

**ECOBUILT HOLDINGS BERHAD**  
**(formerly known as M-Mode Berhad)**  
**(Company No. 635759-U)**

Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income  
For The Period Ended 30 November 2018  
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 30/11/2018 RM'000	(Unaudited) Comparative Qtr Ended 30/11/2017 RM'000	(Unaudited) Cumulative YTD 30/11/2018 RM'000	(Unaudited) Cumulative YTD 30/11/2017 RM'000
<b>Continuing operations</b>					
Revenue		14,029	24,451	23,941	50,841
Cost of sales		(9,390)	(20,308)	(15,772)	(42,557)
<b>Gross profit</b>		<u>4,639</u>	<u>4,143</u>	<u>8,169</u>	<u>8,284</u>
Interest income		48	356	163	696
Other income	29	12	145	24	156
Gain on disposal of subsidiary companies		9	-	12	-
Other expenditure	29	(2,653)	(2,227)	(5,170)	(3,751)
Depreciation and amortisation		(157)	(513)	(336)	(1,043)
Finance costs		(1)	-	(3)	-
Share of loss in associate		-	(2)	-	(4)
<b>Profit before taxation</b>		<u>1,897</u>	<u>1,902</u>	<u>2,859</u>	<u>4,338</u>
Taxation	21	1	(183)	(134)	(571)
<b>Profit for the period</b>		<u>1,898</u>	<u>1,719</u>	<u>2,725</u>	<u>3,767</u>
<b>Other comprehensive income / (expense)</b>					
Items that may be reclassified subsequently to profit or loss:					
- Fair value changes on available for sale financial assets		(90)	(303)	(81)	(269)
- Exchange differences arising from translation of foreign operations		1	1	1	-
<b>Other comprehensive expense, net of tax</b>		<u>(89)</u>	<u>(302)</u>	<u>(80)</u>	<u>(269)</u>
<b>Total comprehensive income for the period</b>		<u>1,809</u>	<u>1,417</u>	<u>2,645</u>	<u>3,498</u>
Profit attributable to:					
Equity holders of the Company		1,690	1,719	2,517	3,767
Non-controlling interests		208	-	208	-
		<u>1,898</u>	<u>1,719</u>	<u>2,725</u>	<u>3,767</u>
Total comprehensive income for the period attributable to:					
Equity holders of the Company		1,601	1,417	2,437	3,498
Non-controlling interests		208	-	208	-
		<u>1,809</u>	<u>1,417</u>	<u>2,645</u>	<u>3,498</u>
<b>Earnings per Share Attributable to Equity holders of the Company:</b>					
- Basic / Diluted (Sen)	28	1.04	1.06	1.55	2.32

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

**ECOBUILT HOLDINGS BERHAD**  
**(formerly known as M-Mode Berhad)**  
**(Company No. 635759-U)**  
Condensed Consolidated Statement Of Financial Position  
As At 30 November 2018

	Note	(Unaudited) As At 30/11/2018 RM'000	(Audited) As At 31/05/2018 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant & equipment		5,217	5,341
Deferred development cost		383	305
		5,600	5,646
<b>Current Assets</b>			
Trade receivables		17,667	10,313
Amount owing by customers on contracts		489	230
Other receivables, deposits & prepaid expenses		35,032	20,767
Other investments	23	314	395
Tax recoverable		262	240
Cash and cash equivalents		24,813	43,491
		78,577	75,436
<b>TOTAL ASSETS</b>		<b>84,177</b>	<b>81,082</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Equity Holders of the Company</b>			
Share capital		17,525	17,525
Reserves		(502)	(422)
Retained earnings		54,136	51,619
		71,159	68,722
Non-controlling interests		698	-
<b>Total Equity</b>		71,857	68,722
<b>Non-current Liabilities</b>			
Finance lease liability	25	72	97
Deferred tax liabilities		109	109
		181	206
<b>Current Liabilities</b>			
Trade payables		6,157	5,937
Amount owing to customers on contracts		3,226	3,057
Other payables and accrued expenses		1,427	1,967
Finance lease liability	25	48	47
Tax Payable		1,281	1,146
		12,139	12,154
<b>Total Liabilities</b>		12,320	12,360
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>84,177</b>	<b>81,082</b>
Net Assets Per Share Attributable to Equity holders of the Company (Sen)		43.73	42.24

