst.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

2. Roles and Responsibilities of the Chairman and the Group Chief Executive Officer (“Group CEO”) (Cont'd)

During the financial year ended 31 May 2023 (“FY2023”), Dato’ Syed Ariff Fadzillah Bin Syed Awalluddin, the Chairman / Independent Non-Executive Director of the Company, who retire by rotation pursuant to Clause 110 of the Company’s Constitution, had expressed his intention not to seek re-election. Dato’ Syed Ariff Fadzillah Bin Syed Awalluddin who had served the Board as Independent Non-Executive Director for more than twelve (12) years was then retired from office at the conclusion of the Forty-Ninth Annual General Meeting (“AGM”). There was no appointment of Chairman since then.

3. Strategies Promoting Sustainability

The Board together with the Management, recognises the importance of ensuring sustainability risks and opportunities are considered in the development of the business strategies and plans. The Management team, led by the Group CEO is continuously enhancing the sustainability management framework and processes to ensure effective implementation and execution of the environmental, social and governance (ESG) initiatives. The details of the sustainability activities are set out in the Sustainability Statement on pages 29 to 49 of this Annual Report.

4. Company Secretary

The Board is supported by two (2) qualified and experienced Company Secretaries. Both of them are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretaries, together with the Directors, are responsible for the proper conduct of the meetings according to applicable rules and regulations. The Company Secretaries regularly update and advise the Board on new statutes, regulations and directives issued by regulatory authorities as well as corporate disclosures and compliance with the relevant changes to the laws, rules and regulations.

The Company Secretaries constantly keep themselves updated of the regulatory changes and corporate governance developments by attending workshops, conferences and training programs.

5. Meeting of the Board and Board Committee

The Board normally meets quarterly to review financial, operational and business performances. All the Directors has complied with the minimum 50% attendance in respect of Board Meetings held during the FY2023 as stipulated under Paragraph 15.05 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The meetings are scheduled in advance to allow the Board members to plan their schedules. Notices and agenda of meetings are distributed at least one week prior to the meetings to the Directors via email. The same notification is sent to the management, which include the deadlines for the submission of the board papers for the management’s easy reference. Upon receipt of all the relevant board papers from the management, the Company Secretaries will compile all the board papers and circulate them to the Board Members at least three (3) days prior to the date of the meeting to facilitate the Directors to peruse the board papers and review the issues to be deliberated at the Board Meeting and, if necessary, obtain further information or clarification from the management to ensure the effectiveness of the proceedings of the meetings. Occasionally, Board meetings or Board Committee meetings may be held at short notice, when decisions of a time-critical nature need to be made.

The board papers provided include inter alia, financial results, business plan and budget, risk management and internal control reports, minutes of meetings of Board and Board Committees, regulatory/statutory updates and other operational and financial issues for the Board’s information and/or approval.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

5. Meeting of the Board and Board Committee (Cont'd)

A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented to the Board for approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting.

The meeting minutes will be circulated to the Board and confirmed as a correct record of the proceedings by the Board and Board Committees at their following respective meetings. The Company Secretaries will relay to the management on the Board's decisions/ recommendations via circulation of draft minutes of meetings for the appropriate actions to be taken. The Company Secretaries will also follow up with the management on status of actions taken with reference to the previous minutes of meetings to be updated to the Board.

Upon confirmation by the Board or Board Committees at the following meetings, the minutes will be signed by the Chairman of the said meeting as a correct record of the proceedings of the meeting. Actionable items would be recorded in the minutes as matters arising until they are eventually resolved.

6. Business Code of Ethics & Conduct

The Board recognises the importance of adhering to the Code of Business Conduct and Ethics ("Code") and has taken measures to put in place a process to ensure its compliance.

The Board constantly observes the Code and uphold integrity in discharging its fiduciary duties. The Code is available on the Company's website at www.ecofirst.com.my.

7. Whistle-Blowing Policy

The Board, employees and associates can report any suspected fraud, corruption, conduct or inappropriate behavior of the Group. The Whistle-Blowing Policy will provide an avenue for all employees of the Group and all agents, vendors, contractors, suppliers, consultants and customers of the Group and members of the Group to raise concerns about any improper conduct without fear of retaliation and to offer protection for the reporter who reports such allegations. This will strengthen the accountability and transparency in the business affairs of the Group. The Whistle-Blowing Policy is published in Company's website at www.ecofirst.com.my.

8. Anti-Bribery and Corruption Policy

The Board, employees and associates to be committed to acting professionally, fairly and with integrity in all business dealings and relationships, free of any acts of bribery or corruption in upholding high standards of ethics and integrity. The Group has developed an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. The Anti-Bribery and Corruption Policy is published in Company's website at www.ecofirst.com.my.

Corporate Governance Overview Statement
(Cont'd)**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION**

The Board currently consists of two (2) Executive Directors, three (3) Independent Non-Executive Directors, a Non-Independent Non-Executive Director and an alternate director. The Board believes an appropriate balance and mix of skills, knowledge, experience, background and gender ensure the effectiveness of the Board. The Board has a fit and proper policy in place for the appointment of Directors and the re-election of Directors which takes into consideration factors including character and integrity, experience and competence as well as the time and commitment by the Directors.

The Board has complied with paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are Independent Directors and one (1) director of the Company is a woman.

1. Independence

The Independent Non-Executive Directors play a crucial role of bringing objectivity to the decisions made by the Board. The Nominating Committee has formalised an assessment policy and procedure for the Independent Non-Executive Directors, to ensure that these Directors continue to be independent and bring objective judgment to the Board.

2. Establishment of a Nominating Committee

The Nominating Committee members, as at the date of this Annual Report are as follows:-

- 1) Mr Chin Wing Wah - Chairman
(Independent Non-Executive Director)
(Redesignated as Chairman of Nominating Committee w.e.f. 31 May 2023)
- 2) Datuk Ng Hock Heng – Member
(Independent Non-Executive Director)
- 3) Dato' Boey Chin Gan - Member
(Non-Independent Non-Executive Director)
(Redesignated as Member of Nominating Committee w.e.f. 31 May 2023)

The full Terms of Reference setting out the Nominating Committee's composition, meeting procedures, functions and reporting procedures, can be viewed at the Company's website, www.ecofirst.com.my.

During the FY2023, the Nominating Committee held a total of two (2) meetings. The attendance of the members of the Nominating Committee at the meetings is as follows:-

Member	Attendance
Mr Chin Wing Wah	2 out of 2
Datuk Ng Hock Heng	2 out of 2
Dato' Boey Chin Gan	2 out of 2

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Establishment of a Nominating Committee (Cont'd)

A summary of activities carried out by the Nominating Committee during the FY2023 is as follows:

- a) Reviewed and assessed the Board structure, size, composition and diversity as well as the Board's and individual Director's required mix of skills, experience and other qualities.
- b) Reviewed and assessed the effectiveness of the Board, Committees of the Board and the contribution of each individual Director.
- c) Reviewed and assessed the Directors' standing for re-election and re-appointment and recommended the same to the Board for consideration.
- d) Reviewed the term of office and performance of the Audit Committee and its members and was satisfied that the Audit Committee had carried out its duties in accordance with its Terms of Reference.
- e) Reviewed and recommended to the Board the appointment of Ms Chan Kim Hong as Independent Non-Executive Director. The Nominating Committee also recommended the redesignation of Mr Chin Wing Wah as the Chairman of the Nominating Committee and Audit Committee and Dato' Boey Chin Gan as the member of the Nominating Committee. Ms Chan Kim Hong was also recommended by the Nominating Committee to be appointed as the member of the Audit Committee and Remuneration Committee respectively.

Part of the terms of reference of the Nominating Committee includes the following responsibilities:-

- Review of Board's and Senior Management's succession planning; and
- Determine appropriate training for Directors and review the fulfilment of such training requirements, where appropriate.

The Nominating Committee has implemented a formal and transparent selection process for the identification of new Directors, which includes assessment of ideal composition of the Board, and the suitability of the candidate in meeting the needs of the Board and the Company.

Similarly, the appointment of Directors to the board committees would be made under a similar formal and transparent process, taking into account the Director's competencies, commitment and ability to contribute effectively.

The Board acknowledges that gender diversity is one of the key attributes to an effective and balanced board. At the moment, the Board has one (1) female Director out of six (6) Board members, i.e. 16.7% female Board representation and the Board is of the opinion that the current composition of the Board is balanced and effective, with a good mix of skills and experience from the different background of both Executive and Non-Executive Directors. Details of the profiles of the Board are available on the Directors' Profile Section of this Annual Report.

3. Establishment of Remuneration Committee

The Board has established a Remuneration Committee to ensure that remuneration arrangements support the strategic aims of the Group's businesses and to enable the recruitment, motivation and retention of Executive Directors and Senior Management. The Term of Reference of Remuneration Committee is available at the Company's website, www.ecofirst.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

3. Establishment of Remuneration Committee (Cont'd)

The Remuneration Committee comprises entirely of Independent Non-Executive Directors and its members, as at the date of this Annual Report are as follows:

- 1) Datuk Ng Hock Heng (Chairman)
- 2) Mr Chin Wing Wah (Member)
- 3) Ms Chan Kim Hong (Member)
(appointed as member of Remuneration Committee w.e.f. 15 February 2023)

The Remuneration Committee also reviews the remuneration package of the Executive Directors to ensure that it commensurate with their scope of responsibilities and performance achieved.

The Remuneration Committee meets as and when required and at least once a year. The Remuneration Committee met once during the FY2023, all of which were fully attended by the members of the Remuneration Committee except for Ms Chan Kim Hong who was newly appointed.

4. Establishment of Governance & Risk Management Committee ("GRMC")

The Board has established a GRMC to ensure that effectiveness of corporate governance and risk management functioning appropriately and efficiently.

The Term of Reference of GRMC is available at the Company's website, www.ecofirst.com.my.

The GRMC comprises one (1) Non-Independent Non-Executive Directors and the President /Executive Director, and its members, are as follows:

- 1) Dato' (Dr) Teoh Seng Foo (Chairman)
- 2) Dato' Boey Chin Gan (Member)

The GRMC also reviews corporate governance issue, evaluate performance of management, board composition and recommendation, succession planning and organisation structure, corporate exercise planning, overall planning/control policies and coordinate with Board/Committee.

The GRMC meets as and when required and at least once a year. The GRMC met two (2) times during FY2023.

On 27 July 2023, the Board has resolved to dissolve the GRMC with immediate effect and the functions of risk management would be handled by the Audit Committee.

5. Board and Board Committee Evaluation

The Directors are required on a yearly basis to complete a self-assessment checklist and the Nominating Committee ("NC") carries out the annual evaluation to determine the effectiveness of its board, board committees and the individual directors by way of self and peer evaluation. The criteria used, amongst others:

- a) for the annual assessment of individual Directors include an assessment of their roles, duties responsibilities, competency and contribution considering conflict if any;
- b) for the Board and Board Committees include composition, structure, accountability, responsibilities and compliance as well as governance.

In respect of the assessment for FY2023, the NC reviewed the annual evaluation, its committees and each individual director. The Board was satisfied with the outcome of the evaluation and was of the view that the evaluation was adequate to determine the overall effectiveness of the Board and individual directors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5. Board and Board Committee Evaluation (Cont'd)

Generally, the Directors were satisfied with the performance of the Board as a whole. The Director's peer review indicated that all the Directors were of the view that each of them had performed their respective roles and functions effectively and responsibly during FY2023. Each member was satisfied with each other's contribution in sharing their insights and active participation in Board and Board Committees' discussions. All the Board Committees were assessed to be effective in discharging their roles and responsibilities as per the terms of reference.

6. Directors' Training

The members of the Board, had during FY2023, attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations, risk management and business environment. Details of the trainings or seminars attended by the members of the Board during FY2023 and up to the date of approval for issuance of this Statement are as follows:

Name	Training Programme
Dato' (Dr) Teoh Seng Foo	<ul style="list-style-type: none"> Seksyen 17A Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009 & Tatacara Mencukupi Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Dato' Tiong Kwing Hee	Building High SCORE Team
Dato' Boey Chin Gan	<ul style="list-style-type: none"> Bursa Malaysia Immersive Session: The Board "Agender" Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Datuk Ng Hock Heng	Anti – Bribery and Corruption
Chin Wing Wah	<ul style="list-style-type: none"> Improvisations, Renovations and Effective Space Management of Common Property The Fundamental Different Between Stratified & Non-Stratified Property (For Property Professional)
Chan Kim Hong	<ul style="list-style-type: none"> SSM National Conference 2023 Mandatory Accreditation Programme (MAP)
Dato' Teoh Seng Kian	Transaction with Third Party and Related Party for PLCs

Corporate Governance Overview Statement
(Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

1. Remuneration Policy and Procedures

The Remuneration Committee is responsible to annually review the performance achievement of the Executive Directors and guided by the Remuneration Policy, makes recommendations to the Board on the framework of the Executive Directors' remuneration package that reflects market value, individual performance, job responsibilities and the Group's performance against financial objectives.

The Group recognises that in order to attract and retain Directors, it is important to have a fair and competitive remuneration package that commensurate with their experience, skills, responsibilities, performance, contribution as well as industry benchmark. In view of this, framework and guidelines provided by independent consultant and market data on the remuneration practices of comparable peers are taken into consideration in determining the remuneration package for Executive Directors.

The total remuneration package of Executive Directors is made up of various components, primarily consisting of fixed monthly salary, performance bonus, incentive pay, employee share option as well as benefits-in-kind. Executive Directors are not entitled to directors' fees and meeting allowances for his/her services.

The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. The Group uses established Human Resources system to facilitate performance management process for Executive Directors. The review is conducted on a yearly basis.

2. Directors' Remuneration

The remuneration in nearest thousands of Ringgit Malaysia (RM'000) received/to be received by each of the Directors for FY2023 is set out in the tables below:

a) Independent Non-Executive Directors

No.	Name	Director Fees (RM'000)	Fixed Allowance (RM'000)	Total (RM'000)
1	Mr Chin Wing Wah	70.0	11.5	81.5
2	Datuk Ng Hock Heng	54.0	8.5	62.5
3	Ms Chan Kim Hong (appointed w.e.f. 15 February 2023)	18.0	1.5	19.5
4	Dato' Syed Ariff Fadzillah Bin Syed Awalluddin (retired w.e.f. 23 November 2022)	21.0	5.0	26.0
5	Dato' Amos Siew Boon Yeong (retired w.e.f. 23 November 2022)	39.0	8.0	47.0

b) Non-Independent Non-Executive Directors

No.	Name	Director Fees (RM'000)	Fixed Allowance (RM'000)	Total (RM'000)
1	Dato' Boey Chin Gan (redesignated w.e.f. 31 May 2023)	68.0	12.0	80.0

Corporate Governance Overview Statement
(Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

2. Directors' Remuneration (Cont'd)

c) Executive Directors

No.	Name	Fee (RM'000)	Salary (RM'000)	Bonus/ Incentive (RM'000)	Defined Contribution on Plan (i.e. EPF) (RM'000)	Benefit In Kind (RM'000)	Total (RM'000)
1	Dato' (Dr) Teoh Seng Foo	–	578.0	–	23.1	32.7	633.8
2	Dato' Tiong Kwing Hee	24.0	561.0	–	22.4	28.4	635.8

d) Senior Management Remuneration

Practice 8.2 of MCCG states that the Company should disclose on a named basis the top (5) Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. The Board is of the view that due to the highly competitive industries in which the Group is operating, the Group faces challenges in talent management and retention. Therefore, the Board is of the opinion that disclosing the remuneration of senior management would be a disadvantage to the Group.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Composition of Audit Committee

The Audit Committee comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the Audit Committee, Mr Chin Wing Wah is a member of Malaysian Institute of Accountants, Chartered Institute of Management Accountants, United Kingdom and Board of Valuers, Appraisers, Estate Agents & Property Managers (BOVAEA). The other members of Audit Committee are Dato' Boey Chin Gan and Ms Chan Kim Hong.

