

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Period Ended 30 November 2019
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 30/11/2019 RM'000	(Unaudited) Comparative Qtr Ended 30/11/2018 RM'000	(Unaudited) Cumulative YTD 30/11/2019 RM'000	(Unaudited) Cumulative YTD 30/11/2018 RM'000
Continuing operations					
Revenue		39,262	14,029	63,132	23,941
Cost of sales		(34,411)	(9,390)	(54,092)	(15,772)
Gross profit		<u>4,851</u>	<u>4,639</u>	<u>9,040</u>	<u>8,169</u>
Interest income		104	48	208	163
Other income	29	-	12	-	24
Gain on disposal of an associate		-	-	7	-
Gain on disposal of subsidiary companies		-	9	-	12
Other expenditure	29	(1,910)	(2,653)	(5,052)	(5,170)
Depreciation and amortisation	29	(519)	(157)	(859)	(336)
Finance costs		(62)	(1)	(115)	(3)
Profit before taxation		<u>2,464</u>	<u>1,897</u>	<u>3,229</u>	<u>2,859</u>
Taxation	21	(417)	1	(604)	(134)
Profit for the period		<u><u>2,047</u></u>	<u><u>1,898</u></u>	<u><u>2,625</u></u>	<u><u>2,725</u></u>
Other comprehensive income / (loss)					
Items that may be reclassified subsequently to profit or loss:					
- Fair value changes on available for sale financial assets		-	(90)	-	(81)
- Exchange differences arising from translation of foreign operations		-	1	-	1
Other comprehensive loss, net of tax		<u>-</u>	<u>(89)</u>	<u>-</u>	<u>(80)</u>
Total comprehensive income for the period		<u><u>2,047</u></u>	<u><u>1,809</u></u>	<u><u>2,625</u></u>	<u><u>2,645</u></u>
Profit attributable to:					
Equity holders of the Company		1,810	1,690	2,252	2,517
Non-controlling interests		237	208	373	208
		<u>2,047</u>	<u>1,898</u>	<u>2,625</u>	<u>2,725</u>
Total comprehensive income for the period attributable to:					
Equity holders of the Company		1,810	1,601	2,252	2,437
Non-controlling interests		237	208	373	208
		<u>2,047</u>	<u>1,809</u>	<u>2,625</u>	<u>2,645</u>
Earnings per Share Attributable to Equity holders of the Company:					
- Basic / Diluted (Sen)	28	0.58	1.04	0.72	1.55

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
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Financial Position
As At 30 November 2019

	Note	(Unaudited) As At 30/11/2019 RM'000	(Audited) As At 31/05/2019 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		11,554	9,688
Goodwill on consolidation	11(b)	39,325	-
Deferred development cost		252	267
Copyright license		9	-
Other investments	23	15,540	-
		66,680	9,955
Current Assets			
Trade receivables		76,460	25,342
Contract assets		2,715	6,459
Other receivables, deposits & prepayments		13,933	35,039
Tax recoverable		784	421
Cash and cash equivalents		21,393	18,784
		115,285	86,045
TOTAL ASSETS		181,965	96,000
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital		54,484	17,525
Retained earnings		56,433	54,181
		110,917	71,706
Non-controlling interests		1,582	1,209
Total Equity		112,499	72,915
Non-current Liabilities			
Borrowings	25	2,583	1,804
Deferred tax liabilities		422	207
		3,005	2,011
Current Liabilities			
Trade payables		52,585	17,095
Contract liabilities		4,694	581
Other payables and accrued expenses		7,924	2,190
Borrowings	25	1,258	815
Tax Payable		-	393
		66,461	21,074
Total Liabilities		69,466	23,085
TOTAL EQUITY AND LIABILITIES		181,965	96,000
Net Assets Per Share Attributable to Equity holders of the Company (Sen)		35.37	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
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement of Changes in Equity
For The Period Ended 30 November 2019
(The figures have not been audited)

	<-- Attributable to Equity holders of the Company -->			Retained Earnings RM'000	Sub-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 2019	17,525	-	-	54,181	71,706	1,209	72,915
Profit / Total comprehensive income for the period	-	-	-	2,252	2,252	373	2,625
Issuance of shares during the period	36,959	-	-	-	36,959		36,959
At 30 November 2019	54,484	-	-	56,433	110,917	1,582	112,499
At 1 June 2018	17,525	(421)	(1)	51,619	68,722	-	68,722
Profit for the period	-	-	-	2,517	2,517	208	2,725
Other comprehensive income / (loss)	-	(81)	1	-	(80)	-	(80)
Total comprehensive income / (loss) for the period	-	(81)	1	2,517	2,437	208	2,645
Issuance of equity interest to non-controlling interest	-	-	-	-	-	490	490
At 30 November 2018	17,525	(502)	-	54,136	71,159	698	71,857

