

**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 31 August 2019  
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/08/2019 RM'000	(Unaudited) Comparative Qtr Ended 31/08/2018 RM'000	(Unaudited) Cumulative YTD 31/08/2019 RM'000	(Unaudited) Cumulative YTD 31/08/2018 RM'000
<b>Continuing operations</b>					
Revenue		23,870	9,912	23,870	9,912
Cost of sales		(19,681)	(6,382)	(19,681)	(6,382)
<b>Gross profit</b>		<u>4,189</u>	<u>3,530</u>	<u>4,189</u>	<u>3,530</u>
Interest income		104	115	104	115
Other income	28	-	12	-	12
Gain on disposal of an associate		7	-	7	-
Gain on disposal of subsidiary companies		-	3	-	3
Other expenditure	28	(3,142)	(2,517)	(3,142)	(2,517)
Depreciation and amortisation		(340)	(179)	(340)	(179)
Finance costs		(53)	(2)	(53)	(2)
<b>Profit before taxation</b>		<u>765</u>	<u>962</u>	<u>765</u>	<u>962</u>
Taxation	20	(187)	(135)	(187)	(135)
<b>Profit for the period</b>		<u><u>578</u></u>	<u><u>827</u></u>	<u><u>578</u></u>	<u><u>827</u></u>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss:					
- Fair value changes on available for sale financial assets		-	9	-	9
- Exchange differences arising from translation of foreign operations		-	1	-	1
<b>Other comprehensive income, net of tax</b>		<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
<b>Total comprehensive income for the period</b>		<u><u>578</u></u>	<u><u>837</u></u>	<u><u>578</u></u>	<u><u>837</u></u>
Profit attributable to:					
Equity holders of the Company		442	827	442	827
Non-controlling interests		136	-	136	-
		<u>578</u>	<u>827</u>	<u>578</u>	<u>827</u>
Total comprehensive income for the period attributable to:					
Equity holders of the Company		442	837	442	837
Non-controlling interests		136	-	136	-
		<u>578</u>	<u>837</u>	<u>578</u>	<u>837</u>
<b>Earnings per Share Attributable to Equity holders of the Company:</b>					
- Basic / Diluted (Sen)	27	0.21	0.51	0.21	0.51

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 2019 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 31 August 2019

	Note	(Unaudited) As At 31/08/2019 RM'000	(Audited) As At 31/05/2019 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant & equipment		10,228	9,688
Deferred development cost		260	267
		10,488	9,955
<b>Current Assets</b>			
Trade receivables		34,632	25,342
Contract assets		2,432	6,459
Other receivables, deposits & prepayments		34,868	35,039
Tax recoverable		399	421
Cash and cash equivalents		32,023	18,784
		104,354	86,045
<b>TOTAL ASSETS</b>		<b>114,842</b>	<b>96,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Equity Holders of the Company</b>			
Share capital		29,484	17,525
Retained earnings		54,623	54,181
		84,107	71,706
Non-controlling interests		1,345	1,209
<b>Total Equity</b>		85,452	72,915
<b>Non-current Liabilities</b>			
Borrowings	24	2,580	1,804
Deferred tax liabilities		207	207
		2,787	2,011
<b>Current Liabilities</b>			
Trade payables		22,007	17,095
Contract liabilities		90	581
Other payables and accrued expenses		3,414	2,190
Borrowings	24	1,080	815
Tax Payable		12	393
		26,603	21,074
<b>Total Liabilities</b>		29,390	23,085
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>114,842</b>	<b>96,000</b>
Net Assets Per Share Attributable to Equity holders of the Company (Sen)		39.76	44.07

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 2019 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 31 August 2019  
(The figures have not been audited)