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

**ECOBUILT HOLDINGS BERHAD**  
**(formerly known as M-Mode Berhad)**  
**(Company No. 635759-U)**  
Condensed Consolidated Statement of Changes in Equity  
For The Period Ended 30 November 2018  
(The figures have not been audited)

	<-- Attributable to Equity holders of the Company -->				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable	Distributable	Share Capital RM'000	Available- for-sale Reserve RM'000			
<b>At 1 June 2018</b>	17,525	(421)	(1)	51,619	68,722	-	68,722
Profit for the period	-	-	-	2,517	2,517	208	2,725
Other comprehensive income/ (expense)	-	(81)	1	-	(80)	-	(80)
Total comprehensive income/ (expense) for the period	-	(81)	1	2,517	2,437	208	2,645
Acquisition of equity interest in a subsidiary	-	-	-	-	-	490	490
<b>At 30 November 2018</b>	<b>17,525</b>	<b>(502)</b>	<b>-</b>	<b>54,136</b>	<b>71,159</b>	<b>698</b>	<b>71,857</b>
<b>At 1 June 2017</b>	17,525	(26)	-	* 53,586	71,085	-	71,085
Profit for the period	-	-	-	3,767	3,767	-	3,767
Other comprehensive expense	-	(269)	-	-	(269)	-	(269)
Total comprehensive income/ (expense) for the period	-	(269)	-	3,767	3,498	-	3,498
<b>At 30 November 2017</b>	<b>17,525</b>	<b>(295)</b>	<b>-</b>	<b>57,353</b>	<b>74,583</b>	<b>-</b>	<b>74,583</b>

Note: \* Represents below RM1,000.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

**ECOBUILT HOLDINGS BERHAD**  
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**(Company No. 635759-U)**  
Condensed Consolidated Statement of Cash Flows  
For The Period Ended 30 November 2018  
(The figures have not been audited)

	<b>(Unaudited)</b> <b>6 months</b> <b>Ended</b> <b>30/11/2018</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>6 months</b> <b>Ended</b> <b>30/11/2017</b> <b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	2,859	4,338
Adjustments for:		
Deposits written off	2	-
Depreciation and amortisation	336	1,043
Finance costs	3	-
Share of loss in associate	-	4
Interest income	(163)	(696)
Dividend income from available-for-sale investment	(8)	(136)
Gain on disposal of property, plant and equipment	-	4
Gain on disposal of subsidiary company	(12)	-
Unrealised gain on foreign exchange	(16)	(9)
	<hr/>	<hr/>
Operating profit before working capital changes	3,001	4,548
Receivables	(21,878)	(25,623)
Payables	(140)	27,953
	<hr/>	<hr/>
Cash (used in)/generated from operations	(19,017)	6,878
Interest received	163	696
Finance cost paid	(3)	-
Tax refund	23	986
Tax paid	(45)	(140)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<hr/> <b>(18,879)</b>	<hr/> <b>8,420</b>
<b>Cash flows from investing activities</b>		
Net cash inflow arising on acquisition of subsidiary	490	-
Purchase of property, plant and equipment	(181)	(1)
Net changes in financial asset	-	(45)
Development expenditure	(110)	(162)
Dividend received	8	136
Proceeds from disposal of property, plant and equipment	-	5
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	<hr/> <b>207</b>	<hr/> <b>(67)</b>
<b>Cash flows from financing activity</b>		
Repayment of finance lease	(23)	-
	<hr/>	<hr/>
Net cash used in financing activity	<hr/> <b>(23)</b>	<hr/> <b>-</b>
Net (decrease)/increase in cash and cash equivalents	(18,695)	8,353
Effect of exchange rate changes	17	9
Cash and cash equivalents at beginning of year	<hr/> <b>43,491</b>	<hr/> <b>42,197</b>
Cash and cash equivalents at end of period	<hr/> <b>24,813</b>	<hr/> <b>50,559</b>