The Audit Committee has a mix of suitably qualified and experienced professionals in the fields of accountancy, economy, legal, real estate development, property management and human capital development.

2. Relationship with the External Auditors

During FY2023, the Audit Committee assessed the suitability, effectiveness and independence of the External Auditors and ensured that the provision of non-audit services by the External Auditors was not in conflict with their audit function. The annual assessment of the External Auditors encompassed areas such as objectivity and independence, competency, quality of services, communication and interaction, audit planning, delivery, fees and adequacy of resources.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

2. Relationship with the External Auditors (Cont'd)

On 7 September 2023, Russell Bedford LC PLT (“Russell”) in its presentation on External Auditors’ report to the Audit Committee, declared its independence from the Group in relation to its engagement as External Auditors of the Group in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for FY2023. The Audit Committee was satisfied with the independence and performance of the External Auditors for FY2023. As such, the Audit Committee had recommended the re-appointment of Russell as the External Auditors of the Company for the financial year ending 31 May 2024 for the shareholders’ approval at the forthcoming Fiftieth Annual General Meeting (“AGM”) of the Company to be held on 26 October 2023. The Board at its meeting held on 7 September 2023, approved the Audit Committee’s recommendation.

3. Related Party Transactions

The Directors recognise that they have to declare their respective interest in transactions with the Company and the Group and abstain from deliberation and voting on the resolution in respect of such transactions at the Board.

The Audit Committee had reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interest of the company.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard the stakeholders and shareholders’ investment and group’s assets. The Board has a stewardship responsibility to understand the risk of the Group, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner.

The internal audit function provides an independent and objective feedback to the Audit Committee and the Board on the adequacy, effectiveness and efficiency of the internal control system within the Group.

The Group’s statement on Risk Management and Internal Control which provides an overview of the risk management framework and state of internal control within the Group, is set out on pages 68 to 70 of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company’s shareholders and prospective investors. By maintaining consistent and extensive communication with its shareholders, its mutual relationship with its shareholders would be strengthened. This would also enhance the shareholders’ understanding of the Group as well as their ability in making informed investment decisions.

One of the platforms used is announcements released through Bursa LINK which can also be accessed via the Company’s website at www.ecofirst.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

The Company has incorporated a section for “Investor Relations” in its website, which provides all relevant information on the Group such as quarterly results and audited financial statements, general announcements, circulars, minutes of general meetings, investor alert, changes in shareholdings and corporate governance. The information is easily accessible by the public. Annual reports and circulars to shareholders are also made available at this website for review.

Shareholders can channel their concerns, via the Company’s website: www.ecofirst.com.my. The Group has a dedicated electronic mail, corpcomm@ecofirst.com.my to which shareholders can direct their queries or concerns.

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group’s investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group’s performance, corporate strategies and other matters affecting shareholders’ interests.

II. CONDUCT OF GENERAL MEETING

The Board acknowledges the importance of general meetings as an avenue for the shareholders not only to exercise their rights to vote, but to be heard as well. As such, the Board has taken steps to encourage shareholders participation by implementing the following steps:-

- Notices for the general meetings are issued on timely manner, ahead of the twenty-eight (28) days’ notice requirement as recommended by MCCG. The additional time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.
- Adequate questions and answers time is allocated for each resolution to be passed, where shareholders are given the opportunity to seek clarification on matters pertaining to the Company.
- The management and External Auditors are also invited to attend the general meetings, and are available to answer to queries relating to the respective subject matter. The Board, through their appointed share registrars shall consider the adoption of electronic voting to facilitate greater shareholder participation.

The Company shall be conducting poll voting for all resolutions proposed for shareholders’ approval at the general meeting of the Company and a scrutineer will be appointed to validate the votes cast at the general meeting.

This statement and the Corporate Governance Report are made in accordance with the resolution passed by the Board of Directors on 14 September 2023.

Statement of Directors' Responsibility in Preparing the Annual Financial Statements

The Directors are legally required, in accordance with the Companies Act 2016, to prepare financial statements, which present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year under review and the results and cash flows for the financial year then ended. In preparing the financial statements for the financial year ended 31 May 2023, the Directors have:-

- ensured compliance with applicable approved accounting standards in Malaysia;
- adopted and consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are maintained, which disclose with reasonable accuracy, the financial position of the Group and also to ensure that the financial statements comply with applicable approved accounting standards in Malaysia. In addition, the Board is responsible for the proper safeguarding of the Group's assets and to take reasonable steps for the prevention and detection of fraud and other irregularities.

Additional Compliance Information

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, there were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company or its subsidiaries, which involved the interests of the Directors and/or major shareholders other than contracts entered into in the normal course of business.

The Company had on 23 September 2022, entered into a conditional share sale agreement with Tan You Tiong ("Mr Tan") for the proposed acquisition of the remaining 49% equity interest in BCM Holdings Sdn Bhd ("BCM") comprising of 980,000 ordinary shares and 1,960,000 redeemable convertible preference shares, for a cash consideration of RM78.4 million ("BCM SSA"), subject to the terms and conditions of the BCM SSA. The BCM SSA has become unconditional on 13 June 2023 and the completion date shall be on or before 12 October 2023.

Mr Tan, the major shareholder of the Company, is also a director and major shareholder of BCM, a 51%-owned subsidiary of the Company. Mr Tan's spouse, Yeoh Siok Choo is also a substantial shareholder of the Company.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred by the Company and the Group for services rendered by the external auditors or a firm or corporation affiliated to the external auditors during the financial year ended 31 May 2023 are as follows:

	Company (RM)	Group (RM)
Audit services	80,000	228,100
Non audit services	6,000	6,000
TOTAL	86,000	234,100

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's shareholders at the Extraordinary General Meeting held on 20 June 2014 approved the establishment of a new ESOS governed by the Bylaws for the eligible employees and directors of the Company and its active subsidiary companies. The ESOS is for a period of five (5) years from 22 August 2014 to 21 August 2019.

The Company had on 26 July 2019, extended the ESOS for a further period of five (5) years from 22 August 2019 to 21 August 2024. As at the end of the financial year, the Company has yet to grant options under the ESOS.

Additional Compliance Information (Cont'd)

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

- On 15 December 2020, the Company announced its proposal to undertake private placement of up to 79,039,898 new ordinary shares in the Company, representing up to ten percent (10%) of the total number of issued shares of the Company at an issue price to be determined and announced later ("Private Placement").

The Company had completed the issuance of 27,694,500, 22,845,800 and 28,499,598 new ordinary shares at RM0.36, RM0.3547 and RM0.35 per share via private placement 15 January 2021, 3 May 2021 and 1 October 2021 respectively. The proceeds of the Private Placement of RM28,048,000 have been fully utilised as at the date of this report, as follows:

Description of utilisation	Actual proceeds raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Development expenditure for the Group's project and land acquisition	23,001	23,001	—
General working capital	4,681	4,681	—
Expenses for the Private Placement	366	366	—
	28,048	28,048	—

- On 13 June 2022, the Company announced that its proposal to undertake a private placement of up to 56,386,600 new ordinary shares in the Company ("Shares"), representing 4.84% of the 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").

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 proceeds of the Private Placement have been fully utilised as at the date of this report, amounting to RM10,335,000 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	—
	10,335	10,335	—

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.

Additional Compliance Information
(Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The existing shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature ("Shareholders' Mandate") which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at the said AGM.

The aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year is as follows:-

Transacting Parties in ECB Group	Nature of Transaction	Mandated Related Party	Value of Transactions in Financial Year 2023 (RM'000)
Pujian Development Sendirian Berhad ("PDSB")	Construction works	Paramount Bounty Sdn Bhd	86
PDSB	Rental of office space	Mercury Industries Berhad	232

Audit Committee Report

COMPOSITION

The Audit Committee comprises as follows:-

- Chairman** : Mr Chin Wing Wah
(Independent Non-Executive Director)
(Redesignated as Chairman of Audit Committee w.e.f. 19 January 2023)
- Members** : Dato' Boey Chin Gan
(Non-Independent Non-Executive Director)
(Redesignated as Non-Independent Non-Executive Director w.e.f. 31 May 2023)
- Ms Chan Kim Hong
(Independent Non-Executive Director)
(Appointed as member of Audit Committee w.e.f. 15 February 2023)

TERMS OF REFERENCE

The Audit Committee is guided by its Terms of Reference in the discharge of its roles, functions and responsibilities. The details of the Terms of Reference are available on the Company's website at www.ecofirst.com.my.

MEETINGS AND ATTENDANCES

A total of six (6) meetings of the Audit Committee were held during the financial year ended 31 May 2023. The meetings were appropriately structured through the use of agendas, which were distributed in advance to all the members of the Audit Committee. Attendances of each member were as follows and the Company Secretary attended all the meetings during the financial year:-

Members	Total Attendance	% of Attendance
Mr Chin Wing Wah	6/6	100
Dato' Boey Chin Gan	6/6	100
Ms Chan Kim Hong	1/1	100
Dato' Amos Siew Boon Yeong (retired w.e.f. 23 November 2022)	4/4	100

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR

During the financial year, the Audit Committee carried out the following duties in accordance with its Terms of Reference:-

- Reviewed the suitability and independence of the External Auditors for re-appointment at the annual general meeting held in November 2022 against criteria adopted by the Audit Committee (e.g. the adequacy of the External Auditors' experience and resources and the capability of the audit team assigned to the Group's audit) in recommending for their continuing office as the statutory auditors in respect of the audit for the financial year ended 31 May 2023.
- Reviewed with the Principal Adviser and Independent Adviser the circular to shareholders in relation to Part A - Proposed Acquisition of the remaining 49% equity interest in BCM Holdings Sdn Bhd ("BCM") not owned by EcoFirst Consolidated Bhd ("EcoFirst") for a cash consideration of RM78.4 Million ("Proposed BCM Acquisition"); Part B - Independent Advice Letter to the non-interested shareholders of EcoFirst in relation to the Proposed BCM Acquisition.
- Reviewed the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature, and Audit Committee Statement in relation thereto, prior to recommending the same to the Board for approval to distribute to shareholders for the annual general meeting in 2022.

Audit Committee Report (Cont'd)

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR (CONT'D)

- Reviewed with the External Auditors their audit planning memorandum, audit approach and reporting requirements which were presented by representatives from the External Auditors prior to commencement of the audit for the financial year ended 31 May 2023. Significant developments within the Group, noted by the External Auditors during the audit planning, were highlighted whilst a brief was given on the areas of audit focus which were discussed at the meeting. Subsequent to the audit, the External Auditors presented their audit progress memorandum which highlighted significant audit observations and outstanding audit matters which were subsequently addressed at the completion of the audit.
- Reviewed the audited financial statements of the Group and the Company for the financial year ended 31 May 2023 together with the presence of the External Auditors prior to submission to the Board for their consideration and approval for tabling to the shareholders for adoption at the forthcoming annual general meeting. The review was to ensure that the financial statements were prepared in accordance with the provisions of the Companies Act 2016 and the Financial Reporting Standards in Malaysia. The Audit Committee was given assurance by the Management that the audited financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the Company.
- Reviewed the internal audit plan for the financial year ended 31 May 2023 to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and comprehensive and recommended changes where necessary.
- Reviewed the internal audit report, which highlighted the audit issues, recommendations and Management's response. The Audit Committee was briefed on pertinent audit issues, findings and observations by the Internal Auditors at the meeting of the Audit Committee. The Audit Committee also discussed the actions taken by Management to improve the system of internal control based on recommendations made in the internal audit report.
- Met with the External Auditors twice during the financial year, in the absence of Management, to discuss problems/issues and reservations (where applicable) arising from their audits and the assistance given by the employees of the Group during the course of audit.
- Reviewed the quarterly unaudited financial results and commented where necessary before making a recommendation to the Board for approval prior to announcement to Bursa Securities. The review is to ensure that the Group's quarterly financial reporting and disclosure present a true and fair view of the Group's financial position and performance and are in compliance with the applicable reporting standards as well as the provisions of the Main Market Listing Requirements of Bursa Securities.
- Reviewed the recurrent related party transactions entered into by the Group which involving the construction works and tenancy agreement i.e. rental of one unit shop-lot and one unit kiosk of South City Plaza (SCP) between the Group and Mercury Group on a quarterly basis to ensure that the recurrent transactions with the mandated related parties were undertaken within the mandated threshold approved by the shareholders of the Company.
- Reviewed the related party transaction entered into by the Group during the financial year which involving tenancy agreement between BCM and Summer Broadway Sdn Bhd for the rental of 4 units of 2 storey shop-office as sale office and construction site office for the KL48 project to ensure that the transaction with related party was undertaken on terms and conditions that were not materially different from those obtainable in transactions with unrelated parties.
- Reviewed and approved the Audit Committee Report for inclusion in the Company's Annual Report 2023.
- Assessed the Group's state of internal control in order to ensure that the system is adequate and effective in all material aspects and reviewed the Statement on Risk Management and Internal Control, which was prepared in conjunction with the internal control assessment, for inclusion in the Company's Annual Report 2023.

Audit Committee Report
(Cont'd)**INTERNAL AUDIT FUNCTION AND ACTIVITIES**

The internal audit function is outsourced to an independent professional consultancy firm, Sterling Business Alignment Consulting Sdn Bhd, entrusted with the role of providing independent and systematic reviews on the systems of internal control of the Group. The internal audit function provides an independent and objective feedback to the Audit Committee and the Board on the adequacy, effectiveness and efficiency of the internal control system within the Group.

Throughout the financial year under review, the Internal Auditors carried out the internal audit works on the business operations of the Group covering property investment which were in accordance with the annual internal audit plan as approved by the Audit Committee. A summary of the reviews carried out by the Internal Auditors are listed in the Statement on Risk Management and Internal Control.

Upon completion of each audit cycle, the Internal Auditors would report to the Audit Committee on their audit findings, their recommendations of corrective actions to be taken by the Management together with the Management's responses in relation thereto. The Internal Auditors would also conduct follow-up reviews on previously reported issues during the audit cycles where necessary and the results of their observations would be reported to the Audit Committee accordingly.

Based on the internal audit reviews conducted above, there was no material internal control failure reported in respect of internal audit works carried out during the financial year under review that would have resulted in any significant loss to the Group.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of EcoFirst Consolidated Bhd (“the Company”) is pleased to provide the following statement on risk management and internal control of the Company and its subsidiaries (“the Group”) for financial year ended 31 May 2023. This statement has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance (“MCCG”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITIES

The Board has overall responsibility to ensure that the Group maintains a system of risk management and internal controls to safeguard shareholders’ investments and the Group’s assets. The Board is committed to establish an appropriate control environment and also to review the adequacy and integrity of the system of risk management and internal controls. Due to the limitations inherent in any system of risk management and internal controls, these systems, though implemented, are designed to manage, rather than to eliminate the risk of failure to achieve corporate objectives. Accordingly, the systems can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an underlying and ongoing process in the Group for the identification, evaluation and mitigation of its significant risks. The Board further confirmed that these processes are being regularly reviewed and accords with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board has undertaken a review of the adequacy and effectiveness of the risk management and internal control system and concluded that the risk management and internal control system is adequate and effective. Further, the Board has obtained assurance from the Group Chief Executive Officer and Financial Controller that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management is an integral part of the Group’s business operations and has put in place the Risk Management Framework within the Group as an ongoing process for identifying, evaluating, monitoring and managing the significant risk affecting the achievement of its business objectives.

Risk Profile consists of principal business risks which are identified and documented in the Registry of Risks. The Registry of Risks identified the risk factors, statement of risk, risk owner, impact, likelihood and risk control actions.

The risk identification process involving reviewing and identifying the possible risk exposure arising from changes in both external business environment and internal operating conditions. The risk measurement guidelines consist of financial and non-financial qualitative measures of risk consequences based on the risk likelihood rating and risk impact rating. The risk control actions are prioritised and implemented as per the risk control actions assigned to the respective risk owners. The Registry of Risks which comprises of corporate level and subsidiaries is tabled to the Audit Committee once a year for review and approval.

