

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 28 February 2019
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 28/02/2019 RM'000	(Unaudited) Comparative Qtr Ended 28/02/2018 RM'000	(Unaudited) Cumulative YTD 28/02/2019 RM'000	(Unaudited) Cumulative YTD 28/02/2018 RM'000
Continuing operations					
Revenue		18,915	11,678	42,856	62,519
Cost of sales		(15,126)	(8,364)	(30,898)	(50,921)
Gross profit		<u>3,789</u>	<u>3,314</u>	<u>11,958</u>	<u>11,598</u>
Interest income		372	348	535	1,044
Other income	29	47	(3)	71	153
Gain on disposal of subsidiary companies		-	-	12	-
Other expenditure	29	(3,235)	(1,705)	(8,405)	(5,456)
Depreciation and amortisation		(364)	(471)	(700)	(1,514)
Finance costs		(45)	-	(48)	-
Share of loss in associate		-	(2)	-	(6)
Profit before taxation		<u>564</u>	<u>1,481</u>	<u>3,423</u>	<u>5,819</u>
Taxation	21	(488)	36	(622)	(535)
Profit for the period		<u>76</u>	<u>1,517</u>	<u>2,801</u>	<u>5,284</u>
Other comprehensive income / (expense)					
Items that may be reclassified subsequently to profit or loss:					
- Fair value changes on available for sale financial assets		-	19	(81)	(250)
- Reclassification to profit or loss upon disposal on available for sale financial assets		502	-	502	-
- Exchange differences arising from translation of foreign operations		-	-	1	-
Other comprehensive income / (expense), net of tax		<u>502</u>	<u>19</u>	<u>422</u>	<u>(250)</u>
Total comprehensive income for the period		<u>578</u>	<u>1,536</u>	<u>3,223</u>	<u>5,034</u>
Profit / (Loss) attributable to:					
Equity holders of the Company		(264)	1,517	2,253	5,284
Non-controlling interests		340	-	548	-
		<u>76</u>	<u>1,517</u>	<u>2,801</u>	<u>5,284</u>
Total comprehensive income for the period attributable to:					
Equity holders of the Company		238	1,536	2,675	5,034
Non-controlling interests		340	-	548	-
		<u>578</u>	<u>1,536</u>	<u>3,223</u>	<u>5,034</u>
Earnings per Share Attributable to Equity holders of the Company:					
- Basic / Diluted (Sen)	28	(0.16)	0.93	1.38	3.25

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 28 February 2019

	Note	(Unaudited) As At 28/02/2019 RM'000	(Audited) As At 31/05/2018 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		8,755	5,341
Deferred development cost		412	305
		9,167	5,646
Current Assets			
Trade receivables		27,897	10,313
Amount owing by customers on contracts		2,271	230
Other receivables, deposits & prepaid expenses		35,633	20,767
Other investments	23	-	395
Tax recoverable		440	240
Cash and cash equivalents		22,460	43,491
		88,701	75,436
TOTAL ASSETS		97,868	81,082
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital		17,525	17,525
Reserves		-	(422)
Retained earnings		53,872	51,619
		71,397	68,722
Non-controlling interests		1,038	-
Total Equity		72,435	68,722
Non-current Liabilities			
Bank borrowings	25	1,932	97
Deferred tax liabilities		109	109
		2,041	206
Current Liabilities			
Trade payables		16,022	5,937
Amount owing to customers on contracts		1,999	3,057
Other payables and accrued expenses		4,058	1,967
Bank borrowings	25	870	47
Tax Payable		443	1,146
		23,392	12,154
Total Liabilities		25,433	12,360
TOTAL EQUITY AND LIABILITIES		97,868	81,082
Net Assets Per Share Attributable to Equity holders of the Company (Sen)		43.88	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 28 February 2019
(The figures have not been audited)