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
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 November 2019
(The figures have not been audited)

	Note	(Unaudited) 6 months Ended 30/11/2019 RM'000	(Unaudited) 6 months Ended 30/11/2018 RM'000
Cash Flows from Operating Activities			
Profit before taxation		3,229	2,859
Adjustments for:			
Deposits written off		-	2
Depreciation and amortisation		859	336
Finance costs		115	3
Dividend income from available-for-sale investment		-	(8)
Gain on disposal of an associate		(7)	-
Gain on disposal of subsidiary companies		-	(12)
Interest income		(208)	(163)
Unrealised gain on foreign exchange		-	(16)
		<u>3,988</u>	<u>3,001</u>
Operating profit before changes in working capital		3,988	3,001
Receivables		26,161	(21,878)
Payables		(20,502)	(140)
		<u>9,647</u>	<u>(19,017)</u>
Cash generated from / (used in) operations		9,647	(19,017)
Tax refund		564	23
Tax paid		(1,075)	(45)
		<u>9,136</u>	<u>(19,039)</u>
Net cash generated from / (used in) operating activities		<u>9,136</u>	<u>(19,039)</u>
Cash flows from investing activities			
Net cash inflow arising from disposal of an associate		7	-
Net cash inflow arising from issuance of share capital in subsidiary company		-	490
Net cash outflow arising on acquisition of subsidiary company	11(b)	(42,813)	-
Net cash inflow arising from issuance of share capital		36,959	-
Purchase of property, plant and equipment		(938)	(181)
Purchase of intangible asset		(9)	-
Development expenditure		(7)	(110)
Interest received		208	163
Dividend received		-	8
		<u>(6,593)</u>	<u>370</u>
Net cash (used in) / generated from investing activities		<u>(6,593)</u>	<u>370</u>
Cash flows from financing activities			
Net changes in borrowings		181	(23)
Finance cost paid		(115)	(3)
		<u>66</u>	<u>(26)</u>
Net cash generated from / (used in) financing activities		<u>66</u>	<u>(26)</u>
Net increase / (decrease) in cash and cash equivalents		2,609	(18,695)
Effect of exchange rate changes		-	17
Cash and cash equivalents at beginning of period		<u>18,784</u>	<u>43,491</u>
Cash and cash equivalents at end of period		<u><u>21,393</u></u>	<u><u>24,813</u></u>

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
 Condensed Consolidated Statement of Cash Flows
 For The Period Ended 30 November 2019
 (The figures have not been audited)

	Note	(Unaudited) 6 months Ended 30/11/2019 RM'000	(Unaudited) 6 months Ended 30/11/2018 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:			
Short-term deposit with fund management companies		16,423	5,646
Fixed deposit with licensed banks		32	14,004
Cash and bank balances		4,938	5,163
		21,393	24,813

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 - 30 November 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 7	Financial Instruments: Disclosures	1 January 2020
Amendments to MFRS 9	Financial Instruments	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
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	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
Period ended 30 November 2019					
Total external revenue	57,155	5,977	-	-	63,132
Inter-segment revenue	7,343	-	-	(7,343)	-
Total segment revenue	<u>64,498</u>	<u>5,977</u>	<u>-</u>	<u>(7,343)</u>	<u>63,132</u>
Segment results	<u>2,433</u>	<u>1,610</u>	<u>(699)</u>	<u>-</u>	<u>3,344</u>
Finance costs					(115)
Profit before taxation					3,229
Taxation					(604)
Net Profit after taxation					<u>2,625</u>

Period ended 31 November 2018

Total external revenue	17,395	6,546	-	-	23,941
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>17,395</u>	<u>6,546</u>	<u>-</u>	<u>-</u>	<u>23,941</u>
Segment results	<u>1,567</u>	<u>1,544</u>	<u>(2,192)</u>	<u>1,943</u>	<u>2,862</u>
Finance costs					(3)
Profit before taxation					2,859
Taxation					(134)
Net Profit after taxation					<u>2,725</u>

As at 30 November 2019

Total segment assets	123,260	20,995	98,930	(61,220)	181,965
Total segment liabilities	107,246	9,257	1,504	(48,541)	69,466
Depreciation and amortisation	586	232	41	-	859
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-

As at 30 November 2018

Total segment assets	52,941	15,845	63,044	(48,144)	83,686
Total segment liabilities	44,988	6,291	258	(39,706)	11,831
Depreciation and amortisation	-	294	42	-	336
Non-cash expenses other than depreciation and amortisation	-	2	-	-	2

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 six months ended 30 November 2019.