The Board is of the view that there is an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year and up to the date of approval of the Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to an independent professional consultancy firm. The outsourced internal audit function reports directly to the Audit Committee to provide feedback regarding the adequacy and integrity of the Group’s system of internal control. The Audit Committee is chaired by an Independent Non-Executive Director and its members comprises Independent Non-Executive Directors and Non-Independent Non-Executive Director. The Audit Committee is of the opinion that the internal audit function is effective and able to function independently.

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit plan is designed to address the critical business processes and internal control gaps, gauge the effectiveness and adequacy of the existing state of internal control and recommend continuous improvements to the internal control system.

The internal audit function reviews the key activities of the Group based on the annual audit plan approved by the Audit Committee. The Audit Committee reviews the audit plan, together with internal audit reports to obtain the necessary level of assurance with respect to the adequacy of the internal controls as required by the Board. The Internal Auditors report to the Audit Committee on the areas of possible improvements and the Management's response to such improvement recommendations. The Audit Committee presents its findings to the Board as appropriate.

During the financial year, the Internal Auditors reviewed the adequacy of the Group's internal control system and management information system of the key functions including system for compliance with applicable laws, regulations, rules, directives and guidelines. Follow-up visits were also carried out to ensure weaknesses identified have been or are being addressed. Periodic audit reports and status report on follow-up actions were tabled to the Audit Committee during its quarterly meetings. For the financial year ended 31 May 2023, the total costs incurred for the outsourced internal audit function is approximately RM23,200.

For the financial year ended 31 May 2023, the following review had been carried out by the Internal Auditors:-

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
June 2022 – August 2022	October 2022	Ecofirst Consolidated Berhad	<ul style="list-style-type: none"> Human Resources Finance and Accounts
December 2022 – February 2023	April 2023	Pujian Development Sendirian Berhad	<ul style="list-style-type: none"> Facilities Management Procurement Customer Service Car Park Management
March 2023 – May 2023	July 2023	Ecofirst Consolidated Berhad	<ul style="list-style-type: none"> Follow-up actions on previously reported audit findings in October 2022
March 2023 – May 2023	July 2023	Pujian Development Sendirian Berhad	<ul style="list-style-type: none"> Follow-up actions on previously reported audit findings in April 2023

OTHER RISKS AND CONTROL PROCESSES

In addition to the risk management and internal audit function, the Board has put in place an organisation structure with formally defined lines of responsibility and delegation of authority, allowing internal checks and balances. This includes a Procurement & Quality Assurance standard operational procurement manual. These procedures are relevant to the Group and provide continuous assurance to top management and the Board. The Group has also developed and made available to employees an Employee Handbook.

Quarterly updates of the financial results of the Group are provided to the Audit Committee and the Board for assessment of the performance of the Group. Management meetings, which involve Executive Directors and selected executive personnel, are regularly held in order to identify and address any problems encountered by the Group, so that appropriate actions could be taken to address the issues.

The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships, free of any acts of bribery or corruption in upholding high standards of ethics and integrity. The Group has developed an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group.

Statement On Risk Management And Internal Control (Cont'd)

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Based on the procedures performed, the External Auditors have reviewed this statement for inclusion in the Annual Report 2023 and reported to the Board that nothing has come to their attention that causes them to believe that this statements not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement on Risk Management and Internal Control factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system currently in place is as far as practicable, adequate and effective to safeguard the Group's interests and assets and there were no material losses incurred by the Group arising from weaknesses in its internal control system. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This statement is made in accordance with the resolution passed by the Board of Directors on 14 September 2023.

An aerial photograph of a dense tropical forest, likely a rainforest, with a paved road winding through it. The road is light-colored and contrasts with the dark green foliage. The title 'Financial Statements' is overlaid on the image in a large, white, sans-serif font. The word 'Financial' is smaller and positioned above 'Statements'.

Financial Statements

72	Directors' Report
77	Statement By Directors
77	Statutory Declaration
78	Independent Auditors' Report
83	Statements Of Comprehensive Income
84	Statements Of Financial Position
85	Statements Of Changes In Equity
87	Statements Of Cash Flows
90	Notes To The Financial Statements

Directors' Report

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 May 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services. The details of the subsidiaries, together with their respective principal activities, are disclosed in Note 14 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the financial year	10,734	(40,663)
Attributable to:		
Owners of the Company	14,367	(40,663)
Non-controlling interests	(3,633)	–
	10,734	(40,663)

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital by way of private placement of 31,800,000 new ordinary shares at an issue price of RM0.325 per share for cash. The shares were issued for working capital purposes.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

Directors' Report
(Cont'd)**TREASURY SHARES**

During the financial year, the Company disposed of 11,500,000 treasury shares for a total cash consideration of RM4,089,052 to the open market.

As at 31 May 2023, the Company held a total of 758,500 treasury shares of its 1,207,925,387 issued ordinary shares with a carrying amount of RM240,281.

WARRANTS 2021/2026 ("WARRANTS")

The Company had on 23 July 2021 issued 423,442,855 free Warrants on the basis of one (1) Warrant for every two (2) existing shares held on the entitlement date of 15 July 2021. The Warrants are constituted by a Deed Poll dated 1 July 2021.

The movements in the Company's Warrants during the financial year are as follows:

	Entitlement for ordinary shares			Balance at 31.5.2023 '000
	Balance at 1.6.2022 '000	Exercised '000	Expired '000	
Number of unexercised warrants	423,443	–	–	423,443

The salient features of the Warrants are disclosed in Note 21.1 to the financial statements.

DIRECTORS

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Dato' (Dr) Teoh Seng Foo

Dato' Tiong Kwing Hee

Dato' Boey Chin Gan

Datuk Ng Hock Heng

Chin Wing Wah

Dato' Teoh Seng Kian

Chan Kim Hong

Dato' Teoh Seng Kian (Alternate to Dato' (Dr) Teoh Seng Foo)

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin

Dato' Amos Siew Boon Yeong

- Appointed on 14 September 2023

- Appointed on 15 February 2023

- Ceased on 14 September 2023

- Retired on 23 November 2022

- Retired on 23 November 2022

Directors' Report (Cont'd)

DIRECTORS' INTERESTS IN SHARES

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Balance as at 1.6.2022	Number of ordinary shares		Balance as at 31.5.2023
		Bought	Sold	
Direct interest				
Dato' Tiong Kwing Hee	56,809,900	34,651,600	(2,020,000)	89,441,500
Dato' Teoh Seng Kian (Alternate to Dato' (Dr) Teoh Seng Foo)	132,004,632	–	–	132,004,632
Other shareholdings in which directors are deemed to have interests #				
Dato' (Dr) Teoh Seng Foo	1,415,000	–	–	1,415,000
Dato' Tiong Kwing Hee	16,713,400	–	(16,713,400)	–
		Number of Warrants 2021/2026 over ordinary shares		
	Balance as at 1.6.2022	Bought	Sold	Balance as at 31.5.2023
Warrants registered in the name of directors				
Dato' Tiong Kwing Hee	18,036,050	–	(950,000)	17,086,050
Dato' Teoh Seng Kian (Alternate to Dato' (Dr) Teoh Seng Foo)	73,767,116	–	–	73,767,116
Other shareholdings in which directors are deemed to have interests #				
Dato' (Dr) Teoh Seng Foo	702,500	–	–	702,500
Dato' Tiong Kwing Hee	8,356,700	–	–	8,356,700
Dato' Teoh Seng Kian (Alternate to Dato' (Dr) Teoh Seng Foo)	76,000	–	–	76,000

Disclosure of interest pursuant to Section 59 (11) of the Companies Act 2016.

None of the other directors in office at the end of the financial year had any interest in shares of the Company and its related companies during the financial year, according to the register required to be kept under Section 59 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Group and the companies in which certain directors have interest as disclosed in Note 28 to the financial statements.

The details of the directors' remuneration are disclosed in Note 6 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report
(Cont'd)**INDEMNITY AND INSURANCE**

The total amount of indemnity insurance effected for directors and the officers of the Company for the financial year amounted to RM15,000,000 (in annual aggregation). There was no indemnity given to or insurance effected for the auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

Directors' Report (Cont'd)

AUDITORS

The auditors, Messrs Russell Bedford LC PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 6 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATO' (DR) TEOH SENG FOO

DATO' TEOH SENG KIAN

Kuala Lumpur

Dated: 14 September 2023

Statement By Directors

The directors of **ECOFIRST CONSOLIDATED BHD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2023, and of their financial performance and their cash flows for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATO' (DR) TEOH SENG FOO

DATO' TEOH SENG KIAN

Kuala Lumpur

Dated: 14 September 2023

Statutory Declaration

I, GOH LIK SIN (MIA NO: 20719), being the officer primarily responsible for the financial management of **ECOFIRST CONSOLIDATED BHD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
above named GOH LIK SIN at Kuala
Lumpur in Wilayah Persekutuan on
14 September 2023

)
)
)
)

GOH LIK SIN

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of Ecofirst Consolidated Bhd (Incorporated in Malaysia)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 May 2023, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2023, and of their financial performance and their cash flows for the year then ended in accordance with the Companies Act 2016 ("Act") and the Malaysian Financial Reporting Standards.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3 Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.3.1 Fair value of investment properties of the Group

The Group adopts fair value measurement for its investment properties. The fair value of investment properties of the Group of RM417.11 million as at 31 May 2023 is determined by independent firms of professional valuers. Significant judgements are involved in determining the fair value by using the chosen valuation technique and applying the assumptions as disclosed in Note 34.2 to the financial statements.

How the matter was addressed in the audit

Our audit procedures focused on the valuations performed by the firms of professional valuers, which included amongst others, the following:

- performed site visit to verify the existence and conditions of the investment properties;
- considered the professional competencies, capabilities, objectivity and independence of the professional valuers engaged by the Group;
- discussed with the independent professional valuers to obtain an understanding of the valuation techniques, key assumptions and input data used;
- assessed the appropriateness of the valuation technique and the key assumptions used based on our knowledge of the property industry.

We found the valuation techniques used to be appropriate and assumptions applied were supported by available evidence.

Independent Auditors' Report (Cont'd)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

1.3 Key audit matters (Cont'd)

1.3.2 Revenue and cost of sales recognition in relation to property development activities

The Group recorded RM4.87 million revenue and RM4.46 million cost of sales from its property development activities for the year ended 31 May 2023. The Group recognises property development revenue and cost of sales by using the input method which is based on the actual property development costs incurred to date relative to the estimated total property development costs.

In determining the progress towards complete satisfaction of the Group's performance obligation, a significant degree of management judgement and estimates is required.

How the matter was addressed in the audit

Our audit procedures to address the matter in relation to property development revenue and cost of sales of the Group included:

- tested the property development costs incurred to documentary evidence such as contractors' claim certificates;
- selected samples of signed sale and purchase agreements and obtained sufficient and appropriate evidence to support that revenue is recognised in accordance with MFRS 15 Revenue from Contract with Customers;
- assessed the reasonableness of the estimated total property development costs by examining documentary evidence such as contracts, letter of awards, quotations and variation orders and inquiries with operational and financial personnel of the Group;
- assessed the progress towards complete satisfaction of the Group's performance obligation computed by management against external evidence including certification by independent consulting professional and on-site observation;

We are satisfied with the results of our procedures performed.

1.3.3 Contingent tax liabilities

The Group is involved in a dispute with the local tax authority for an additional income tax assessment of RM30.7 million ("tax dispute") and the level of judgement required to determine the recognition of a provision or the disclosure of a contingent liability increases the risk that the issue may be inappropriately treated for financial reporting purposes.

The details of the tax dispute are disclosed in Note 29 to the financial statements.

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- discussed with the in-house Group legal counsel regarding the tax dispute;
- examined the opinion obtained from the external legal representatives to support the judgement taken on the probabilities of possible outcomes;
- circularised legal letter to the external legal representatives and assessed responses in the context of audit evidence gathered in other areas of audit.

We are satisfied with the results of our procedures performed and appropriateness of the contingent liability disclosures made in the financial statements.

Independent Auditors' Report (Cont'd)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

1.3 Key audit matters (Cont'd)

1.3.4 Key audit matters relating to the financial statements of the Company

We have determined that there are no key audit matters to report with respect of our audit of the financial statements of the Company.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

1.5 Responsibilities of management and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Act and the Malaysian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report (Cont'd)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

1.6 Auditors' responsibilities for the audit of the financial statements (Cont'd)

As part of an audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and/or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
(Cont'd)

2. ENGAGEMENT PARTNER

The engagement partner on the audit resulting in this independent auditors' report is Teoh Wuey Sze.

RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

Kuala Lumpur

Dated: 14 September 2023

TEOH WUEY SZE
02831/01/2024 J
CHARTERED ACCOUNTANT

Statements of Comprehensive Income

For The Year Ended 31 May 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	31,462	24,035	4,251	4,074
Cost of sales	5	(14,777)	(1,700)	–	–
Gross profit		16,685	22,335	4,251	4,074
Other operating income		25,174	1,312	549	545
Distribution costs		(743)	(549)	–	–
Administration expenses		(12,022)	(9,437)	(5,515)	(5,245)
Other operating expenses		(9,248)	(7,242)	(13,332)	(2)
Net allowance for expected credit loss		12,621	(11,018)	(26,556)	(2,777)
Profit/(Loss) from operations	6	32,467	(4,599)	(40,603)	(3,405)
Finance income	7	84	22	–	7
Finance costs	8	(17,639)	(4,532)	(55)	(111)
Net finance costs		(17,555)	(4,510)	(55)	(104)
Profit/(Loss) before tax		14,912	(9,109)	(40,658)	(3,509)
Income tax expense	9	(4,178)	(3,089)	(5)	(8)
Net profit/(loss)/Total comprehensive income/ (loss) for the year		10,734	(12,198)	(40,663)	(3,517)
Net profit/(loss)/Total comprehensive income/ (loss) attributable to:					
Owners of the Company		14,367	(9,844)	(40,663)	(3,517)
Non-controlling interests		(3,633)	(2,354)	–	–
		10,734	(12,198)	(40,663)	(3,517)
Basic earnings/(loss) per share (sen)	10	1.22	(0.87)		

The accompanying notes from an integral part of the financial statement

Statements of Financial Position

As At 31 May 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non current assets					
Plant and equipment	11	1,600	1,771	175	280
Right of use assets	12	499	1,571	254	943
Investment properties	13	418,434	393,410	–	–
Investment in subsidiaries	14	–	–	127,338	138,478
Inventories	15	238,155	188,979	–	–
Other financial assets	16	2,356	1,060	1,022	1,022
Other receivables	19	–	–	272,724	317,712
Deferred tax assets	27	663	663	–	–
		661,707	587,454	401,513	458,435
Current assets					
Inventories	15	226,704	349,295	–	–
Contract costs	17	25,933	–	–	–
Contract assets	17	2,589	–	–	–
Trade receivables	18	6,847	7,441	–	–
Other receivables, deposits and prepayments	19	5,414	6,864	18,920	5,346
Tax recoverable		129	4	2	2
Other financial assets	16	6	6	6	6
Cash and bank balances	20	17,007	8,234	6,094	60
		284,629	371,844	25,022	5,414
Total assets		946,336	959,298	426,535	463,849
Equity					
Share capital	21	269,390	258,713	269,390	258,713
Reserves	22	241,047	222,986	5,407	42,367
Equity attributable to owners of the Company		510,437	481,699	274,797	301,080
Non-controlling interests		92,538	100,411	–	–
Total equity		602,975	582,110	274,797	301,080
Non current liabilities					
Lease liabilities	23	14	535	6	288
Borrowings	24	106,708	160,517	15,734	17,073
Other payables	26	8,400	8,400	–	–
Deferred tax liabilities	27	7,117	3,149	–	–
		122,239	172,601	15,740	17,361
Current liabilities					
Trade payables	25	18,260	17,998	–	–
Other payables and accruals	26	79,653	128,203	134,265	143,413
Lease liabilities	23	531	1,156	282	732
Borrowings	24	96,899	28,757	1,451	1,263
Tax payable		25,779	28,473	–	–
		221,122	204,587	135,998	145,408
Total liabilities		343,361	377,188	151,738	162,769
Total equity and liabilities		946,336	959,298	426,535	463,849