	<-- Attributable to Equity holders of the Company -->						Total Equity RM'000
	Non-Distributable			Distributable		Non- Controlling Interest RM'000	
	Share Capital RM'000	Available- for-sale Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
<b>At 1 June 2019</b>	17,525	-	-	54,181	71,706	1,209	72,915
Profit / Total comprehensive income for the period	-	-	-	442	442	136	578
Issuance of shares during the period	11,959	-	-	-	11,959		11,959
<b>At 31 August 2019</b>	<b>29,484</b>	<b>-</b>	<b>-</b>	<b>54,623</b>	<b>84,107</b>	<b>1,345</b>	<b>85,452</b>
<b>At 1 June 2018</b>	17,525	(421)	(1)	51,619	68,722	-	68,722
Profit for the period	-	-	-	827	827	-	827
Other comprehensive income	-	9	1	-	10	-	10
Total comprehensive income for the period	-	9	1	827	837	-	837
<b>At 31 August 2018</b>	<b>17,525</b>	<b>(412)</b>	<b>-</b>	<b>52,446</b>	<b>69,559</b>	<b>-</b>	<b>69,559</b>

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 2019 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 31 August 2019  
(The figures have not been audited)

	<b>(Unaudited)</b> <b>3 months</b> <b>Ended</b> <b>31/08/2019</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>3 months</b> <b>Ended</b> <b>31/08/2018</b> <b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	765	962
Adjustments for:		
Deposits written off	-	2
Depreciation and amortisation	340	179
Finance costs	53	2
Gain on disposal of an associate	(7)	-
Gain on disposal of subsidiary companies	-	(3)
Interest income	(104)	(115)
Unrealised gain on foreign exchange	-	(12)
	<hr/>	<hr/>
Operating profit before changes in working capital	1,047	1,015
Receivables	(5,092)	(19,376)
Payables	5,645	(1,432)
	<hr/>	<hr/>
Cash generated from / (used in) operations	1,600	(19,793)
Tax refund	114	23
Tax paid	(660)	(18)
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	1,054	(19,788)
<b>Cash flows from investing activities</b>		
Net cash inflow arising on disposal of an associate	7	-
Net cash inflow arising on issuance of share capital	11,959	-
Purchase of property, plant and equipment	(350)	(96)
Development expenditure	(3)	(56)
Interest received	104	115
	<hr/>	<hr/>
Net cash generated from / (used in) investing activities	11,717	(37)
<b>Cash flows from financing activities</b>		
Net changes in borrowings	521	(11)
Finance cost paid	(53)	(2)
	<hr/>	<hr/>
Net cash generated from / (used in) financing activities	468	(13)
Net increase / (decrease) in cash and cash equivalents	13,239	(19,838)
Effect of exchange rate changes	-	13
Cash and cash equivalents at beginning of period	18,784	43,491
	<hr/>	<hr/>
Cash and cash equivalents at end of period	32,023	23,666
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposit with fund management companies	10,324	5,358
Fixed deposit with licensed banks	-	14,004
Cash and bank balances	21,699	4,304
	<hr/>	<hr/>
	32,023	23,666
	<hr/>	<hr/>

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Part A - Explanatory Notes Pursuant to MFRS 134 - 31 August 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 2019. The consolidated financial statements of the Group as at and for the year ended 31 May 2019 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 2019 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2019:

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations (Annual Improvements 2015 -2017)
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangement (Annual Improvements 2015 -2017)
Amendments to MFRS 112	Income Taxes (Annual Improvements 2015 -2017)
Amendments to MFRS 119	Employee Benefits (Plan amendment, curtailment or settlement)
Amendments to MFRS 123	Borrowings Costs (Annual Improvements 2015 -2017)
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretations 23	Uncertainty over Income Tax Treatments

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 MFRSs, amendments to MFRSs, IC Interpretations and amendments to 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	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 2019 was not subjected to any audit qualification.

#### 4. Segmental Information

	Construction RM'000	Contents & Value Added Services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
<b>Period ended 31 August 2019</b>					
Total external revenue	20,484	3,386	-	-	23,870
Inter-segment revenue	6,637	-	-	(6,637)	-
Total segment revenue	<u>27,121</u>	<u>3,386</u>	<u>-</u>	<u>(6,637)</u>	<u>23,870</u>
Segment results	<u>615</u>	<u>500</u>	<u>(297)</u>	<u>-</u>	<u>818</u>
Finance costs					(53)
Profit before taxation					765
Taxation					(187)
Net Profit after taxation					<u>578</u>