	<-- Attributable to Equity holders of the Company -->			Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Available- for-sale Reserve RM'000	Translation Reserve RM'000				
At 1 June 2018	17,525	(421)	(1)	51,619	68,722	-	68,722
Profit for the period	-	-	-	2,253	2,253	548	2,801
Other comprehensive income	-	421	1	-	422	-	422
Total comprehensive income for the period	-	421	1	2,253	2,675	548	3,223
Acquisition of equity interest in a subsidiary	-	-	-	-	-	490	490
At 28 February 2019	17,525	-	-	53,872	71,397	1,038	72,435
At 1 June 2017	17,525	(26)	-	* 53,586	71,085	-	71,085
Profit for the period	-	-	-	5,284	5,284	-	5,284
Other comprehensive expense	-	(250)	-	-	(250)	-	(250)
Total comprehensive income/ (expense) for the period	-	(250)	-	5,284	5,034	-	5,034
At 28 February 2018	17,525	(276)	-	58,870	76,119	-	76,119

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
(formerly known as M-Mode Berhad)
(Company No. 635759-U)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 28 February 2019
(The figures have not been audited)

	(Unaudited) 9 months Ended 28/02/2019 RM'000	(Unaudited) 9 months Ended 28/02/2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	3,423	5,819
Adjustments for:		
Deposits written off	2	-
Depreciation and amortisation	700	1,514
Finance costs	48	-
Share of loss in associate	-	6
Interest income	(535)	(1,044)
Dividend income from available-for-sale investment	(8)	(136)
Gain on disposal of property, plant and equipment	(2)	(4)
Gain on disposal of other investment	518	-
Gain on disposal of subsidiary companies	(12)	-
Unrealised gain on foreign exchange	(16)	(6)
	<hr/>	<hr/>
Operating profit before working capital changes	4,118	6,149
Receivables	(34,493)	(19,561)
Payables	11,129	16,569
	<hr/>	<hr/>
Cash (used in)/generated from operations	(19,246)	3,157
Interest received	535	1,044
Finance cost paid	(48)	-
Tax refund	23	986
Tax paid	(1,546)	(347)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<u>(20,282)</u>	<u>4,840</u>
Cash flows from investing activities		
Net cash inflow arising on acquisition of subsidiary	490	-
Purchase of property, plant and equipment	(1,112)	(1)
Net changes in financial asset	298	(45)
Development expenditure	(154)	(209)
Dividend received	8	136
Proceeds from disposal of property, plant and equipment	2	5
	<hr/>	<hr/>
Net cash used in investing activities	<u>(468)</u>	<u>(114)</u>
Cash flows from financing activity		
Repayment of bank borrowings	(297)	-
	<hr/>	<hr/>
Net cash used in financing activity	<u>(297)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(21,047)	4,726
Effect of exchange rate changes	16	5
Cash and cash equivalents at beginning of year	<hr/>	<hr/>
	43,491	42,197
Cash and cash equivalents at end of period	<hr/> <u>22,460</u>	<hr/> <u>46,928</u>

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Condensed Consolidated Statement of Cash Flows
For The Period Ended 28 February 2019
(The figures have not been audited)

	(Unaudited) 9 months Ended 28/02/2019 RM'000	(Unaudited) 9 months Ended 28/02/2018 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposit with fund management companies	7,038	32,942
Fixed deposit with licensed banks	12,732	4
Cash and bank balances	2,690	13,982
	22,460	46,928

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.

Part A - Explanatory Notes Pursuant to MFRS 134 - 28 February 2019

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 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 on the respective effective dates.

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.