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 2019.

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 2019.

8. Dividends Paid

There were no dividends paid during the six months ended 30 November 2019.

9. Valuation of Property, Plant and Equipment

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

On 23 September 2019, the issued and fully paid-up capital of the Company increased from 211,522,350 ordinary shares to 313,563,166 ordinary shares through acquisition of 750,000 ordinary shares of Rexallent Construction Sdn. Bhd. of 102,040,816 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 six months ended 30 November 2019.

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 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.
- (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.

The following summarises the major classes of consideration transferred and the recognised amount of assets and liabilities assumed for the acquisition of Rexallent Construction Sdn. Bhd.

	RM'000
Property, plant & equipment	810
Other investments	15,540
Trade receivables	40,474
Contract assets	832
Other receivables, deposits & prepayments	11,657
Cash and cash equivalents	2,187
Trade payables	(38,797)
Other payables and accrued expenses	(26,942)
Borrowings	(86)
Net identifiable assets and liabilities	<u>5,675</u>

Net cash outflow arising from the acquisition of subsidiary company

Purchase consideration settled in cash	(20,000)
Purchase consideration settled in issuance of 102,040,816 new ordinary shares	(25,000)
Cash and bank balances acquired	2,187
	<u>(42,813)</u>

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

Fair value of consideration transferred	45,000
Fair value of identifiable assets acquired and liabilities assumed	<u>(5,675)</u>
Goodwill attributable to owners of parent	<u>39,325</u>

The fair value of assets acquired and liabilities assumed and purchase consideration have been determined on a provisional basis pending completion of purchase price allocation exercise. The purchase price allocation exercise is expected to be completed not exceeding one year from the acquisition date. The goodwill on acquisition is provisional estimated to be RM39.33 million, it will be adjusted accordingly on a retrospective basis if any identified intangible assets is allocated when the purchase price allocation is finalised.

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 2019.

13. Changes in Contingent Liabilities and Contingent Assets

Details of contingent liabilities of the Company are as follows:

	30 November 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 two units of passenger hoist.	435	218
	<u>44,488</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 six months ended 30 November 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.

There were no other material events subsequent to the end of the current quarter up to 14 January 2020 (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 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:

	As at 30 November 2019 Level 1 Fair Value RM'000	As at 31 May 2019 Level 1 Fair Value RM'000
Financial asset Available-for-sale	<u>15,540</u>	<u>-</u>

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 2019 RM'000	30 November 2018 RM'000	% Changes	30 November 2019 RM'000	30 November 2018 RM'000	% Changes
Revenue						
- Construction	36,671	10,454	>100%	57,155	17,395	>100%
- Contents & Value Added Services	2,591	3,575	-27.5%	5,977	6,546	-8.7%
- Investment Holding	-	-	N/A	-	-	N/A
	<u>39,262</u>	<u>14,029</u>	>100%	<u>63,132</u>	<u>23,941</u>	>100%
Profit / (Loss) Before Taxation						
- Construction	1,818	1,003	81.3%	2,318	1,563	48.3%
- Contents & Value Added Services	1,048	1,087	-3.6%	1,610	1,547	4.1%
- Investment Holding	(402)	(193)	->100%	(699)	(251)	->100%
	<u>2,464</u>	<u>1,897</u>	29.9%	<u>3,229</u>	<u>2,859</u>	12.9%

Overall Performance

The Group had recorded a profit before taxation of RM2.46 million in the current quarter under review as compared to preceding year's corresponding period profit before taxation of RM1.90 million. The increase in profit before taxation was mainly contribute from the new acquired subsidiary from construction business.

Construction

Construction business had recorded a profit before taxation of RM1.82 million in the current quarter under review which is 81.3% higher than the profit before taxation of RM1.00 million reported in the preceding year's corresponding period. The increase in profit before taxation was mainly contribute from the new acquired subsidiary.

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM1.05 million in the current quarter under review which is 3.6% lower than the profit before taxation of RM1.09 million reported in the preceding year's corresponding period. The decrease in profit before taxation was mainly due to lower revenue generated offset with lower operating expenses in current quarter.