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Condensed Consolidated Statement of Cash Flows  
For The Period Ended 30 November 2018  
(The figures have not been audited)

	<b>(Unaudited)</b> <b>6 months</b> <b>Ended</b> <b>30/11/2018</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>6 months</b> <b>Ended</b> <b>30/11/2017</b> <b>RM'000</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposit with fund management companies	5,646	41,440
Fixed deposit with licensed banks	14,004	4
Cash and bank balances	5,163	9,107
	24,813	50,551

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

**M-MODE BERHAD**  
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**(Company No. 635759-U)**

**Part A - Explanatory Notes Pursuant to MFRS 134 - 30 November 2018**

**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and Chapter 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and should be read in conjunction with the Group's audited financial statements for the year ended 31 May 2018, The consolidated financial statements of the Group as at and for the year ended 31 May 2018 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2018 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2018:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014 - 2016)
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transaction
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements 2014 - 2016)
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above pronouncements does not have any material impact on the financial statements of the Group.

As at the date of authorisation of the interim financial report, the following new MFRSs, amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 3	Business Combinations (Annual Improvements 2015 -2017)	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11	Joint Arrangements (Annual Improvements 2015 -2017)	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 112	Income Taxes (Annual Improvements 2015 -2017)	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123	Borrowings Costs (Annual Improvements 2015 -2017)	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretations 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
The Conceptual Framework for Financial Reporting (Revised 2018)		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date yet to be determined by the Malaysian Accounting Standards Board

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition other than the adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the impact of these standards and plans to adopt these standards on the respective effective dates.

### 3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 May 2018 was not subjected to any audit qualification.

### 4. Segmental Information

	Contents & Value Added Services RM'000	Construction RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
<b>Period ended 30 November 2018</b>					
Total external revenue	6,546	17,395	-	-	23,941
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>6,546</u>	<u>17,395</u>	<u>-</u>	<u>-</u>	<u>23,941</u>
Segment results	<u>1,544</u>	<u>1,567</u>	<u>(2,192)</u>	<u>1,943</u>	<u>2,862</u>
Finance costs					(3)
Share of loss in associate					-
Profit before taxation					<u>2,859</u>
Taxation					<u>(134)</u>
Net Profit after taxation					<u>2,725</u>
<b>Period ended 30 November 2017</b>					
Total external revenue	6,053	44,788	-	-	50,841
Inter-segment revenue	48	-	-	(48)	-
Total segment revenue	<u>6,101</u>	<u>44,788</u>	<u>-</u>	<u>(48)</u>	<u>50,841</u>
Segment results	<u>2,034</u>	<u>2,491</u>	<u>(183)</u>	<u>-</u>	<u>4,342</u>
Finance costs					-
Share of loss in associate					(4)
Profit before taxation					<u>4,338</u>
Taxation					<u>(571)</u>
Net Profit after taxation					<u>3,767</u>
<b>As at 30 November 2018</b>					
Total segment assets	15,845	52,941	63,044	(48,144)	83,686
Total segment liabilities	<u>6,291</u>	<u>44,988</u>	<u>258</u>	<u>(39,706)</u>	<u>11,831</u>
Depreciation and amortisation	<u>294</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>336</u>
Non-cash expenses other than depreciation and amortisation	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>As at 30 November 2017</b>					
Total segment assets	48,395	41,804	34,926	(19,366)	105,759
Total segment liabilities	<u>6,895</u>	<u>37,410</u>	<u>175</u>	<u>(13,304)</u>	<u>31,176</u>
Depreciation and amortisation	<u>998</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>1,043</u>
Non-cash expenses other than depreciation and amortisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 5. Unusual Items due to their Nature, Size or Event

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the six months ended 30 November 2018.