#### Period ended 31 August 2018

Total external revenue	6,941	2,971	-	-	9,912
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>6,941</u>	<u>2,971</u>	<u>-</u>	<u>-</u>	<u>9,912</u>
Segment results	<u>562</u>	<u>457</u>	<u>(58)</u>	<u>3</u>	<u>964</u>
Finance costs					(2)
Profit before taxation					962
Taxation					(135)
Net Profit after taxation					<u>827</u>

#### As at 31 August 2019

Total segment assets	<u>74,926</u>	<u>19,301</u>	<u>73,305</u>	<u>(52,690)</u>	<u>114,842</u>
Total segment liabilities	<u>65,925</u>	<u>8,673</u>	<u>477</u>	<u>(45,685)</u>	<u>29,390</u>
Depreciation and amortisation	<u>216</u>	<u>104</u>	<u>20</u>	<u>-</u>	<u>340</u>
Non-cash expenses other than depreciation and amortisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### As at 31 August 2018

Total segment assets	<u>50,194</u>	<u>14,599</u>	<u>65,184</u>	<u>(49,369)</u>	<u>80,608</u>
Total segment liabilities	<u>43,735</u>	<u>6,131</u>	<u>175</u>	<u>(38,992)</u>	<u>11,049</u>
Depreciation and amortisation	<u>2</u>	<u>155</u>	<u>22</u>	<u>-</u>	<u>179</u>
Non-cash expenses other than depreciation and amortisation	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</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 of the Group for the three months ended 31 August 2019.

#### 6. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the three months ended 31 August 2019.

#### 7. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the three months ended 31 August 2019.

#### 8. Dividends Paid

There were no dividends paid during the three months ended 31 August 2019.

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

Property, plant and equipment of the Group were not revalued during the three months ended 31 August 2019.

#### 10. Debt And Equity Securities

On 29 August 2019, the issued and fully paid-up capital of the Company increased from 162,709,500 ordinary shares to 211,522,350 ordinary shares through private placement of 48,812,850 ordinary shares at the subscription price of RM0.245. The newly issued ordinary shares ranked pari passu in all respect with the existing shares.

Other than the above, there were no issuance, cancellation, resale and repayment of debt and equity securities for the three months ended 31 August 2019.

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

There were no other changes to the composition of the Group for the three months ended 31 August 2019 except for the following:-

- (a) On 13 June 2019, the Company had entered into a Share Sale Agreement with Dato' Tung Wai Fun for the disposal of an associate company. The equity interest in Say Me Commerce Sdn. Bhd., comprising of 310,000 ordinary shares is disposed for a cash consideration of RM6,700. The share disposal was completed on 8 July 2019.

#### 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 31 August 2019.

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

Details of contingent liabilities of the Company are as follows:

	31 August 2019 RM'000	31 May 2019 RM'000
Corporate guarantees in favour of customers of its wholly-owned subsidiary, E&J Builders Sdn. Bhd. for performance obligation of a project awarded to the subsidiary.	10,533	10,533
Corporate guarantees in favour of licensed banks for repayment of the following:		
- fixed rate industrial hire purchase facilities granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to part finance the purchase of machineries and equipment.	8,000	8,000
- industrial hire purchase facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to part finance the purchase of one unit of tower crane.	520	520
- trade finance facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance certified amount of the invoice/payment certificate/progress claim for contracts certified by the customer.	25,000	25,000
- hire purchase facilities granted to its subsidiary, Gabungan EJB Construct Sdn. Bhd. to part finance the purchase of one unit of passenger hoist.	218	218
	<u>44,271</u>	<u>44,271</u>

Other than the above, there were no changes in any contingent liabilities or contingent assets of the Group during the three months ended 31 August 2019.

#### 14. Subsequent Material Events

- (a) On 29 July 2019, the Company entered into a Share Sale Agreement with Dato' Lim Thean Keong for the disposals of three wholly-owned subsidiaries as below for a total cash consideration of RM12,000,000:

- (i) the entire equity interest in M-Mode Mobile Sdn. Bhd., comprising 250,000 ordinary shares;  
(ii) the entire equity interest in Mobile Multimedia Sdn. Bhd., comprising 100,000 ordinary shares; and  
(iii) the entire equity interest in Tameko Sdn. Bhd., comprising 2 ordinary shares.