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
Period ended 28 February 2019					
Total external revenue	9,361	33,495	-	-	42,856
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>9,361</u>	<u>33,495</u>	<u>-</u>	<u>-</u>	<u>42,856</u>
Segment results	<u>1,974</u>	<u>2,206</u>	<u>(2,652)</u>	<u>1,943</u>	<u>3,471</u>
Finance costs					(48)
Share of loss in associate					-
Profit before taxation					<u>3,423</u>
Taxation					<u>(622)</u>
Net Profit after taxation					<u>2,801</u>
Period ended 28 February 2018					
Total external revenue	8,711	53,808	-	-	62,519
Inter-segment revenue	(853)	-	-	853	-
Total segment revenue	<u>7,858</u>	<u>53,808</u>	<u>-</u>	<u>853</u>	<u>62,519</u>
Segment results	<u>2,842</u>	<u>3,265</u>	<u>(282)</u>	<u>-</u>	<u>5,825</u>
Finance costs					-
Share of loss in associate					(6)
Profit before taxation					<u>5,819</u>
Taxation					<u>(535)</u>
Net Profit after taxation					<u>5,284</u>
As at 28 February 2019					
Total segment assets	16,144	68,666	63,056	-49,998	97,868
Total segment liabilities	<u>6,007</u>	<u>60,656</u>	<u>331</u>	<u>-41,561</u>	<u>25,433</u>
Depreciation and amortisation	<u>424</u>	<u>214</u>	<u>62</u>	<u>-</u>	<u>700</u>
Non-cash expenses other than depreciation and amortisation	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
As at 28 February 2018					
Total segment assets	49,990	41,391	35,855	(31,299)	95,937
Total segment liabilities	<u>7,426</u>	<u>36,410</u>	<u>1,218</u>	<u>(25,236)</u>	<u>19,818</u>
Depreciation and amortisation	<u>1,446</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>1,514</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 nine months ended 28 February 2019.

6. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the nine months ended 28 February 2019.

7. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the nine months ended 28 February 2019.

8. Dividends Paid

There were no dividends paid during the nine months ended 28 February 2019.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the nine months ended 28 February 2019.

10. Debt And Equity Securities

There were no issuance, cancellation, resale and repayment of debt and equity securities for the nine months ended 28 February 2019.

11. Changes in Composition of the Group

There were no other changes to the composition of the Group for the nine months ended 28 February 2019 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 28 February 2019.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in any contingent liabilities or contingent assets of the Group during the nine months ended 28 February 2019.

14. Subsequent Material Events

There were no material events subsequent to the end of the current quarter up to 23 April 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 nine months ended 28 February 2019.

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:

	28 Feb 2019	31 May 2018
	Level 1 Fair Value RM'000	Level 1 Fair Value RM'000
Financial asset		
Available-for-sale	-	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		
	28 February 2019 RM'000	28 February 2018 RM'000	% Changes	28 February 2019 RM'000	28 February 2018 RM'000	% Changes
Revenue						
- Contents & Value Added Services	2,815	2,658	5.9%	9,361	8,711	7.5%
- Construction	16,100	9,020	78.5%	33,495	53,808	-37.8%
- Investment Holding	-	-	N/A	-	-	N/A
	<u>18,915</u>	<u>11,678</u>	62.0%	<u>42,856</u>	<u>62,519</u>	-31.5%
Profit / (Loss) Before Taxation						
- Contents & Value Added Services	430	807	-46.7%	1,977	2,841	-30.4%
- Construction	595	774	-23.1%	2,158	3,265	-33.9%
- Investment Holding	(461)	(100)	->100%	(712)	(287)	->100%
	<u>564</u>	<u>1,481</u>	-61.9%	<u>3,423</u>	<u>5,819</u>	-41.2%

Overall Performance

The Group had recorded a profit before taxation of RM0.56 million in the current quarter under review which is 61.9% lower than the profit before taxation of RM1.48 million reported in the preceding year's corresponding period. The reduction in profit before taxation was mainly due to retirement gratuity paid to personnel in contents & value added services division and higher construction costs in PV Bukit OUG Project which resulted a lower profit margin in current quarter

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM0.43 million in the current quarter under review which is 46.7% lower than the profit before taxation of RM0.81 million reported in the preceding year's corresponding period. The decrease in profit before taxation was mainly due to retirement gratuity paid in current quarter.