### 6. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the six months ended 30 November 2018.

### 7. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the six months ended 30 November 2018.

### 8. Dividends Paid

There were no dividends paid during the six months ended 30 November 2018.

### 9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the six months ended 30 November 2018.

**10. Debt And Equity Securities**

There were no issuance, cancellation, resale and repayment of debt and equity securities for the six months ended 30 November 2018.

**11. Changes in Composition of the Group**

There were no other changes to the composition of the Group for the six months ended 30 November 2018 except for the following:-

- (a) A wholly-owned subsidiary of the Company, E&J Builders Sdn. Bhd. has on 5 June 2018, incorporated a 51% owned subsidiary known as Gabungan EJB Konstrukt Sdn. Bhd. The remaining 49% shareholding is held by Konstrukt (M) Sdn. Bhd. The share capital of Gabungan EJB Konstrukt Sdn. Bhd. is RM100.00. The intended principal activities are to carry on the business as general contractors for construction work of any kind and to deal in building material and hardware merchandise of all kinds and descriptions, or as engineering, contractors, general engineers, site information and plan layout advisers and consultants whether civil, mechanical, electrical, structural, geo-technical, chemical, aeronautical, marine or otherwise.
- (b) Restro Digital Pte. Ltd. has on 27 July 2018 received a notification letter from the Accounting and Corporate Regulatory Authority of Singapore confirming that the name of Restro Digital Pte. Ltd. has been struck off from the Accounting and Corporate Regulatory Authority's register with effect from 9 July 2018. Restro Digital Pte. Ltd. is the wholly-owned subsidiary of Tameko Sdn. Bhd., which in turn is an indirect wholly-owned subsidiary of the Company. Restro Digital Pte. Ltd. had applied for the striking off in view that it has not commenced business since its incorporation and has no intention to commence business in the future.
- (c) On 7 August 2018, the Company entered into a Sale and Purchase Agreement with Choo Peng Hung and Chan Choi Teng to dispose its entire 2,500 ordinary shares, representing 100% of the total share capital of Cypress Valley Sdn. Bhd. for a total cash sale consideration of RM2.00 only. Cypress Valley Sdn. Bhd. is principally engaged in providing event co-ordinating and related support services, media advertising of all kinds, providing mobile content and other information technology services. The share disposal was completed on 24 August 2018.
- (d) On 28 August 2018, the Company entered into a Sale and Purchase Agreement with Goh Leong Yeong and Leow Soon Lok to dispose its entire 3,000,000 ordinary shares, representing 100% of the total share capital of One Seed Sdn. Bhd. for a total cash sale consideration of RM2.00 only and 2,500 ordinary shares, representing 100% of the total share capital of M-Mode Media Sdn. Bhd. for a total cash sale consideration of RM2.00 only. One Seed Sdn. Bhd. is principally engaged in provision of mobile games publishing platform and related services. M-Mode Media Sdn. Bhd. is acting as media advertisement agents and carrying on the business of publishing magazines, books and journals, and its related activities. The share disposal was completed on 5 October 2018.

**12. Capital Commitments**

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements as at 30 November 2018.

**13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in any contingent liabilities or contingent assets of the Group during the six months ended 30 November 2018.

**14. Subsequent Material Events**

There were no material events subsequent to the end of the current quarter up to 17 January 2019 (being the last practicable date from the date of issue of this report) that are expected to have an operational or financial impact on the group.

**15. Significant Related Party Transactions**

There were no significant related party transactions during the six months ended 30 November 2018.

**16. Fair Value of Financial Instruments**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statement of financial position:

	<b>30-Nov 2018</b>	<b>31 May 2018</b>
	<b>Level 1</b>	<b>Level 1</b>
	<b>Fair Value</b>	<b>Fair Value</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial asset		
Available-for-sale	314	395



**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad For the MAIN Market**

**17. Review of Performance - Comparison with Corresponding Results of Last Year Quarter**

Financial review for the current quarter and financial year to date compared with the corresponding periods last year.