M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. shall cease to be wholly-owned subsidiaries of the Company on completion of the sale and purchase of the sale of shares pursuant to the terms and conditions in the Share Sale Agreement.

- (b) On 10 October 2019, the Company has completed the proposal to acquire 750,000 ordinary shares of Rexallent Construction Sdn. Bhd., representing 100% equity interest of Rexallent Construction Sdn. Bhd. from Kilau Makmur Sdn. Bhd. for a purchase consideration of RM45,000,000, to be satisfied via a combination of cash payment of RM20,000,000 and the issuance of 102,040,816 new ordinary shares in the Company at the issue price of RM0.245 per share.

There were no other material events subsequent to the end of the current quarter up to 17 October 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 three months ended 31 August 2019.

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

**16. 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		
	31 August 2019 RM'000	31 August 2018 RM'000	% Changes	31 August 2019 RM'000	31 August 2018 RM'000	% Changes
<b>Revenue</b>						
- Construction	20,484	6,941	>100%	20,484	6,941	>100%
- Contents & Value Added Services	3,386	2,971	14.0%	3,386	2,971	14.0%
- Investment Holding	-	-	N/A	-	-	N/A
	<u>23,870</u>	<u>9,912</u>	>100%	<u>23,870</u>	<u>9,912</u>	>100%
<b>Profit / (Loss) Before Taxation</b>						
- Construction	562	560	0.4%	562	560	0.4%
- Contents & Value Added Services	500	460	8.7%	500	460	8.7%
- Investment Holding	(297)	(58)	->100%	(297)	(58)	->100%
	<u>765</u>	<u>962</u>	-20.5%	<u>765</u>	<u>962</u>	-20.5%

Overall Performance

The Group had recorded a profit before taxation of RM0.77 million in the current quarter under review as compared to preceding year's corresponding period profit before taxation of RM0.96 million. The reduction in profit before taxation was mainly due to higher expenses incurred in investment holding division. Despite the revenue from construction division increased from RM6.94 million to RM20.48 million, profit before taxation remain constant at RM0.56 million mainly due to lower profit margin contribution in PV Bukit OUG Project in the current quarter.

Construction

Construction business had recorded a profit before taxation of RM0.56 million in the current quarter and preceding year's corresponding period. Despite higher progress construction work done recognized, lower profit recorded due to lower margin contributed in PV Bukit OUG Project in the current quarter.

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM0.50 million in the current quarter under review which is 8.7% higher than the profit before taxation of RM0.46 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.

Investment Holding

Investment holding business had recorded a loss before taxation of RM0.30 million in the current quarter under review compared with a loss before taxation RM0.10 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.



## 17. Review of Performance - Comparison with Corresponding Results of Preceding Quarter

	Current Quarter 31 August 2019 RM'000	Immediate Preceding Quarter 31 May 2019 RM'000	% Changes
<b>Revenue</b>			
- Construction	20,484	16,298	25.7%
- Contents & Value Added Services	3,386	3,051	11.0%
- Investment Holding	-	-	N/A
	<u>23,870</u>	<u>19,349</u>	23.4%
<b>Profit / (Loss) Before Taxation</b>			
- Construction	562	718	-21.7%
- Contents & Value Added Services	500	(128)	>100%
- Investment Holding	(297)	(100)	->100%
	<u>765</u>	<u>490</u>	56.1%

### Overall Performance

The Group had recorded a profit before taxation of RM0.77 million in the current quarter under review which has increase by 56.1% as compared with the profit before taxation of RM0.49 million reported in the immediate preceding quarter. The increase in profit before taxation was mainly due to lower operating expense incurred from our contents & value added services.

### Construction

Construction business had recorded a profit before taxation of RM0.56 million in the current quarter under review compared with the profit before taxation of RM0.72 million reported in the immediate preceding quarter. Despite higher progress construction work done recognized, lower profit recorded due to lower margin contributed in PV Bukit OUG Project in the current quarter.

### Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM0.50 million in the current quarter under review compared with the loss before taxation of RM0.13 million reported in the immediate preceding quarter. The improvement in profit before taxation was mainly due to lower operating expenses in the current quarter.