The accompanying notes from an integral part of the financial statement

Statements of Changes In Equity

For the Year Ended 31 May 2023

Group	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:						
Issue of shares pursuant to private placement	10,291	-	-	10,291	-	10,291
Disposal of treasury shares	386	3,703	-	4,089	-	4,089
Acquisition of additional shares in a subsidiary	-	-	(9)	(9)	9	-
Capital reduction of a subsidiary	-	-	-	-	(1,960)	(1,960)
Disposal of a subsidiary	-	-	-	-	(2,289)	(2,289)
Total transactions with owners	10,677	3,703	(9)	14,371	(4,240)	10,131
Net profit/(loss)/Total comprehensive income/(loss) for the year	-	-	14,367	14,367	(3,633)	10,734
At 31 May 2023	269,390	(240)	241,287	510,437	92,538	602,975
At 1 June 2021	147,796	(3,943)	236,773	380,626	14,739	395,365
Transactions with owners:						
Issue of shares (Note 21)	110,917	-	-	110,917	-	110,917
Acquisition of a subsidiary	-	-	-	-	83,664	83,664
Subscription of shares in subsidiaries	-	-	-	-	4,362	4,362
Total transactions with owners	110,917	-	-	110,917	88,026	198,943
Net loss/Total comprehensive loss for the year	-	-	(9,844)	(9,844)	(2,354)	(12,198)
At 31 May 2022	258,713	(3,943)	226,929	481,699	100,411	582,110

The accompanying notes form an integral part of the financial statement

Statements of Changes in Equity (Cont'd)

Company	Share capital RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
At 1 June 2021	147,796	(3,943)	49,827	193,680
Issue of shares (Note 21)	110,917	–	–	110,917
Net loss/Total comprehensive loss for the year	–	–	(3,517)	(3,517)
At 31 May 2022	258,713	(3,943)	46,310	301,080
Transaction with owners:				
Issue of shares pursuant to private placement	10,291	–	–	10,291
Disposal of treasury shares	386	3,703	–	4,089
Total transaction with owners	10,677	3,703	–	14,380
Net loss/Total comprehensive loss for the year	–	–	(40,663)	(40,663)
At 31 May 2023	269,390	(240)	5,647	274,797

Statements of Cash Flows

For The Year Ended 31 May 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from/(used in) operating activities				
Profit/(Loss) before tax	14,912	(9,109)	(40,658)	(3,509)
Adjustments for:				
Allowance for expected credit loss	2,099	11,018	26,824	4,683
Allowance for expected credit loss no longer required	(14,720)	—	(268)	(1,906)
Amortisation of financial guarantee liabilities	—	—	(17)	(7)
Bad debts written off	69	942	4,232	—
Depreciation	1,716	1,420	801	800
Dividend income	(75)	(150)	(75)	(150)
Net fair value adjustments on investment properties	(24,800)	270	—	—
Fair value loss on other financial asset	204	—	—	—
(Gain)/Loss on disposal of				
- plant and equipment	—	(51)	—	—
- right of use assets	(80)	—	—	—
- a subsidiary	1,638	—	—	2
Impairment loss on investment in subsidiaries	—	—	9,100	—
Inventories written down	518	—	—	—
Interest expense	17,639	4,532	55	111
Interest income	(84)	(22)	—	(7)
Plant and equipment written off	275	*	—	—
Operating (loss)/profit before working capital changes	(689)	8,850	(6)	17
Increase in inventories	(1,218)	(56,255)	—	—
Increase in contract costs	(25,933)	—	—	—
Increase in contract assets	(2,589)	—	—	—
Decrease/(Increase) in trade and other receivables	14,589	22,929	(973)	(193)
Increase/(Decrease) in trade and other payables	17,687	(11,768)	(2,025)	1,339
Cash generated from/(used in) operations	1,847	(36,244)	(3,004)	1,163
Income tax paid	(3,030)	(1,060)	(5)	(8)
Income tax refunded	1	—	—	—
Interest paid	(699)	(2,006)	—	—
Net cash (used in)/from operating activities	(1,881)	(39,310)	(3,009)	1,155

The accompanying notes from an integral part of the financial statement

Statements of Cash Flows (Cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from/(used in) investing activities				
Payments for investment properties	(12)	(60)	–	–
Dividend received	75	150	75	150
Decrease in cash deposits pledged with a licensed bank	1,320	–	–	–
Interest received	84	22	–	7
Proceeds from disposal of				
- plant and equipment	–	51	–	–
- right of use assets	80	–	–	–
- other financial assets	–	3	–	3
- a subsidiary	–	–	–	2,500
Acquisition of shares in a subsidiary	–	–	#	–
Subscription of additional shares in subsidiaries	–	–	–	(2,040)
Net cash outflow from acquisition of a subsidiary	–	(946)	–	(1,632)
Net cash inflow from disposal of a subsidiary	2,494	–	–	–
Repayments from/(Advances to) subsidiaries	–	–	3,639	(18,628)
Additions to				
- investment properties under construction	(197)	(38)	–	–
- other financial asset	(1,500)	–	–	–
- plant and equipment	(272)	(1,178)	(7)	(4)
Interest paid	(15)	–	–	–
Net cash from/(used in) investing activities	2,057	(1,996)	3,707	(19,644)
Cash flows from/(used in) financing activities				
Interest paid	(17,639)	(4,536)	(55)	(111)
Proceeds from term loans	20,924	2,265	–	–
Proceeds from issuance of shares	10,291	9,949	10,291	9,949
Proceeds from disposal of treasury shares	4,089	–	4,089	–
(Repayments to)/Advances from subsidiaries	–	–	(7,106)	9,077
Advances from a corporate shareholder of subsidiaries	–	43,319	–	–
Repayments of lease liabilities	(1,157)	(1,043)	(732)	(655)
Repayments of term loans	(9,476)	(12,067)	(1,151)	(1,073)
Advances from shareholders of the Company	–	1,596	–	–
Share issue proceeds from non-controlling interest	–	2,402	–	–
Net cash from financing activities	7,032	41,885	5,336	17,187
Net increase/(decrease) in cash and cash equivalents	7,208	579	6,034	(1,302)
Cash and cash equivalents at beginning of year	938	359	60	1,362
Cash and cash equivalents at end of year	8,146	938	6,094	60
Cash and cash equivalents comprise:				
Cash and bank balances	17,007	8,234	6,094	60
Bank overdraft	(8,861)	(5,976)	–	–
Cash deposits pledged	–	(1,320)	–	–
	8,146	938	6,094	60

* Represents RM4
Represents RM26

The accompanying notes from an integral part of the financial statement

(Cont'd)

Reconciliation of liabilities arising from financing activities

	2022 RM'000	Cash flows RM'000	Group Non cash changes RM'000	2023 RM'000
Other payables				
- amount due to:				
- a corporate shareholder of subsidiaries	43,319	—	(43,319)	—
- shareholders of the Company	14,517	—	1,960	16,477
Term loans	183,298	11,448	—	194,746
Lease liabilities				
- hire purchase	99	(67)	—	32
- other lease liabilities	1,592	(1,090)	11	513

	2021 RM'000	Cash flows RM'000	Non cash changes RM'000	2022 RM'000
Other payables				
- amount due to:				
- a corporate shareholder of subsidiaries	–	43,319	–	43,319
- shareholders of the Company	–	1,596	12,921	14,517
Term loans	181,996	(9,802)	11,104	183,298
Lease liabilities				
- hire purchase	283	(184)	–	99
- other lease liabilities	1,833	(859)	618	1,592

		Company		
	2022	Cash flows	Non cash	2023
	RM'000	RM'000	changes	RM'000
			RM'000	
Other payables				
- amount due to subsidiaries	136,717	(7,106)	–	129,611
Term loans	18,336	(1,151)	–	17,185
Lease liabilities				
- hire purchase	70	(38)	–	32
- other lease liabilities	950	(694)	–	256

	2021 RM'000	Cash flows RM'000	Non cash changes RM'000	2022 RM'000
Other payables				
- amount due to subsidiaries	127,640	9,077	–	136,717
Term loans	19,409	(1,073)	–	18,336
Lease liabilities				
- hire purchase	104	(34)	–	70
- other lease liabilities	1,571	(621)	–	950

The accompanying notes from an integral part of the financial statement

Notes to the Financial Statements

31 May 2023

1. GENERAL INFORMATION

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur.

The principal place of business of the Company is located at A-19, Menara Allianz Sentral, 203 Jalan Tun Sambanthan, KL Sentral, 50470 Kuala Lumpur.

The financial statements were approved and authorised for issue by the board of directors on 14 September 2023.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements of the Group and of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised in Note 2.2.2.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial applications.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements

2.2.2 Significant accounting policies

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the reporting periods in which the costs are incurred and the services are received.

In business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as a financial asset depending on the level of influence retained.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

Employee benefits

(i) Short term benefits

Wages, allowances, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised as an expense in profit or loss as incurred.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Where investment properties are carried at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date. Deferred tax is recognised in profit or loss.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Impairment of assets

The carrying amount of assets subject to accounting for impairment (primarily non financial assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the profit or loss.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the following estimated useful lives:

Renovation and signage	3 - 5 years
Machinery, equipment and vehicles	3 - 15 years

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is completed, the Group measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at fair value.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss in the reporting period in which it arises.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of change in use becomes its cost for subsequent accounting.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the reporting period in which they arise.

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the rights, or exposed, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Inventories

a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non current assets and is stated at the lower of cost and net realisable value.

Land held for property development is reclassified as current assets at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Inventories (Cont'd)

b) Properties under development

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. These assets are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development costs of unsold units are transferred to completed development units once the development is completed.

c) Completed development properties

Inventories of completed development properties are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes land costs, all direct building costs and other related development costs.

d) Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of property development, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment losses, if any.

A contract liability is the obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. In the case of property development, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

Notes to the Financial Statements
(Cont'd)**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****2.2 Basis of preparation of the financial statements (Cont'd)****2.2.2 Significant accounting policies (Cont'd)****Contract costs****(i) Contract fulfilment costs**

A contract cost that relate directly to a contract or to an anticipated contract is recognised as an asset when the cost generates or enhances resources of the Group that will be used in satisfying performance obligations in the future and it is expected to be recovered.

(ii) Incremental costs of obtaining a contract

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if:

- a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify;
- b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- c) these costs are expected to be recovered.

Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Leases***As a lessee*****i) Right of use assets**

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Subsequent to initial measurement, the right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Equipment and vehicles	3 – 5 years
Office premises	2 – 4 years

Right of use asset is subject to impairment and is adjusted for any remeasurement of lease liabilities.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

As a lessee (Cont'd)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms and is included in revenue or other operating income in profit or loss based on its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements
(Cont'd)**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****2.2 Basis of preparation of the financial statements (Cont'd)****2.2.2 Significant accounting policies (Cont'd)****Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

(i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

Equity investments at FVOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investment that is not held for trading, to be designated at fair value through other comprehensive income. The election is made on an investment by investment basis.

Subsequent to initial recognition, equity investments at FVOCI are measured at fair value.

Dividends are recognised as revenue or other income, as appropriate, in profit or loss when the right of payment has been established. Other net gains and losses are recognised in other comprehensive income and are never recycled to profit or loss. Equity investments at FVOCI are not subject to impairment assessment.

(iii) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Notes to the Financial Statements
(Cont'd)**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****2.2 Basis of preparation of the financial statements (Cont'd)****2.2.2 Significant accounting policies (Cont'd)****Financial instruments (Cont'd)****(iii) Financial assets at fair value through profit or loss (Cont'd)**

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or revenue or other income, as appropriate.

(iv) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

- a) contingent consideration of an acquirer in a business combination;
- b) financial guarantee contracts;
- c) loan commitments;
- d) designated at fair value through profit or loss; or
- e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the loss allowance determined in accordance with the expected credit losses model and the amount initially recognised less cumulative amortisation.

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity (except for equity investment at FVOCI) is recognised in profit or loss. On derecognition of equity investment at FVOCI, any cumulative gain or loss that had been recognised in equity is not reclassified to profit or loss, but is transferred to retained earnings.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Expected credit losses

The Group recognises an allowance for expected credit losses ("ECL") on the following items:

- a) financial assets at amortised cost;
- b) contract assets; and
- c) financial guarantee contracts.

ECL are generally based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the ECL is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Loss allowances for debt instruments measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses

Low credit risk

A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

Significant increase in credit risk

When determining whether the credit risk of a debt instrument has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Definition of default

The Group considers a debt instrument to be in default when:

- a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
- b) The financial asset is more than 90 days past due.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses (Cont'd)

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- a) Significant financial difficulties of the debtor;
- b) A breach of contract, such as a default or past due event;
- c) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
- e) Disappearance of an active market for that financial asset because of financial difficulties.

Write off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Current versus non-current classification

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Notes to the Financial Statements (Cont'd)

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged bank deposits.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as follows:

(i) Contingent liability

Significant judgement is involved in determining the probability of the outflow of economic benefits arising from the contingent liability disclosed in Note 29.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

(i) Property development

Property development revenue is recognised over time by selecting an appropriate method for measuring the Group's progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured using an input method, by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract.

Significant judgement is required in determining the progress based on actual cost incurred to date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, scope of work, costs and costs to completion. In making the judgements, the Group evaluates based on past experience.

(ii) Fair values of investment properties

The fair values of investment properties are determined by independent firms of professional valuers. Significant judgements are involved in determining the fair values by using the chosen valuation technique and applying the assumptions as disclosed in Note 34.2. Any changes in fair values of these investment properties are recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

4. REVENUE

4.1 Disaggregation of revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Type of goods or services				
Property development activities				
- sale of development properties	4,870	–	–	–
- sale of completed properties	4,401	9,349	–	–
Property management fees	2,640	2,640	–	–
Management fees	–	–	4,176	3,924
Total revenue from contracts with customers	11,911	11,989	4,176	3,924
Revenue from other sources				
Rental income from investment properties	13,383	11,896	–	–
Liquidated ascertained damages				
no longer required	6,093	–	–	–
Dividend income	75	150	75	150
	31,462	24,035	4,251	4,074
Timing of revenue recognition				
Goods transferred at a point in time	4,401	9,349	–	–
Goods transferred over time	4,870	–	–	–
Services transferred over time	2,640	2,640	4,176	3,924
Total revenue from contracts with customers	11,911	11,989	4,176	3,924

4.2 Performance obligations

Segment	Nature of goods or services	Timing of transfer of goods or services	Significant payment terms	Warranty
Property development	Sale of development properties	Revenue is recognised progressively over time using input method on the basis of actual property development costs incurred relative to the estimated total property development costs	Generally due within 30 days from invoice date	Defect liability period of 24 calendar months after the date of handing over of vacant possession to the customers
Property development	Sale of completed properties	Revenue is recognised at a point in time when the control of the properties is transferred and delivered to the purchasers	Generally due within 90 days from signed sale and purchase agreement date	Not applicable

Notes to the Financial Statements
(Cont'd)**4. REVENUE (CONT'D)****4.2 Performance obligations (Cont'd)**

Segment	Nature of goods or services	Timing of transfer of goods or services	Significant payment terms	Warranty
Property management	Property management services	Revenue is recognised over time when the customer simultaneously receives and consumes the benefits	Generally due within 30 days from invoice date	Not applicable
Others	Management services	Revenue is recognised over time when subsidiaries simultaneously receives and consumes the benefits	Generally due within 30 days from invoice date	Not applicable

4.3 Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	Group	
	2023 RM'000	2022 RM'000
Within one year	20,728	–
More than one year	97,562	–
	118,290	–

4.4 Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5. COST OF SALES

	Group	
	2023 RM'000	2022 RM'000
Cost of completed properties sold	2,558	7,795
Contract fulfilment costs	4,461	(13,625)
Investment properties	7,758	7,530
	14,777	1,700