The results of the Group are tabulated below:

	Individual Quarter			Cumulative YTD		
	30 November 2018 RM'000	30 November 2017 RM'000	% Changes	30 November 2018 RM'000	30 November 2017 RM'000	% Changes
<b>Revenue</b>						
- Contents &						
Value Added Services	3,575	3,234	10.5%	6,546	6,053	8.1%
- Construction	10,454	21,217	-50.7%	17,395	44,788	-61.2%
- Investment Holding	-	-	N/A	-	-	N/A
	<u>14,029</u>	<u>24,451</u>	-42.6%	<u>23,941</u>	<u>50,841</u>	-52.9%
<b>Profit / (Loss) Before Taxation</b>						
- Contents &						
Value Added Services	1,087	1,058	2.7%	1,547	2,034	-23.9%
- Construction	1,003	1,005	-0.2%	1,563	2,491	-37.3%
- Investment Holding	(193)	(161)	-19.9%	(251)	(187)	-34.2%
	<u>1,897</u>	<u>1,902</u>	-0.3%	<u>2,859</u>	<u>4,338</u>	-34.1%

Overall Performance

The Group had recorded a profit before taxation of RM1.9 million in both the current quarter under review and preceding year's corresponding period. Revenue decrease in current quarter were mainly due to the H2O project is nearing completion, which resulted in a lower progress construction work done recognized in the current quarter.

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM1.09 million in the current quarter under review which is 2.7% higher than the profit before taxation of RM1.06 million reported in the preceding year's corresponding period. The increase in profit before taxation was mainly due to higher revenue generated in current quarter.

Construction

Construction business had recorded a profit before taxation of RM1.0 million in both the current quarter under review and preceding year's corresponding period. Revenue decrease in current quarter were mainly due to the H2O project is nearing completion, which resulted in a lower progress construction work done recognized in the current quarter. Nevertheless, profit before taxation remains fairly consistent mainly due to the recognition of profits arising from recent projects secured.

Investment Holding

Investment holding business had recorded a loss before taxation of RM193,000 in the current quarter under review compared with a loss before taxation RM161,000 reported in the preceding year's corresponding period. The increase in loss before taxation was mainly due to higher expenses incurred in current quarter.

**18. Review of Performance - Comparison with Corresponding Results of Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	% Changes
	30 November 2018 RM'000	31 August 2018 RM'000	
<b>Revenue</b>			
- Contents &			
Value Added Services	3,575	2,971	20.3%
- Construction	10,454	6,941	50.6%
- Investment Holding	-	-	N/A
	<u>14,029</u>	<u>9,912</u>	41.5%
<b>Profit / (Loss) Before Taxation</b>			
- Contents &			
Value Added Services	1,087	460	>100.0%
- Construction	1,003	560	79.1%
- Investment Holding	(193)	(58)	>100.0%
	<u>1,897</u>	<u>962</u>	>100.0%

## 18. Review of Performance - Comparison with Corresponding Results of Preceding Quarter (Continued)

### Overall Performance

The Group had recorded a profit before taxation of RM1.89 million for the current quarter as compared to the preceding quarter profit before taxation of RM0.96 million. The increase in profit before taxation in the current quarter are mainly contributed by higher revenue recognised in line with the increase in percentage of completion recorded from our construction projects and lower operating expenses incurred from our contents & value added services.

### Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM1.09 million in the current quarter under review which has increase by more than 100.0% as compared with the profit before taxation of RM0.46 million reported in the immediate preceding quarter. The increase in profit before taxation mainly due to lower operating expenses incurred in current quarter.

### Construction

Construction business had recorded a profit before taxation of RM1.0 million in the current quarter under review, an increase of 79.1% compared with the profit before taxation of RM0.56 million reported in the immediate preceding quarter. The increase in profit before tax is mainly contributed by higher revenue recognised in line with the increase in percentage of completion recorded from our construction projects.