Construction

Construction business had recorded a profit before taxation of RM0.6 million in the current quarter under review which is 23.1% lower than the profit before taxation of RM0.77 million reported in the preceding year's corresponding period. The decrease in profit before taxation was mainly due to higher construction costs in PV Bukit OUG Project which resulted a lower profit margin in current quarter

Investment Holding

Investment holding business had recorded a loss before taxation of RM0.46 million in the current quarter under review compared with a loss before taxation RM0.1 million 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 28 February 2018 RM'000	Immediate Preceding Quarter 30 November 2018 RM'000	% Changes
	Revenue		
- Contents & Value Added Services	2,815	3,575	-21.3%
- Construction	16,100	10,454	54.0%
- Investment Holding	-	-	N/A
	<u>18,915</u>	<u>14,029</u>	34.8%
Profit / (Loss) Before Taxation			
- Contents & Value Added Services	430	1,087	-60.4%
- Construction	595	1,003	-40.7%
- Investment Holding	(461)	(193)	->100.0%
	<u>564</u>	<u>1,897</u>	-70.3%

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

Overall Performance

The Group had recorded a profit before taxation of RM0.56 million for the current quarter as compared to the preceding quarter profit before taxation of RM1.9 million. The reduction in profit before taxation was mainly due to retirement gratuity paid to personnel in contents & value added services division and higher construction costs in PV Bukit OUG Project which resulted a lower profit margin in current quarter.

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM0.43 million in the current quarter under review which has decrease of 60.4% compared with the profit before taxation of RM1.09 million reported in the immediate preceding quarter. The decrease in profit before taxation mainly due to retirement gratuity paid in current quarter.

Construction

Construction business had recorded a profit before taxation of RM0.6 million in the current quarter under review, an decrease of 40.7% compared with the profit before taxation of RM1.0 million reported in the immediate preceding quarter. The decrease in profit before taxation was mainly due to higher construction costs in PV Bukit OUG Project which resulted a lower profit margin in current quarter.

Investment Holding

The investment holding business had recorded a loss before taxation of RM0.46 million in the current quarter under review which was increase of more than 100% compared with the loss before taxation of RM0.19 million reported in the immediate preceding

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.

Based on the company's strategy, 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	
	28 February 2019 RM'000	28 February 2018 RM'000	28 February 2019 RM'000	28 February 2018 RM'000
Current Tax	488	114	622	792
Deferred Tax	-	(150)	-	(257)
	<u>488</u>	<u>(36)</u>	<u>622</u>	<u>535</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 28 February 2019.

23. Quoted Securities

	28 February 2019 RM'000	31 May 2018 RM'000
At Fair Value		
Equity Securities:		
- Quoted Shares	-	395
	<u>-</u>	<u>395</u>
Analysed as follows:		
Current	-	395
	<u>-</u>	<u>395</u>

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 28 February 2019 were denominated in Ringgit Malaysia and are as follows:-

	28 February 2019 RM'000	31 May 2018 RM'000
Secured		
Current:		
- Finance Lease Liability	754	47
- Term Loan	116	-
	<u>870</u>	<u>47</u>
Non-Current:		
- Finance Lease Liability	524	97
- Term Loan	1,408	-
	<u>1,932</u>	<u>97</u>

26. Material Litigation

There was no pending material litigation as at 28 February 2019.

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	
	28 February 2019	28 February 2018	28 February 2019	28 February 2018
Profit attributable to Equity holders of the Company (RM'000)	(264)	1,517	2,253	5,284
	<u>(264)</u>	<u>1,517</u>	<u>2,253</u>	<u>5,284</u>
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)	(0.16)	0.93	1.38	3.25
	<u>(0.16)</u>	<u>0.93</u>	<u>1.38</u>	<u>3.25</u>

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

	Individual Quarter		Cumulative YTD	
	28 February 2019 RM'000	28 February 2018 RM'000	28 February 2019 RM'000	28 February 2018 RM'000
Dividend income from available-for-sale investment	8	-	8	136
Gain on disposal of property, plant and equipment	-	-	2	4
Unrealised gain/(loss) on foreign exchange	4	(3)	16	6
Depreciation of property, plant and equipment	(349)	(201)	(653)	(645)
Amortisation of intangible assets	(15)	(270)	(47)	(869)
Loss on disposal of other investment	(518)	-	(518)	-
Realised loss on foreign exchange	-	(11)	-	(40)

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 30 April 2019.