Notes to the Financial Statements (Cont'd)

6. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from operations is arrived at after charging:				
Auditors' remuneration				
- current year	228	187	80	58
- under/(over) provision in prior years	1	(5)	–	(3)
Bad debts written off	69	942	4,232	–
Directors' remuneration				
- fees	270	215	270	215
- other than fees	1,233	1,173	1,233	1,173
Loss on disposal of a subsidiary	1,638	–	–	2
Expenses relating to leases of low value assets	56	30	35	16
Fair value loss on other financial assets	204	–	–	–
Plant and equipment written off	275	*	–	–
Inventories written down	518	–	–	–
Amortisation of financial guarantee liabilities	–	–	17	7
Gain on disposal of:				
- plant and equipment	–	51	–	–
- right of use assets	80	–	–	–
Operating lease income included under other operating income	–	–	528	435

* Represents RM4

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Staff costs comprise:				
Defined contribution plan	465	424	144	135
Salaries, wages and allowances	4,646	3,024	1,213	1,129
Other employee related expenses	306	1,125	120	87
	5,417	4,573	1,477	1,351
Executive directors:				
Estimated money value of benefits other than in cash	45	64	45	64
Remuneration other than fees	1,186	1,130	1,186	1,130
	1,231	1,194	1,231	1,194
Non executive directors:				
Fees	270	215	270	215
Remuneration other than fees	47	43	47	43
	317	258	317	258
	6,965	6,025	3,025	2,803

Notes to the Financial Statements
(Cont'd)**6. PROFIT/(LOSS) FROM OPERATIONS (CONT'D)**

The number of directors of the Company where total remuneration during the financial year falls within the following bands is analysed as follows:

	2023	2022
Executive directors:		
RM550,001 to RM600,000	–	1
RM600,001 to RM650,000	2	1
Non executive directors:		
Up to RM50,000	3	2
RM50,001 to RM100,000	3	3

7. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from short term deposits	84	22	–	7

8. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- bank overdraft	610	423	–	–
- hire purchase	4	21	3	5
- other lease liabilities	88	132	52	106
- term loans	17,651	5,966	–	–
	18,353	6,542	55	111
Less: Amount capitalised in:				
- investment properties (Note 13)	(15)	(4)	–	–
- property development activities	(699)	(2,006)	–	–
	17,639	4,532	55	111

Notes to the Financial Statements
(Cont'd)

9. INCOME TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Expected income tax payable				
- current year	(98)	–	–	–
- under provision in prior years	(112)	(431)	(5)	(8)
Deferred tax (Note 27)				
- current year	(4,066)	(163)	–	–
- over/(under) provision in prior years	98	(2,495)	–	–
	(4,178)	(3,089)	(5)	(8)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	14,912	(9,109)	(40,658)	(3,509)
Taxation at statutory tax rate of 24% (2022: 24%)	(3,579)	2,186	9,758	842
Expenses not deductible for tax purposes	(5,889)	(4,728)	(9,829)	(852)
Income not subject to tax	4,999	145	149	143
Deferred tax assets not recognised	(5,579)	(1,448)	(78)	(133)
Differential tax rate for real property gain tax	5,587	–	–	–
Utilisation of previously unrecognised deferred tax assets	297	3,682	–	–
(Under)/Over provision in prior years				
- income tax	(112)	(431)	(5)	(8)
- deferred tax	98	(2,495)	–	–
Income tax expense for the year	(4,178)	(3,089)	(5)	(8)

Notes to the Financial Statements
(Cont'd)**10. EARNINGS/(LOSS) PER SHARE****Basic**

Basic earnings/(loss) per ordinary share is calculated based on the net profit/(loss) attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	2023 RM'000	Group 2022 RM.000
Net profit/(loss) attributable to owners of the Company	14,367	(9,844)
	'000	'000
Weighted average number of ordinary shares in issue	1,181,356	1,131,900
Basic earnings/(loss) per ordinary share (sen)	1.22	(0.87)

Diluted

Diluted earnings per share are not presented in the financial statements as the potential ordinary shares do not have a dilutive effect.

11. PLANT AND EQUIPMENT

Group	Renovation and signage RM'000	Machinery, equipment and vehicles RM'000	Total RM'000
Cost			
At 1 June 2021	3,451	10,859	14,310
Acquisition of a subsidiary	–	12	12
Additions	1,173	5	1,178
Disposals	–	(116)	(116)
Write offs	–	(36)	(36)
At 31 May 2022	4,624	10,724	15,348
Additions	172	565	737
Write offs	(330)	(5)	(335)
At 31 May 2023	4,466	11,284	15,750

Notes to the Financial Statements
(Cont'd)

11. PLANT AND EQUIPMENT (CONT'D)

Group	Renovation and signage RM'000	Machinery, equipment and vehicles RM'000	Total RM'000
Accumulated depreciation			
At 1 June 2021	2,650	5,066	7,716
Acquisition of a subsidiary	–	12	12
Charge for the year	163	268	431
Disposals	–	(116)	(116)
Write offs	–	(36)	(36)
At 31 May 2022	2,813	5,194	8,007
Charge for the year	489	144	633
Write offs	(55)	(5)	(60)
At 31 May 2023	3,247	5,333	8,580
Accumulated impairment losses			
At 1 June 2021/31 May 2022/31 May 2023	113	5,457	5,570
Carrying amount			
At 31 May 2023	1,106	494	1,600
At 31 May 2022	1,698	73	1,771

During the reporting period, cash payments made to purchase plant and equipment are as follows:

	2023 RM'000	2022 RM'000
Total additions	737	1,178
Additions through other payables	(465)	–
Cash payments	272	1,178

Notes to the Financial Statements
(Cont'd)

11. PLANT AND EQUIPMENT (CONT'D)

Company	Renovation RM'000	Equipment and vehicles RM'000	Total RM'000
Cost			
At 1 June 2021	893	1,785	2,678
Additions	–	4	4
At 31 May 2022	893	1,789	2,682
Additions	–	7	7
At 31 May 2023	893	1,796	2,689
Accumulated depreciation			
At 1 June 2021	586	1,704	2,290
Charge for the year	89	23	112
At 31 May 2022	675	1,727	2,402
Charge for the year	89	23	112
At 31 May 2023	764	1,750	2,514
Carrying amount			
At 31 May 2023	129	46	175
At 31 May 2022	218	62	280

12. RIGHT OF USE ASSETS

Group	Equipment and vehicles RM'000	Office premises RM'000	Total RM'000
Cost			
At 1 June 2021	1,202	2,227	3,429
Additions	–	618	618
At 31 May 2022	1,202	2,845	4,047
Additions	11	–	11
Disposal	(169)	–	(169)
Written off	–	(297)	(297)
At 31 May 2023	1,044	2,548	3,592

Notes to the Financial Statements
(Cont'd)

12. RIGHT OF USE ASSETS (CONT'D)

Group	Equipment and vehicles RM'000	Office premises RM'000	Total RM'000
Accumulated depreciation			
At 1 June 2021	990	497	1,487
Charge for the year	120	869	989
At 31 May 2022	1,110	1,366	2,476
Charge for the year	50	1,033	1,083
Disposal	(169)	–	(169)
Written off	–	(297)	(297)
At 31 May 2023	991	2,102	3,093
Carrying amount			
At 31 May 2023	53	446	499
At 31 May 2022	92	1,479	1,571
Company			
Cost			
At 1 June 2021/31 May 2022/31 May 2023	226	1,930	2,156
Accumulated depreciation			
At 1 June 2021	96	429	525
Charge for the year	45	643	688
At 31 May 2022	141	1,072	1,213
Charge for the year	46	643	689
At 31 May 2022	187	1,715	1,902
Carrying amount			
At 31 May 2023	39	215	254
At 31 May 2022	85	858	943

Notes to the Financial Statements
(Cont'd)

13. INVESTMENT PROPERTIES

	Freehold retail units, commercial space and car park bays RM'000	Freehold retail units under construction (at cost) RM'000	Leasehold retail units, commercial space and car park bays RM'000	Freehold land RM'000	Total RM'000
Group					
Investment properties at fair value:					
At 1 June 2021	38,970	–	280,840	72,700	392,510
Acquisition of a subsidiary	–	1,068	–	–	1,068
Additions	–	42	60	–	102
Fair value adjustments	(270)	–	–	–	(270)
At 31 May 2022	38,700	1,110	280,900	72,700	393,410
Additions	–	212	12	–	224
Fair value adjustments	15,500	–	(25,000)	34,300	24,800
At 31 May 2023	54,200	1,322	255,912	107,000	418,434

The investment properties of the Group with carrying amount of RM417,565,000 (2022: RM 392,533,000) have been pledged as collaterals to secure the banking facilities referred to in Note 24.

The following were recognised in profit or loss in respect of investment properties:

	Group	
	2023	2022
	RM'000	RM'000
Rental income	13,383	11,896
Direct operating expenses	(8,046)	(8,356)

Investment properties under construction are carried at cost as its fair value is not expected to be reliably determinable until construction is completed.

Included in costs incurred for investment properties under construction during the reporting period is finance costs of RM15,294 (2022: RM3,568).

Notes to the Financial Statements (Cont'd)

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At beginning of year	395,204	314,066
Acquisition of a subsidiary	–	81,600
Acquisition of additional shares in a subsidiary	*	–
Subscription of additional shares in subsidiaries	–	2,040
Capital reduction of a subsidiary	(2,040)	–
Disposals	–	(2,502)
At end of year	393,164	395,204
Accumulated impairment losses		
At beginning of year	256,726	256,726
Impairment loss during the year	9,100	–
At end of year	265,826	256,726
Carrying amount	127,338	138,478

* Represents RM26

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective equity and voting interest		Principal activities
		2023 %	2022 %	
Subsidiaries of the Company				
Pujian Development Sendirian Berhad	Malaysia	100	100	Property development and construction,and property investment
EcoFirst Development Sdn Bhd	Malaysia	100	100	Investment holding
Panorama Tiara Sdn Bhd	Malaysia	69	69	Ceased operation
EcoFirst Fibaloy Sdn Bhd	Malaysia	51	51	Ceased operation
EcoFirst Laboratories Sdn Bhd	Malaysia	100	100	Investment holding
EcoFirst Agro Holdings Sdn Bhd	Malaysia	100	100	Investment holding
EcoFirst Hartz Sdn Bhd	Malaysia	100	100	Property development and property investment
EcoFirst Opal Sdn Bhd	Malaysia	100	74	Ceased operation
KE Management Services Sdn Bhd	Malaysia	100	100	Business management consultancy services
Sawitani Sdn Bhd	Malaysia	100	100	Investment holding

Notes to the Financial Statements
(Cont'd)

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

		Group's effective equity and voting interest		
	Country of incorporation	2023 %	2022 %	Principal activities
Subsidiaries of the Company (Cont'd)				
Jiddi Joned Enterprises Sdn Bhd	Malaysia	82.2	82.2	Ceased operation
Berembang Sendirian Berhad	Malaysia	98.1	98.1	Ceased operation
Mudek Sdn Bhd	Malaysia	89.3	89.3	Ceased operation
Seri Jasin Sdn Bhd	Malaysia	98.3	98.3	Ceased operation
EcoFirst Worldwide Sdn Bhd	Malaysia	100	100	Property development
EcoFirst Land Sdn Bhd	Malaysia	100	100	Property development
BCM Holdings Sdn Bhd	Malaysia	51	51	Property development and property investment
Subsidiaries of Pujian Development Sendirian Berhad				
Kilat Inspirasi Sdn Bhd	Malaysia	100	100	Investment holding
Efex Trade & Exhibitions Sdn Bhd	Malaysia	100	100	Investment holding
Budaya Fokus Sdn Bhd	Malaysia	100	100	Property management
Southern Utilities Corporation Sdn Bhd	Malaysia	100	100	Investment holding
Subsidiary of EcoFirst Agro Holdings Sdn Bhd				
EcoFirst Agro-Industries Sdn Bhd	Malaysia	75	75	Investment holding
Subsidiary of EcoFirst Agro-Industries Sdn Bhd				
J-Biotech EcoFirst Agro Sdn Bhd	Malaysia	52*	52*	Operation of agriculture related businesses
Subsidiary of EcoFirst Opal Sdn Bhd				
EcoFirst Horizon Sdn Bhd	Malaysia	–	38*	Property development

* the voting interest of the Group in the following subsidiaries is as follows:

	2023 %	2022 %
J-Biotech EcoFirst Agro Sdn Bhd	70	70
EcoFirst Horizon Sdn Bhd	–	51

Notes to the Financial Statements (Cont'd)

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.1 Acquisition and subscription of shares in subsidiaries

In the current reporting period, as part of the share sale agreement with EcoFirst Opal Sdn Bhd ("EOSB") and Urbansonnic Sdn Bhd to dispose of EOSB's equity interest EcoFirst Horizon Sdn Bhd, the Company acquired 26 ordinary shares representing 26% of the issued and fully paid-up share capital of EOSB for a cash consideration of RM26.

The acquisition was completed on 22 November 2022 and EOSB became a wholly owned subsidiary of the Company.

In the previous reporting period:

- (a) The Company acquired 51% equity interest in BCM Holdings Sdn Bhd ("BCM") during the reporting period for a total consideration of RM81,600,000. Upon acquisition, BCM became a subsidiary of the Company.
- (b) The Company further subscribed for additional 2,040,000 ordinary shares in BCM for a cash consideration of RM2,040,000.

The equity interest of the Company in BCM remain unchanged.

- (c) The Company incorporated a subsidiary, EcoFirst Opal Sdn Bhd ("EOSB") by subscribing to 74 ordinary shares representing 74% of the issued and fully paid-up share capital of EOSB for a cash consideration of RM74.
- (d) The Company transferred its entire investment in EcoFirst Horizon Sdn Bhd ("EHSB") to EOSB as part of the master subscription agreement with Urbansonnic Sdn Bhd for a cash consideration of RM2,500,100.

The acquisition of BCM had the following financial effects on the Group's financial statements:

	2022 RM'000
Plant and equipment	*
Investment property under construction	1,068
Inventories	198,453
Cash and bank balances	686
Other payables and accruals	(14,884)
Term loan	(11,104)
Tax payable	(8,955)
Fair value of identifiable net assets acquired	165,264
Non controlling interest share of net identifiable assets	(83,664)
Purchase consideration	81,600
Settlement by way of issuance of shares	(79,968)
Cash and cash equivalents acquired	(686)
Net cash outflow arising from acquisition	946

* Represents RM3

The acquisition did not have a significant impact to the financial results of the Group.

Notes to the Financial Statements
(Cont'd)**14. INVESTMENT IN SUBSIDIARIES (CONT'D)****14.2 Capital reduction of a subsidiary**

In the current reporting period, a subsidiary of the Company, BCM Holdings Sdn Bhd ("BCM") pursuant to Section 117 of the Companies Act 2016, undertook a selective capital reduction to reduce its issued and paid up capital from RM10,000,000 to RM6,000,000 by way cancelling a total of 4,000,000 ordinary shares.

The equity interest of the Company in BCM remains unchanged.

14.3 Disposal of a subsidiary

In the current reporting period, EcoFirst Opal Sdn Bhd, a subsidiary of the Company, entered into a share sales agreement with Urbanson Sdn Bhd to dispose of its entire equity interest in EcoFirst Horizon Sdn Bhd for a cash consideration of RM2,500,100.

The disposal was completed on 15 May 2023.