### Investment Holding

The investment holding business had recorded a loss before taxation of RM193,000 in the current quarter under review which was increase of more than 100% compared with the loss before taxation of RM58,000 reported in the immediate preceding quarter.

## 19. Current Year Prospects

Our Group has been facing challenges in our content and value-added services as this industry is become increasingly saturated, combined with more intense competition among existing industry participants. Despite the challenging business environment, our Group is striving to improve its situation by implementing new marketing strategies and increasing research and development initiatives to develop more innovative products.

At the same time, E&J Builders Sdn. Bhd. is actively tendering for other construction projects to increase the Group's construction order books. This would be implemented by way of leveraging on the experience and network of its construction key management personnel.

Premised on the positive outlook for the construction industry, our Board is positive that with the expertise and experience of its key management personnel, our Group would be able to enhance our Group's profitability and shareholder value.

## 20. Variance of Profit Forecast

Not Applicable.

## 21. Taxation

	Individual Quarter		Cumulative YTD	
	30 November 2018 RM'000	30 November 2017 RM'000	30 November 2018 RM'000	30 November 2017 RM'000
Current Tax	(1)	212	134	678
Deferred Tax	-	(29)	-	(107)
	<u>(1)</u>	<u>183</u>	<u>134</u>	<u>571</u>

The Group's effective tax rate is lower than the statutory tax rate, primarily due to one of the subsidiary companies of the Group was granted extension of pioneer status for five years under Section 14C, Promotion of Investment Act, 1986. Despite that, tax provision on the business income generated by other subsidiaries has been provided accordingly.

## 22. Sale of Unquoted Investment and Properties

There were no sale of unquoted investments and/or properties during the financial period ended 30 November 2018.

**23. Quoted Securities**

	30 November 2018 RM'000	31 May 2018 RM'000
At Fair Value		
Equity Securities:		
- Quoted Shares	314	395
Analysed as follows:		
Current	314	395

The quoted securities are expected to be realised within 12 months after the reporting period are classified as current assets.

**24. Status of Corporate Proposals**

On 29 October 2018, UOB Kay Hian Securities (M) Sdn Bhd on behalf of the Board of Directors of M-Mode announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of M-MODE to third party investors.

The Proposals were approved by the shareholders of the Company at the annual general meeting held on 16 November 2018.

**25. Group Borrowings and Debt Securities**

The Group borrowings and debt securities as at 30 November 2018 were denominated in Ringgit Malaysia and are as follows:-

	30 November 2018 RM'000	31 May 2018 RM'000
Secured		
Current:		
- Finance Lease Liability	48	47
Non-Current:		
- Finance Lease Liability	72	97
	120	144

**26. Material Litigation**

There was no pending material litigation as at 30 November 2018.

**27. Dividends Payable**

The Board of Directors does not recommend any dividend for the reporting quarter.

**28. Earnings Per Share (EPS)**

(a) Basic / Diluted per share

Basic earnings per share figures are computed by dividing profit for the period attributable to Equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative YTD	
	30 November 2018	30 November 2017	30 November 2018	30 November 2017
Profit attributable to Equity holders of the Company (RM'000)	1,690	1,719	2,517	3,767
Weighted average number of ordinary shares in issue	162,709,500	162,709,500	162,709,500	162,709,500
Basic / Diluted earnings per share (sen)	1.04	1.06	1.55	2.32

**29. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Individual Quarter		Cumulative YTD	
	30 November 2018 RM'000	30 November 2017 RM'000	30 November 2018 RM'000	30 November 2017 RM'000
Dividend income from available-for-sale investment	8	136	8	136
Gain on disposal of property, plant and equipment	-	-	-	4
Unrealised gain on foreign exchange	4	4	16	9
Depreciation of property, plant and equipment	(141)	(212)	(304)	(444)
Amortisation of intangible assets	(16)	(301)	(32)	(599)
Realised loss on foreign exchange	-	(18)	-	(29)

**30. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 January 2019.