### Investment Holding

The investment holding business had recorded a loss before taxation of RM0.30 million in the current quarter under review compared with the loss before taxation of RM0.10 million reported in the immediate preceding quarter. The increase in loss before taxation was mainly due to higher expenses incurred in current quarter.

## 18. Current Year Prospects

The Group will continue tendering for new construction projects to enhance its order book as well as focusing on project execution to ensure timely completion of all on-going projects. Despite of the challenges in 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.

## 19. Variance of Profit Forecast

Not Applicable.

## 20. Taxation

	Individual Quarter		Cumulative YTD	
	31 August 2019 RM'000	31 August 2018 RM'000	31 August 2019 RM'000	31 August 2018 RM'000
Current Tax	187	135	187	135
Deferred Tax	-	-	-	-
	<u>187</u>	<u>135</u>	<u>187</u>	<u>135</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.

## 21. Sale of Unquoted Investment and Properties

There were no sale of unquoted investments and/or properties during the three months ended 31 August 2019.

## 22. Quoted Securities

There were no purchases or sales of quoted securities during the three months ended 31 August 2019.

## 23. Status of Corporate Proposals

(a) On 30 April 2019, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the Company proposes to undertake the following:-

- (i) acquisition of 750,000 ordinary shares of Rexallent Construction Sdn. Bhd., representing 100% equity interest of Rexallent Construction Sdn. Bhd. from Kilau Makmur Sdn. Bhd. for a purchase consideration of RM45,000,000, to be satisfied via a combination of cash payment of RM20,000,000 and the issuance of 102,040,816 new ordinary shares in the Company at the issue price of RM0.245 per share ("Proposed Acquisition"). This Proposed Acquisition was completed on 10 October 2019; and
- (ii) private placement of 48,812,850, representing 30% of the total issued shares at the subscription price of RM0.245 per placement share. On 29 August 2019, the issuance of share capital pursuant to private placement ("Proposed Private Placement"). This Proposed Private Placement was completed on 29 August 2019.

(b) On 29 July 2019, the Company entered into a Shares Sale Agreement with Dato' Lim Thean Keong for the disposals of three wholly-owned subsidiaries as below for a total cash consideration of RM12,000,000.00:

- (i) the entire equity interest in M-Mode Mobile Sdn. Bhd., comprising 250,000 ordinary shares;
- (ii) the entire equity interest in Mobile Multimedia Sdn. Bhd., comprising 100,000 ordinary shares; and
- (iii) the entire equity interest in Tameko Sdn. Bhd., comprising 2 ordinary shares.

M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. shall cease to be wholly-owned subsidiaries of the Company on completion of the sale and purchase of the sale of shares pursuant to the terms and conditions in the Share Sale Agreement.

## 24. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 August 2019 were denominated in Ringgit Malaysia and are as follows:-

	As at 31 August 2019 RM'000	As at 31 May 2019 RM'000
Secured		
Current:		
- Finance Lease Liabilities	1,030	766
- Term Loans	50	49
	<u>1,080</u>	<u>815</u>
Non-Current:		
- Finance Lease Liabilities	1,116	328
- Term Loans	1,464	1,476
	<u>2,580</u>	<u>1,804</u>

## 25. Material Litigation

There was no pending material litigation as at 31 August 2019.

## 26. Dividends Payable

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

## 27. 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	
	31 August 2019	31 August 2018	31 August 2019	31 August 2018
Profit attributable to Equity holders of the Company (RM'000)	442	827	442	827
Weighted average number of ordinary shares in issue	211,522,350	162,709,500	211,522,350	162,709,500
Basic / Diluted earnings per share (sen)	<u>0.21</u>	<u>0.51</u>	<u>0.21</u>	<u>0.51</u>

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

	Individual Quarter		Cumulative YTD	
	31 Aug 2019 RM'000	31 Aug 2018 RM'000	31 Aug 2019 RM'000	31 Aug 2018 RM'000
Unrealised gain on foreign exchange	-	12	-	12
Depreciation of property, plant and equipment	(329)	(163)	(329)	(163)
Amortisation of intangible assets	(11)	(16)	(11)	(16)

**29. 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 October 2019.