The disposal of EHSB had the following financial effects on the Group's financial statements

	2023 RM'000
Inventories	74,814
Other receivables, deposits and prepayments	7
Cash and bank balances	6
Trade payables	(1,664)
Other payables and accruals	(66,736)
Non controlling interest	(2,289)
Net assets disposed of	4,138
Less: Cash considerations received	(2,500)
Loss on disposal of a subsidiary (included in "Other operating expenses" line item in profit or loss)	1,638
Cash consideration received	2,500
Less: Cash and cash equivalents disposed of	(6)
Net cash inflow on disposal of subsidiaries	2,494

14.4 Impairment review of investment in subsidiaries

During the reporting period, the directors performed an impairment test on the following subsidiaries and impairment losses have been recognised to write down the investments to their respective recoverable amounts as follows:

	Company 2023 RM'000	2022 RM'000
<u>Impairment loss recognised</u>		
EcoFirst Land Sdn Bhd	6,500	–
EcoFirst Worldwide Sdn Bhd	2,600	–
	9,100	–

Notes to the Financial Statements (Cont'd)

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.4 Impairment review of investment in subsidiaries (Cont'd)

The recoverable amounts are determined based on audited net assets as at the reporting date as the subsidiaries are not generating substantial operating cash flows for discounting purposes.

The amount of impairment loss has been recognised in the Company's profit or loss under "Other operating expenses" line item.

14.5 Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary with NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI		Net loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2023	2022	2023	2022	2023	2022
		%	%	RM'000	RM'000	RM'000	RM'000
BCM Holdings Sdn Bhd	Malaysia	49	49	(2,966)	(2,252)	78,447	83,373

Summarised financial information about subsidiary with material NCI

(i) Summarised statement of financial position

	2023 RM'000	2022 RM'000
Non current assets	3,934	2,438
Current assets	253,385	212,345
Total assets	257,319	214,783
Non current liabilities	34,318	13,509
Current liabilities	62,905	31,126
Total liabilities	97,223	44,635
Net assets	160,096	170,148
Non-controlling interest's share of net assets	78,447	83,373

(ii) Summarised statement of comprehensive income

	2023 RM'000	2022 RM'000
Loss before tax	(6,053)	(4,595)
Net loss/Total comprehensive loss	(6,053)	(4,595)

Notes to the Financial Statements
(Cont'd)

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.5 Interest in a subsidiary with material non-controlling interest ("NCI") (Cont'd)

Summarised financial information about subsidiary with material NCI (Cont'd)

(iii) Other summarised information

	2023 RM'000	2022 RM'000
Cash flows used in operating activities	(33,204)	(7,511)
Cash flows used in investing activities	(1,911)	(852)
Cash flows from financing activities	33,452	7,843
Net decrease in cash and cash equivalents	(1,663)	(520)

15. INVENTORIES

	Group 2023 RM'000	2022 RM'000
Non current:		
At cost:		
Land held for property development	188,383	139,207
Properties under development		
- Land costs	33,509	33,509
- Development costs	16,263	16,263
	49,772	49,772
	238,155	188,979
Current:		
At cost:		
Properties under development		
- Land costs	198,453	315,117
- Development costs	12,098	13,693
	210,551	328,810
Completed properties held for sale	16,153	20,485
	226,704	349,295
Total inventories	464,859	538,274
Amount of inventories recognised as an expense	2,558	7,795

Notes to the Financial Statements (Cont'd)

16. OTHER FINANCIAL ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non current assets:				
Financial assets at fair value through other comprehensive income				
- Foreign quoted equity investment	22	22	22	22
- Unquoted equity investments in Malaysia	1,038	1,038	1,000	1,000
Financial assets at fair value through profit or loss				
- Keyman insurance contract	1,296	–	–	–
	2,356	1,060	1,022	1,022
Current assets:				
Financial assets at fair value through profit or loss				
- Unquoted money market funds in Malaysia	6	6	6	6

Investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The Group entered into a life insurance policy to insure against the death and permanent disability of key management personnel. The contract will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contract. The Group may request a surrender of the contract at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged. The fair value is based on redemption value quoted by the insurance company.

The investment in unquoted money market funds relates to portfolio of money market fund investments placed with a licensed financial institution. These funds aim to provide a regular stream of monthly income through direct investment in short term money market instruments and other fixed income instruments. The funds objective is to maintain its net assets per unit at a prescribed rate so that there shall be minimum fluctuation to the fair value of the investments. These investments could be redeemed for cash from the funds within a short notice period.

17. CONTRACT WITH CUSTOMERS

17.1 Contract assets

	Group	
	2023 RM'000	2022 RM'000
At beginning of year	–	–
Revenue recognised during the year	4,870	–
Progress billings issued during the year	(2,281)	–
At end of year	2,589	–

Notes to the Financial Statements
(Cont'd)**17. CONTRACT WITH CUSTOMERS (CONT'D)****17.2 Contract costs**

	Group 2023 RM'000	2022 RM'000
Costs to fulfil contracts	24,293	–
Incremental costs of obtaining contracts	1,640	–
	25,933	–

Land and its related development costs that are attributable to the sold units are capitalised as costs to fulfil contracts. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

Incremental costs of obtaining contracts represent commission fees incurred in obtaining contracts and they are recoverable. Commission fees are amortised when the related revenue is recognised.

The amount of contract costs amortised in profit or loss are as follows:

	Group 2023 RM'000	2022 RM'000
Costs to fulfil contracts	4,461	(13,625)

18. TRADE RECEIVABLES

	Group 2023 RM'000	2022 RM'000
Trade receivables		
- third parties	7,497	8,146
- a company in which a director has an interest	–	91
Less: Allowance for expected credit loss	(650)	(796)
	6,847	7,441

The Group's normal trade credit terms range from 7 days to 30 days (2022: 7 days to 30 days). Trade receivables are not secured by any collateral or credit enhancement.

The following table details the credit risk exposure on the Group's trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns (i.e. by geographical area, product type and customer segments), the allowance for expected credit loss based on past due status is not further distinguished between the Group's different customer base.

Notes to the Financial Statements
(Cont'd)

18. TRADE RECEIVABLES (CONT'D)

2023

	Trade receivables – days past due					
	Not past due RM'000	<30 days RM'000	31-60 days RM'000	61-90 days RM'000	>90 days RM'000	Total RM'000
Impairment assessed individually						
Gross carrying amount	250	233	233	233	688	1,637
Less: Allowance for expected credit loss	–	–	–	–	–	–
	250	233	233	233	688	1,637
Impairment assessed through provision matrix						
Gross carrying amount	2,195	170	129	–	3,366	5,860
Less: Allowance for expected credit loss	–	–	(73)	–	(577)	(650)
	2,195	170	56	–	2,789	5,210
	2,445	403	289	233	3,477	6,847

2022

Impairment assessed individually						
Gross carrying amount	250	250	250	250	1,383	2,383
Less: Allowance for expected credit loss	–	–	–	–	–	–
	250	250	250	250	1,383	2,383
Impairment assessed through provision matrix						
Gross carrying amount	1,027	278	237	225	4,087	5,854
Less: Allowance for expected credit loss	–	–	–	–	(796)	(796)
	1,027	278	237	225	3,291	5,058
	1,277	528	487	475	4,674	7,441

Notes to the Financial Statements
(Cont'd)**18. TRADE RECEIVABLES (CONT'D)**

The movements in the allowance for expected credit loss for trade receivables during the reporting period are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At beginning of year	796	2,660
Additions	33	356
Reversals	(179)	–
Write offs	–	(2,220)
At end of year	650	796

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current:				
Advance payment to suppliers	1,050	1,558	–	–
Goods and services tax recoverable	179	179	–	–
Other receivables	4,963	18,299	4,931	4,198
Deposits paid for purchase of investment property	2,584	2,584	–	–
Other deposits	2,132	2,816	269	412
Prepayments	959	598	593	210
	11,867	26,034	5,793	4,820
Less: Allowance for expected credit loss	(6,453)	(19,170)	(4,831)	(3,008)
	5,414	6,864	962	1,812
Amount due from subsidiaries	–	–	78,866	44,874
Less: Allowance for expected credit loss	–	–	(60,908)	(41,340)
	–	–	17,958	3,534
	5,414	6,864	18,920	5,346
Non current:				
Amount due from subsidiaries	–	–	272,724	317,712
	5,414	6,864	291,644	323,058

Included under other receivables, deposits and prepayments are:

	Group and Company	
	2023	2022
	RM'000	RM'000
Prepayment for term loan instalments	564	–

Notes to the Financial Statements (Cont'd)

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The amount due from subsidiaries represents unsecured interest free advances receivable on demand.

Portion of the amount due from subsidiaries have been presented under non current assets as these amounts are not expected to be realised within 12 months after the reporting date.

The movements in the allowance for expected credit losses for other receivables and deposits during the reporting period are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of year	19,170	8,508	44,348	41,571
Additions	2,066	10,662	26,824	4,683
Reversals	(14,541)	–	(268)	(1,906)
Write offs	(242)	–	(5,165)	–
At end of year	6,453	19,170	65,739	44,348

20. CASH AND BANK BALANCES

	Group	
	2023	2022
	RM'000	RM'000
Included under cash and bank balances are:		
- designated bank accounts for repayment of borrowings of the Group as referred to in Note 24	2,418	1,278
- amount pledged for bank guarantee facilities	–	1,320
- amount held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and restricted from use in other operations	1,440	27

Notes to the Financial Statements
(Cont'd)

21. SHARE CAPITAL

	2023 No. of ordinary shares	Group and Company 2022 No. of ordinary shares	2023 RM'000	2022 RM'000
Issued and fully paid:				
At beginning of year	1,176,125,387	859,145,789	258,713	147,796
Issue of shares pursuant to				
- acquisition of a subsidiary	-	228,480,000	-	79,968
- private placements	31,800,000	28,499,598	10,335	9,975
- acquisition of land by a subsidiary	-	60,000,000	-	21,000
	31,800,000	316,979,598	10,335	110,943
Share issuance expenses	-	-	(44)	(26)
Disposal of treasury shares	-	-	386	-
At end of year	1,207,925,387	1,176,125,387	269,390	258,713

During the reporting period, the Company increased its issued and paid up share capital by way of private placement of 31,800,000 new ordinary shares at an issue price of RM0.325 per share for cash. The shares were issued for working capital purposes.

In the previous reporting period, the Company increased its issued and paid up share capital via the following:

- (i) issuance of 228,480,000 new ordinary shares at an issue price of RM0.35 per share for cash. The shares were issued as part consideration for the acquisition of 51% equity interest in BCM Holdings Sdn Bhd;
- (ii) private placement of 28,499,598 new ordinary shares at an issue price of RM0.35 per share for cash. The shares were issued for working capital purposes; and
- (iii) issuance of 60,000,000 new ordinary shares at an issue price of RM0.35 per share for cash. The shares were issued as part consideration for the acquisition of land by a subsidiary.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Notes to the Financial Statements (Cont'd)

21. SHARE CAPITAL (CONT'D)

21.1 Warrants 2021/2026 ("Warrants")

The Company had on 23 July 2021 issued 423,442,855 free Warrants on the basis of one (1) Warrant for every two (2) existing shares held on the entitlement date of 15 July 2021. The Warrants are constituted by a Deed Poll dated 1 July 2021.

The salient features of the Warrants are as follows:

- (a) The issue date of the Warrants is on 23 July 2021 and the expiry date is on 22 July 2026. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each Warrant entitles the registered holder the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.40 per ordinary share until the expiry of the exercise period;
- (c) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll;
- (d) The Warrant holders are not entitled to any dividends, rights and allotments and/or other distributions that may be declared, made or paid. Warrant holders are not entitled to vote in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company unless and until the Warrant holders exercise their rights to subscribe for new ordinary shares in the Company represented by their Warrants; and
- (e) The new ordinary shares to be issued upon exercise of the Warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

	Entitlement for ordinary shares		
	Balance at 1.6.2022 '000	Exercised '000	Expired '000
Number of unexercised warrants	423,443	–	–

22. RESERVES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Retained profits	241,287	226,929	5,647	46,310
Non distributable: Treasury shares (Note 22.1)	(240)	(3,943)	(240)	(3,943)
	241,047	222,986	5,407	42,367

Notes to the Financial Statements
(Cont'd)**22. RESERVES (CONT'D)****22.1 Treasury shares**

	2023 No. of treasury shares	Group and Company 2022 No. of treasury shares	2023 RM'000	2022 RM'000
At beginning of year	12,258,500	12,258,500	3,943	3,943
Shares disposed of	(11,500,000)	–	(3,703)	–
At end of year	758,500	12,258,500	240	3,943

Treasury shares relate to ordinary shares of the Company that are held by the Company in accordance with Section 127(4)(b) of the Companies Act 2016 and are presented as a deduction from shareholder's equity.

As at the reporting date, the number of outstanding shares in issue after setting treasury shares off against equity is 1,207,166,887 (2022: 1,163,866,887).

23. LEASE LIABILITIES

	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Hire purchase liabilities	32	99	32	70
Other lease liabilities	513	1,592	256	950
	545	1,691	288	1,020
Less: Portion due within one year	(531)	(1,156)	(282)	(732)
Non current portion	14	535	6	288
The non current portion of the lease liabilities is payable as follows:				
Later than 1 year and not later than 2 years	7	529	6	282
Later than 2 years and not later than 5 years	7	6	-	6
	14	535	6	288

Notes to the Financial Statements
(Cont'd)**23. LEASE LIABILITIES (CONT'D)**

The weighted average effective interest rates are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Hire purchase liabilities	6.24	5.74	6.24	6.24
Other lease liabilities	8.14	8.14	8.14	8.14

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Total cash outflow for leases	1,305	1,226	822	782

24. BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Term loans - secured	193,746	182,298	17,185	18,336
Bank overdraft	8,861	5,976	—	—
Non convertible preference shares issued to non-controlling interests	1,000	1,000	—	—
	203,607	189,274	17,185	18,336
Less:				
Current portion of the loans included under current liabilities	(96,899)	(28,757)	(1,451)	(1,263)
Non current portion	106,708	160,517	15,734	17,073

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The non current portion of the term loans is payable as follows:				
Later than 1 year and not later than 2 years	36,654	30,351	1,445	1,352
Later than 2 years and not later than 5 years	48,609	64,057	4,988	4,680
Later than 5 years	21,445	66,109	9,301	11,041
	106,708	160,517	15,734	17,073

RM65,000,000 of the current portion of the term loan has been re-financed with another financial institution on 31 July 2023.

The main features of the non convertible preference shares are as follows:

- (i) the shares do not carry any conversion rights and are not convertible to ordinary shares;
- (ii) the holders of the shares shall rank in priority to the ordinary shareholders on the dividend payable; and
- (iii) the shares shall not be redeemed except out of profits.

Notes to the Financial Statements
(Cont'd)**24. BORROWINGS (CONT'D)**

The weighted average effective interest rate per annum is as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Secured loans	6.56	6.38	8.04	8.04
Bank overdraft	6.90	6.75	—	—

The Group's borrowings are secured by way of:

- (i) investment properties of the Group as disclosed in Note 13;
- (ii) the property development assets of the Group;
- (iii) designated bank accounts of the Group as disclosed in Note 20;
- (iv) debenture by way of a fixed and floating charge on all the assets of two subsidiaries;
- (v) an assignment of all tenancies and rights, interests, title and benefits in the rental proceeds and/or other income as may be derived from investment properties of a subsidiary; and
- (vi) for borrowings of the subsidiaries, corporate guarantee by the Company.

25. TRADE PAYABLES

	Group	
	2023	2022
	RM'000	RM'000
Trade payables:		
- amount due to a company in which a director has an interest	2,648	2,960
- third parties	12,443	7,516
Retention sums for contract works	3,169	7,522
	18,260	17,998

The normal trade credit period granted to the Group is 30 days (2022: 30 days). Other credit period are agreed on a case to case basis.

Notes to the Financial Statements (Cont'd)

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits received from tenants and purchasers of development properties	6,347	5,888	–	–
Financial guarantee liabilities	–	–	–	17
Goods and services tax payable	71	95	–	–
Accrued bank interest	3,630	609	–	–
Amount due to:				
- a company in which a director has an interest	682	690	–	–
- a corporate shareholder of subsidiaries	–	43,319	–	–
- shareholders of the Company	16,477	14,517	–	–
- subsidiaries	–	–	129,611	136,717
Balance purchase price of land held for development	8,400	8,400	–	–
Real property gains tax liabilities accrued for accounting purposes	616	616	616	616
Liquidated ascertained damages in respect of property development projects	–	6,119	–	–
Tax penalties and interest payable	15,022	16,663	–	–
Other payables	14,455	16,469	3,461	5,406
	65,700	113,385	133,688	142,756
Accruals	22,353	23,218	577	657
	88,053	136,603	134,265	143,413
Less: Non current portion				
Balance purchase price of land held for development	(8,400)	(8,400)	–	–
Portion due within one year	79,653	128,203	134,265	143,413
The non current portion of other payables is as follows:				
Later than 2 years and not later than 5 years	8,400	8,400	–	–

The amounts due to subsidiaries, a corporate shareholder of subsidiaries, a company in which a director has an interest and shareholders of the Company represent unsecured interest free advances repayable on demand.

27. DEFERRED TAX (LIABILITIES)/ASSETS

	Group	
	2023 RM'000	2022 RM'000
At beginning of year	(2,486)	172
Recognised in profit or loss (Note 9)		
- current year	(4,066)	(163)
- over/(under) provision in prior years	98	(2,495)
At end of year	(6,454)	(2,486)

Notes to the Financial Statements
(Cont'd)

27. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax assets		
- Tax effect of unabsorbed capital allowances and unutilised tax losses	663	663
Deferred tax liabilities		
- Fair value gain on investment properties	(7,117)	(3,149)
	(6,454)	(2,486)

Deferred tax assets have not been recognised in respect of the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gross				
Unabsorbed capital allowances	9,749	9,182	316	849
Unutilised tax losses allowed to be utilised up to financial year ending				
- 31 May 2028	119,306	117,243	21,824	21,824
- 31 May 2029	215	215	-	-
- 31 May 2030	366	366	-	-
- 31 May 2031	10,608	15,549	-	-
- 31 May 2032	3,918	6,032	-	483
- 31 May 2033	21,924	-	333	-
Other deductible temporary differences	1,052	1,199	-	-
Differences between accounting depreciation and finance lease payments	95	17	-	-
Differences between accounting depreciation and tax capital allowances	129	8	-	-
	167,362	149,811	22,473	23,156
Less: Amount recognised	(2,763)	(2,763)	-	-
	164,599	147,048	22,473	23,156

Notes to the Financial Statements
(Cont'd)**27. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)**

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax effects				
Unabsorbed capital allowances	2,340	2,203	76	204
Unutilised tax losses allowed to be utilised up to financial year ending				
- 31 May 2028	28,633	28,138	5,238	5,238
- 31 May 2029	52	52	—	—
- 31 May 2030	88	88	—	—
- 31 May 2031	2,546	3,732	—	—
- 31 May 2032	941	1,448	—	116
- 31 May 2033	5,261	—	80	—
Other deductible temporary differences	253	288	—	—
Differences between accounting depreciation and finance lease payments	23	4	—	—
Differences between accounting depreciation and tax capital allowances	31	2	—	—
	40,168	35,955	5,394	5,558
Less: Amount recognised	(663)	(663)	—	—
	39,505	35,292	5,394	5,558

Portion of deferred tax assets have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these deferred tax benefits.

28. SIGNIFICANT RELATED PARTY DISCLOSURES**(a) Related party transactions**

Significant transactions with related parties are as follows:

		Group		Company	
	Type of transactions	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
With subsidiaries	Management fee income	—	—	4,176	3,924
	Rental income	—	—	528	435
	Transfer of shares	—	—	—	2,500
With companies in which certain directors have interest					
- Paramount Bounty Sdn Bhd	Billings for sub-contractor costs	86	10	—	—
- Mercury Industries Berhad	Rental income	232	232	—	—

Notes to the Financial Statements (Cont'd)

28. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 6.

29. CONTINGENT LIABILITY

The Inland Revenue Board ("IRB") initiated civil recovery proceedings against Pujian Development Sdn Bhd ("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 to stay the civil proceedings. On 5 January 2018, the Kuala Lumpur High 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 hearing on 18 March 2024 and 19 March 2024.

In the opinion of the directors, after taking appropriate professional advices, PDSB has an arguable case to contend that IRB does not have any legal or factual basis to their claims.

30. MATERIAL LITIGATIONS AND CLAIMS

The Plaintiffs had filed a lawsuit against PDSB, seeking for rescission of the Sale and 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.

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. In view of the Court of Appeal decisions, the judgment sum of RM10.4 million has released to the plaintiffs and PDSB has been taken possession of the retail units.

Notes to the Financial Statements (Cont'd)

30. MATERIAL LITIGATIONS AND CLAIMS (CONT'D)

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 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 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 Court. On 17 April 2023, the Plaintiffs' solicitor has confirmed an undertaking before the Court that they will not be filing any winding-up petition against PDSB pending the disposal of PDSB's injunction application and the Court has fixed 19 September 2023 for case management.

31. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on the nature of business and has four reportable operating segments as follows:

Business segments

Property development
Property investment
Property management
Investment and others

All these reportable segments operate in Malaysia.

Notes to the Financial Statements
(Cont'd)

31. SEGMENTAL INFORMATION (CONT'D)

Management monitors the operating results of its business units as well as relying on the segment information as disclosed below for the purpose of making decision about resource allocation and performance assessment.

2023	Property development RM'000	Property investment RM'000	Property management RM'000	Investment and others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
Revenue from external customers	15,364	13,383	2,640	75	–	31,462
Inter-segment revenue	14,811	156	–	5,535	(20,502)	–
	30,175	13,539	2,640	5,610	(20,502)	31,462
Results						
Profit/(Loss) from operations before finance income	5,423	26,572	344	(45,433)	45,561	32,467
Finance income	78	6	–	–	–	84
	5,501	26,578	344	(45,433)	45,561	32,551
Profit/(Loss) from operations Finance costs	(12,988)	(4,596)	–	(55)	–	(17,639)
(Loss)/Profit before tax Income tax expense	(7,487)	21,982	344	(45,488)	45,561	14,912
	–	(4,075)	(98)	(5)	–	(4,178)
Net (loss)/profit for the year Non-controlling interests	(7,487)	17,907	246	(45,493)	45,561	10,734
	2,965	–	–	668	–	3,633
(Loss)/Profit attributable to owners of the Company	(4,522)	17,907	246	(44,825)	45,561	14,367

Notes to the Financial Statements
(Cont'd)

31. SEGMENTAL INFORMATION (CONT'D)

2023	Property development RM'000	Property investment RM'000	Property management RM'000	Investment and others RM'000	Eliminations RM'000	Consolidated RM'000
Other information						
Segment assets	684,184	425,976	2,137	585,457	(751,418)	946,336
Segment liabilities	492,531	355,962	4,694	173,941	(683,767)	343,361
Capital expenditure	666	279	9	7	-	961
Depreciation	826	27	63	800	-	1,716
Amortisation of financial guarantee liabilities	-	-	-	17	(17)	-
Bad debts written off	2	-	-	4,233	(4,166)	69
Fair value gain on investment properties	-	24,800	-	-	-	24,800
Fair value loss on other financial asset	204	-	-	-	-	204
Impairment loss on investment in subsidiaries	-	-	-	9,100	(9,100)	-
Inventories written down	518	-	-	-	-	518
Plant and equipment written off	275	-	-	-	-	275
Allowance for expected credit loss	2,925	1,660	214	34,047	(36,747)	2,099
Allowance for expected credit loss no longer required	(14,541)	(179)	-	(268)	268	(14,720)

Notes to the Financial Statements
(Cont'd)

31. SEGMENTAL INFORMATION (CONT'D)

2022	Property development RM'000	Property investment RM'000	Property management RM'000	Investment and others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
Revenue from external customers	9,349	11,896	2,640	150	–	24,035
Inter-segment revenue	–	185	–	5,103	(5,288)	–
	9,349	12,081	2,640	5,253	(5,288)	24,035
Results						
(Loss)/Profit from operations before finance income	(20,968)	17,051	771	(3,617)	2,164	(4,599)
Finance income	10	4	–	8	–	22
	(20,958)	17,055	771	(3,609)	2,164	(4,577)
(Loss)/Profit from operations	(1,664)	(2,757)	–	(111)	–	(4,532)
Finance costs						
(Loss)/Profit before tax	(22,622)	14,298	771	(3,720)	2,164	(9,109)
Income tax expense	(1,709)	(1,182)	(190)	(8)	–	(3,089)
	(24,331)	13,116	581	(3,728)	2,164	(12,198)
Net (loss)/profit for the year	2,252	–	–	102	–	2,354
Non-controlling interests						
	(22,079)	13,116	581	(3,626)	2,164	(9,844)
(Loss)/Profit attributable to owners of the Company						
	(22,079)	13,116	581	(3,626)	2,164	(9,844)
Other information						
Segment assets	716,962	403,809	3,271	640,575	(805,319)	959,298
Segment liabilities	517,908	356,293	6,075	195,417	(698,505)	377,188
Capital expenditure	1,138	138	–	4	–	1,280
Depreciation	333	212	75	800	–	1,420
Amortisation of financial guarantee liabilities	–	–	–	(7)	7	–
Bad debts written off	–	942	–	–	–	942
Fair value loss on investment properties	–	270	–	–	–	270
Allowance for expected credit loss	10,662	465	–	4,713	(4,822)	11,018
Allowance for expected credit loss no longer required	–	(745)	–	(1,906)	2,651	–

Notes to the Financial Statements (Cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT

32.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets				
Fair value through other comprehensive income				
- other financial assets	1,060	1,060	1,022	1,022
Fair value through profit or loss				
- other financial assets	1,302	6	6	6
Amortised cost				
- trade and other receivables	11,123	13,528	291,051	323,034
- cash and bank balances	17,007	8,234	6,094	60
	30,492	22,828	298,173	324,122
Financial liabilities				
Amortised cost				
- borrowings	203,607	189,274	17,185	18,336
- lease liabilities	545	1,691	288	1,020
- trade and other payables	90,604	137,228	133,649	142,797
	294,756	328,193	151,122	162,153

32.2 Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below have been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A change of 50 basis points in interest rate with all other variables being held constant would have decrease or increase the Group and the Company's profitability by RM1,018,000 (2022: RM946,000) and RM86,000 (2022: RM92,000) respectively.

Notes to the Financial Statements
(Cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT'D)

32.2 Financial risk management objectives and policies (Cont'd)

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group and the Company finance their operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	Contractual cash flows (including interest payments)					
	Carrying amount RM'000	Total RM'000	On demand or within 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000
2023						
Non interest bearing debts	90,604	90,604	82,204	–	8,400	–
Lease liabilities	545	562	546	15	1	–
Interest bearing debts	203,607	250,925	109,166	55,725	57,011	29,023
	294,756	342,091	191,916	55,740	65,412	29,023
2022						
Non interest bearing debts	137,228	137,228	128,828	–	8,400	–
Lease liabilities	1,691	1,797	1,248	543	6	–
Interest bearing debts	189,274	244,434	44,810	39,950	82,094	77,580
	328,193	383,459	174,886	40,493	90,500	77,580

Notes to the Financial Statements
(Cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT'D)

32.2 Financial risk management objectives and policies (Cont'd)

Liquidity risk management (Cont'd)

Company	Contractual cash flows (including interest payments)					
	Carrying amount RM'000	Total RM'000	On demand or within 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000
2023						
Non interest bearing debts	133,649	133,649	133,649	-	-	-
Lease liabilities	288	294	288	5	1	-
Interest bearing debts	17,185	23,038	2,506	2,506	7,519	10,507
	151,122	156,981	136,443	2,511	7,520	10,507
Corporate guarantees	-	156,363	166,348	-	-	-
2022						
Non interest bearing debts	142,797	142,797	142,797	-	-	-
Lease liabilities	1,020	1,081	787	288	6	-
Interest bearing debts	18,336	25,544	2,506	2,506	7,519	13,013
	162,153	169,422	146,090	2,794	7,525	13,013
Corporate guarantees	-	169,939	169,939	-	-	-

As at the reporting date, the counterparties to the corporate guarantees do not have the right to demand payment as there is no default on the borrowings obtained by the subsidiaries.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in quoted and unquoted equity investments. The quoted equity investment is listed on Hong Kong Stock Exchange.

Management monitors the equity investments on a portfolio basis. Management believes that the changes of market price of its quoted equity investment and fair value of the unquoted equity investments would not lead to significant changes to the performance of the Group and the Company as the carrying amount of the equity investments is not material.

Notes to the Financial Statements
(Cont'd)**32. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT'D)****32.2 Financial risk management objectives and policies (Cont'd)****Credit risk management**

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than as follows:

	Company	
	2023	2022
	RM'000	RM'000
Amount due from one subsidiary (2022: one)	244,849	247,248

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

i) **Trade receivables**

For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. Where appropriate, the Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these debtors is presented based on their past due status in terms of the provision matrix as disclosed in Note 18. In determining the ECL of other trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Notes to the Financial Statements (Cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT'D)

32.2 Financial risk management objectives and policies (Cont'd)

Credit risk management (Cont'd)

ii) Other receivables

Other receivables (other than those identified below) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

The following other receivables are not considered to have low credit risk as there has been significant increase in the risk of default on the receivables since initial recognition:

	Company	
	2023	2022
	RM'000	RM'000
Amount due from subsidiaries	321,161	314,516

The loss allowance for the above receivables is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Cash and bank balances

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

None of the receivables that have been written off is subject to enforcement activities.

The Company provides unsecured financial guarantees to banks in respect of facilities granted to subsidiaries. The maximum exposure to credit risk amounts to RM156,363,189 (2022: RM169,938,550) representing the outstanding amounts of borrowings of the subsidiaries as at reporting date.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Notes to the Financial Statements
(Cont'd)**33. CAPITAL STRUCTURE AND CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt (total borrowings less cash and cash equivalents) divided by total capital which comprises total equity plus net debt. The calculations of the Group's and the Company's gearing ratios are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Total debts	204,152	190,965	17,473	19,356
Less: Cash and bank balances	(17,007)	(8,234)	(6,094)	(60)
Net debt	187,145	182,731	11,379	19,296
Total equity	602,975	582,110	274,797	301,080
Total capital	790,120	764,841	286,176	320,376
Gearing ratio	0.24	0.24	0.04	0.06

There were no changes in the Group's and the Company's approach to capital management during the reporting period.

34. FAIR VALUE MEASUREMENTS**34.1 Financial assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of cash and bank balances, receivables and payables, and other liabilities approximate their respective fair values due to the respectively short-term maturity of these financial instruments.

The fair values of the Group's and Company's non-current payables, borrowings and lease liabilities approximate their carrying amount as the effective interest rates of these instruments are within reasonable approximation of the market interest rates on or near reporting date.

Notes to the Financial Statements (Cont'd)

34. FAIR VALUE MEASUREMENTS (CONT'D)

34.2 Financial instruments and non financial assets carried at fair value

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 2023			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Other financial assets:				
- unquoted equity investments	–	–	1,038	1,038
- unquoted money market funds	–	–	6	6
- keyman insurance policy	–	–	1,296	1,296
- quoted equity investment	22	–	–	22
Non financial assets:				
Investment properties				
- freehold retail units, commercial space and car park bays	–	54,200	–	54,200
- leasehold retail units, commercial space and car park bays	–	255,912	–	255,912
- freehold land	–	107,000	–	107,000

Notes to the Financial Statements
(Cont'd)

34. FAIR VALUE MEASUREMENTS (CONT'D)

34.2 Financial instruments and non financial assets carried at fair value (Cont'd)

Fair value hierarchy (Cont'd)

	Group 2022			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Other financial assets:				
- unquoted equity investments	–	–	1,038	1,038
- unquoted money market funds	–	–	6	6
- quoted equity investment	22	–	–	22
Non financial assets:				
Investment properties				
- freehold retail units, commercial space and car park bays	–	38,700	–	38,700
- leasehold retail units, commercial space and car park bays	–	280,900	–	280,900
- freehold land	–	72,700	–	72,700

	Company 2023			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Other financial assets:				
- unquoted equity investments	–	–	1,000	1,000
- unquoted money market funds	–	–	6	6
- quoted equity investment	22	–	–	22

Notes to the Financial Statements (Cont'd)

34. FAIR VALUE MEASUREMENTS (CONT'D)

34.2 Financial instruments and non financial assets carried at fair value (Cont'd)

Fair value hierarchy (Cont'd)

	Company 2022			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Other financial assets:				
- unquoted equity investments	—	—	1,000	1,000
- unquoted money market funds	—	—	6	6
- quoted equity investment	22	—	—	22

There were no transfers between these levels of fair values in the current and previous reporting period.

Valuation techniques used to derive Level 2 fair values

Investment properties

a) Freehold retail units, commercial space and car park bays

The fair value of freehold retail units, commercial space and car park bays under Level 2 were stated by the directors based on professional valuations carried out by Mr Sr Chan Wai Seen, a registered valuer with CCO & Associates (KL) Sdn Bhd in May 2023 by using the investment method of valuation.

The investment method involves the capitalisation of net income derived from the rental for a property at an appropriate capitalisation rate to establish a capital value. The net income is the rental derived from the property after deducting all outgoings and expenses related to the ownership of the property. Valuation may be significantly affected by the capitalisation rate and net income derived from the rental.

b) Leasehold retail units, commercial space and car park bays

The fair value of leasehold retail units, commercial space and car park bays under Level 2 were stated by the directors based on professional valuations carried out by Mr Long Tian Chek, a registered valuer with Henry Butcher Malaysia Sdn Bhd in July 2023 by using the comparison approach of valuation.

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation may be significantly affected by the timing and the characteristics (such as location, accessibility, size, improvements and amenities) of the property transactions used for comparison.

Notes to the Financial Statements (Cont'd)

34. FAIR VALUE MEASUREMENTS (CONT'D)

34.2 Financial instruments and non financial assets carried at fair value (Cont'd)

Investment properties (Cont'd)

c) Freehold land

The fair value of freehold land under Level 2 was stated by the directors based on professional valuations carried out by Mr Tee Chin An, a registered valuer with JS Valuers Property Consultants Sdn Bhd in June 2023 by using the comparison approach of valuation.

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation may be significantly affected by the timing and the characteristics (such as location, accessibility, size and price per square foot) of the property transactions used for comparison.

Valuation techniques used to derive Level 3 fair values

a) Unquoted money market funds

The fair value of the unquoted money market funds are determined by reference to the net assets per unit of the funds.

b) Unquoted equity investments

The fair value of the unquoted equity investments are determined by reference to the audited net assets of the investees.

c) Keyman insurance policy

The fair value of the keyman insurance contract purchased for a key management personnel is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. Management estimates the fair value based on the latest policy quarterly statement of the keyman insurance contract provided by the insurance company.

Particulars of Group Properties

As at 31 May 2023

No.	Company Name	Title / Location	Sizes & Usage	Approximate Age of Building (Years)	Lease Expiry Date	Date of Purchase/ Revaluation*	Book Value (RM'000)
1.	Pujian Development Sendirian Berhad	HSD 226742, PT 520, Mukim Pekan Serdang, Daerah Petaling, Selangor.	64,269 sq. metres of commercial space and car park bays	20	99-year lease expiring 9 November 2093	31 May 2023*	251,620
2.	Pujian Development Sendirian Berhad	B-04-10, Perdana Selatan, Taman Serdang Perdana, (Seksyen 1) 43300 Seri Kembangan, Selangor Darul Ehsan.	91 sq. metres of office space	23	99-year lease expiring 9 November 2093	30 May 2017	190
3.	Pujian Development Sendirian Berhad	C-06-05, Perdana Selatan, Taman Serdang Perdana, (Seksyen 1) 43300 Seri Kembangan, Selangor Darul Ehsan.	96 sq. metres of residential	20	99-year lease expiring 9 November 2093	13 September 2016	318
4.	Pujian Development Sendirian Berhad	A-01-22, Perdana Selatan, Taman Serdang Perdana, (Seksyen 1) 43300 Seri Kembangan, Selangor Darul Ehsan.	96 sq. metres of residential	20	99-year lease expiring 9 November 2093	08 March 2019	220
5.	Southern Utilities Corporation Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	502 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	1,752
6.	Efex Trade & Exhibitions Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	60 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	209
7.	Kilat Inspirasi Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	240 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	836
8.	EcoFirst Development Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	55 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	194
9.	EcoFirst Development Sdn Bhd	Geran 44323, Lot 378, Mukim Ulu Kelang, Daerah Gombak, Selangor.	87,511 sq. metres	Development land	Freehold land	31 May 2023*	107,000
10.	EcoFirst Laboratories Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	60 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	209
11.	KE Management Services Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	42 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	146
12.	EcoFirst Hartz Sdn Bhd	HSD 226742, PT 520 Mukim Pekan Serdang, Daerah Petaling, Selangor.	63 sq. metres of commercial space	20	99-year lease expiring 9 November 2093	31 May 2023*	218

Particulars of Group Properties
As at 31 May 2023
(Cont'd)

[illegible]

Analysis of Shareholdings

As at 30 August 2023

Class of Shares : Ordinary shares
 Voting Rights : One (1) vote for each share held
 Total Issued and Fully Paid-up Capital* : 1,207,166,887
 (As per Records of Depositors)

DISTRIBUTION OF SHAREHOLDINGS

(As per Records of Depositors)

Size of Shareholdings	No. of Shareholders	%	No. of Share Held*	%
1 – 99	2,007	12.02	52,303	0.01
100 – 1,000	3,232	19.35	2,802,939	0.23
1,001 – 10,000	8,836	52.90	38,624,038	3.20
10,001 – 100,000	2,249	13.47	61,851,905	5.12
100,001 to less than 5% of issued shares	378	2.26	1,103,835,702	91.44
5% and above of issued shares	0	0.00	0	0.00
Total	16,702	100.00	1,207,166,887	100.00

* Excluding 758,500 treasury shares

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

Name of Director	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' (Dr) Teoh Seng Foo	–	–	1,415,000 ^(a)	0.12
Dato' Tiong Kwing Hee	56,876,200	4.71	–	–
Dato' Boey Chin Gan	–	–	–	–
Datuk Ng Hock Heng	–	–	–	–
Chin Wing Wah	–	–	–	–
Chan Kim Hong	–	–	–	–
Dato' Teoh Seng Kian	64,004,632	5.30	–	–
[Alternate Director to Dato' (Dr) Teoh Seng Foo]				

Notes:

^(a) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 through his spouse.

Analysis of Shareholdings
As at 30 August 2023
(Cont'd)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per Register of Substantial Shareholders' Shareholdings)

Name of Substantial Shareholder	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Teoh Seng Kian	64,004,632	5.30	—	—
Teoh Seng Aun	61,709,832	5.11	—	—
Aspirewell Sdn Bhd	83,000,000	6.88	—	—
Tan You Tiong	35,221,900	2.92	134,014,500 ^(a)	11.10
Yeoh Siok Choo	51,014,500	4.23	35,221,900 ^(b)	2.92

Notes:

^(a) Deemed interested through shares held by his wife and by virtue of his shareholding in Aspirewell Sdn Bhd pursuant to Section 8(4) of the Act.

^(b) Deemed interested through shares held by her husband.

LIST OF THIRTY LARGEST SHAREHOLDERS

Name of Shareholder	No. of Shares Held	Percentage %
1. JANAKI @ MALLIKA A/P PALANIAPPAN	60,000,000	4.97
2. MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' TIONG KWING HEE (MGN-TKH0013M)	54,840,700	4.54
3. ASPIREWELL SDN BHD	52,290,000	4.33
4. MAYBANK NOMINEES (TEMPATAN) SDN BHD YEOH SIOK CHOO	51,014,500	4.23
5. MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH SENG KIAN (MGN-TSK0015M)	50,425,700	4.18
6. MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH SENG AUN (MGN-TSA0002M)	48,979,116	4.06
7. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ASPIREWELL SDN BHD (PJCAC)	30,710,000	2.54
8. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING	29,400,000	2.44
9. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR DATO' ONG CHOO MENG (PB)	29,100,000	2.41
10. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YOU TIONG	28,880,000	2.39
11. HSBC NOMINEES (ASING) SDN BHD SOCIETE GENERALE PARIS	26,070,100	2.16
12. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	25,569,000	2.12

Analysis of Shareholdings
As at 30 August 2023
(Cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholder	No. of Shares Held	Percentage %
13.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM	19,300,000	1.60
14.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG	19,000,000	1.57
15.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAWASAN FOKUS SDN BHD	18,460,100	1.53
16.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (MY3933)	17,250,000	1.43
17.	YAYASAN GURU TUN HUSSEIN ONN	16,321,500	1.35
18.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	16,100,000	1.33
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAWASAN FOKUS SDN BHD	14,900,900	1.23
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN BHD	14,780,000	1.22
21.	LOW KIM KIAT	14,249,799	1.18
22.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN (MGN- OTC0005M)	13,800,000	1.14
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABD RAHMAN BIN HARUN (6000503)	13,408,100	1.11
24.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HII CHII KOK @ HII CHEE KOK (MGN-HCK0007M)	12,821,200	1.06
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HJT INTERNATIONAL GROUP (M) SDN. BHD. (7002971)	10,037,000	0.83
26.	CHONG TONG SIEW	9,385,100	0.78
27.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATURAN PRISMA SDN BHD	9,074,900	0.75
28.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAJOR BLOSSOM SDN BHD	8,700,000	0.72
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (7000431)	8,530,000	0.71
30.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN	8,500,000	0.70

Analysis of Warrant Holdings

As at 30 August 2023

Total Number of Warrants Issued : 423,442,855
Exercise Price : RM0.40

DISTRIBUTION OF WARRANT HOLDINGS

(As per Records of Depositors)

Size of Warrant holdings	No. of Warrants holders	%	No. of Warrants Held	%
1 – 99	1,458	9.59	39,247	0.01
100 – 1,000	5,460	35.92	3,687,837	0.87
1,001 – 10,000	7,041	46.33	24,075,425	5.69
10,001 – 100,000	984	6.47	30,624,015	7.23
100,001 to less than 5% of issued warrants	253	1.67	252,106,340	59.54
5% and above of issued warrants	3	0.02	112,909,991	26.66
Total	15,199	100.00	423,442,855	100.00

DIRECTORS' WARRANT HOLDINGS

(As per Register of Directors' Warrant Holdings)

Name of Director	Direct No. of Warrants Held	%	Indirect No. of Warrants Held	%
Dato' (Dr) Teoh Seng Foo	–	–	702,500 ^(a)	0.17
Dato' Tiong Kwing Hee	5,336,050	1.26	8,356,700 ^(b)	1.97
Dato' Boey Chin Gan	–	–	–	–
Datuk Ng Hock Heng	–	–	–	–
Chin Wing Wah	–	–	–	–
Chan Kim Hong	–	–	–	–
Dato' Teoh Seng Kian	73,767,116	17.42	76,000 ^(a)	0.02

[Alternate Director to Dato' (Dr) Teoh Seng Foo]

Notes:

^(a) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 through their spouses.

^(b) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 through his daughter.

Analysis of Warrant Holdings
As at 30 August 2023
(Cont'd)

LIST OF THIRTY LARGEST WARRANT HOLDERS

	Name of Warrant holder	No. of Warrants Held	Percentage %
1.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH SENG KIAN (MGN-TSK0015M)	67,990,350	16.06
2.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH SENG AUN (MGN- TSA0002M)	23,440,691	5.54
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH SENG KIAN	21,478,950	5.07
4.	ALUNAN ASTAKA SDN BHD	17,522,300	4.14
5.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AN SIEW CHONG	11,890,300	2.81
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH SENG AUN	11,611,350	2.74
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABD RAHMAN BIN HARUN (6000503)	11,486,300	2.71
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TEOH SENG AUN (SMART)	11,360,200	2.68
9.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ABD RAHMAN BIN HARUN (SMART)	10,410,000	2.46
10.	YAYASAN GURU TUN HUSSEIN ONN	9,500,700	2.24
11.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATURAN PRISMA SDN BHD	9,164,150	2.16
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' TEOH SENG KIAN (SMART)	9,048,000	2.14
13.	TIONG SUE ANN	8,356,700	1.97
14.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATURAN PRISMA SDN BHD	8,057,650	1.90
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AN SIEW CHONG (7001941)	7,927,000	1.87
16.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEN SAU MOU (SMART)	7,584,950	1.79
17.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OW KEE TEIK	7,263,200	1.72
18.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH SENG AUN (MY1941)	6,170,632	1.46
19.	DATO' TIONG KWING HEE	5,336,050	1.26

Analysis of Warrant Holdings
As at 30 August 2023
(Cont'd)

LIST OF THIRTY LARGEST WARRANT HOLDERS (CONT'D)

	Name of Warrant holder	No. of Warrants Held	Percentage %
20.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' TEOH SENG KIAN (MY1919)	5,264,516	1.24
21.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAWASAN FOKUS SDN BHD	4,650,050	1.10
22.	HENG KHAI GUAN	3,800,000	0.90
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAWASAN FOKUS SDN BHD	3,647,550	0.86
24.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LT TRAVEL & TOURS (M) SDN BHD	2,463,700	0.58
25.	CHONG SAI KING	2,000,000	0.47
26.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH SENG AUN	1,981,500	0.47
27.	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LUAH AIK CHEW	1,890,000	0.45
28.	CHEW HIAN TAT	1,500,000	0.35
29.	TEE AH PENG	1,293,700	0.31
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PANG CHEE KHIONG (PB)	1,280,000	0.30



ECOFIRST CONSOLIDATED BHD
[Registration No.: 197301001881 (15379-V)]
(Incorporated in Malaysia)

FORM OF PROXY

I/We NRIC/Registration No.
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

being a member of **ECOFIRST CONSOLIDATED BHD** ("the Company"), hereby appoint:-

Name of Proxy (Full name)	NRIC No./Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email address	Mobile No.		
Address			

* and/or failing him/her

Name of Proxy (Full name)	NRIC No./Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email address	Mobile No.		
Address			

or failing him/her, the CHAIRMAN OF THE MEETING* as my/our proxy to vote for me/us and on my/our behalf at the Fiftieth Annual General Meeting of the Company to be held at Ballroom 1, Level 5, Summit Hotel Subang USJ, Persiaran Kewajipan USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan on Thursday, 26 October 2023 at 3:00 p.m. and any adjournment thereof. My/Our proxy/proxies shall vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
Resolution 1	Approval of the payment of Directors' fees		
Resolution 2	Approval of the payment of Directors' benefits and allowances		
Resolution 3	Re-election of Ms Chan Kim Hong as Director		
Resolution 4	Re-election of Dato' Teoh Seng Kian as Director		
Resolution 5	Re-election of Dato' Boey Chin Gan as Director		
Resolution 6	Re-appointment of Russell Bedford LC PLT as the Company's Auditors		
Resolution 7	Authority for Directors to issue shares		
Resolution 8	Proposed RRPT Mandate		
Resolution 9	Proposed Renewal of Share Buy-Back Authority		

Please indicate with a "✓" or "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Dated this day of, 2023

No. of ordinary shares held

Central Depository System Account No.

Signature/Common Seal of Member

* Delete the words "the CHAIRMAN OF THE MEETING" if you wish to appoint some other person(s) only to be your proxy/proxies.

Notes:-

- (i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint two (2) or more proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (iv) Only a depositor whose name appears in the Company's Record of Depositors as at 19 October 2023 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (vi) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
- (vii) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

1st Fold Here

AFFIX
STAMP

The Company Secretary
ECOFIRST CONSOLIDATED BHD
Registration No. 197301001881 (15379-V)
Lot 5, Level 10
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

2nd Fold Here

Fold This Flap For Sealing

ECOFIRST CONSOLIDATED BHD

197301001881 (15379-V)

A-19, Menara Allianz Sentral,
203 Jalan Tun Sambanthan
Kl Sentral 50470, Kuala Lumpur
Malaysia

T: (+603) 2725 1888

F: (+603) 2725 1777

www.ecofirst.com.my