Investment Holding

Investment holding business had recorded a loss before taxation of RM0.40 million in the current quarter under review compared with a loss before taxation RM0.20 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 30 November 2019 RM'000	Immediate Preceding Quarter 31 August 2019 RM'000	% Changes
Revenue			
- Construction	36,671	20,484	79.0%
- Contents & Value Added Services	2,591	3,386	-23.5%
- Investment Holding	-	-	N/A
	<u>39,262</u>	<u>23,870</u>	64.5%
Profit / (Loss) Before Taxation			
- Construction	1,818	562	>100%
- Contents & Value Added Services	1,048	500	>100%
- Investment Holding	(402)	(297)	->100%
	<u>2,464</u>	<u>765</u>	>100%

Overall Performance

The Group had recorded a profit before taxation of RM2.46 million in the current quarter under review which has increase more than 100% as compared with the profit before taxation of RM0.77 million reported in the immediate preceding quarter. The increase in profit before taxation was mainly contribute from the new acquired subsidiary in construction business and lower operating expense incurred from our contents & value added services.

Construction

Construction business had recorded a profit before taxation of RM1.82 million in the current quarter under review compared with the profit before taxation of RM0.56 million reported in the immediate preceding quarter. The significant increase in profit before taxation was mainly contribute from the new acquired subsidiary.

Contents & Value Added Services

Contents & value added services business had recorded a profit before taxation of RM1.05 million in the current quarter under review compared with the profit before taxation of RM0.50 million reported in the immediate preceding quarter. The increase 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 RM0.40 million in the current quarter under review compared with the loss before taxation of RM0.30 million reported in the immediate preceding quarter. The increase in loss before taxation was mainly due to higher expenses incurred in current quarter.

19. 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. 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 2019 RM'000	30 November 2018 RM'000	30 November 2019 RM'000	30 November 2018 RM'000
Current Tax	417	(1)	604	134

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 six months ended 30 November 2019.

23. Quoted Securities

	As at 30 November 2019 RM'000	As at 31 May 2019 RM'000
At Fair Value		
Equity Securities:		
- Quoted Shares	15,540	-
	<hr/> <hr/>	<hr/> <hr/>
Analysed as follows:		
Non-Current	15,540	-
	<hr/> <hr/>	<hr/> <hr/>

24. Status of Corporate Proposals

- (a) On 29 October 2018, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the Company proposes to undertake a private placement of up to 10% of the total number of issued shares of ECOBUILT ('Proposed Private Placement') to third party investors to be identified later.

On 30 October 2018, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced additional information in relation to Section 2.6 of the Announcement, as follows:-

2.6 Utilisation of proceeds

Based on the indicative issue price of RM0.31 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM5.04 million. The proceeds are intended to be utilised by ECOBUILT and its subsidiary companies ("ECOBUILT Group" or the "Group") in the manner set out below:-

<u>Details of utilisation</u>	<u>Timeframe for utilisation</u>	<u>Amount</u> RM'000
Working capital for construction business *1	Within 12 months from listing date	4,989
Defray estimated expenses*2	Upon completion	55
		<hr/> <hr/> 5,044

On 16 November 2018, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

On 23 November 2018, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") on behalf of the Board of Directors of Ecobuilt announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 23 November 2018, resolved to approve the listing of and quotation of up to 16,270,950 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the following conditions:-

- (i) ECOBUILT and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) ECOBUILT and UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement; and
- (iii) ECOBUILT to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

On 8 May 2019, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") on behalf of the Board of Directors of Ecobuilt announced UOBKH had on 8 May 2019 submitted an application to Bursa Malaysia Securities Berhad to seek its approval for an extension of time of 6 months up to 21 November 2019 to complete the implementation of the Private Placement.

On 17 May 2019, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that that Bursa Malaysia Securities Berhad had, vide its letter dated 16 May 2019 (which was received on 17 May 2019), resolved to grant an extension of time until 21 November 2019 for Ecobuilt to complete the Private Placement.

On 5 November 2019, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") on behalf of the Board of Directors of Ecobuilt announced UOBKH had on 5 November 2019 submitted an application to Bursa Malaysia Securities Berhad to seek its approval for an extension of time of 6 months up to 21 May 2020 to complete the implementation of the Private Placement.

On 22 November 2019, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that that Bursa Malaysia Securities Berhad had, vide its letter dated 22 November 2019, resolved to grant an extension of time until 21 May 2020 for Ecobuilt to complete the Private Placement.

24. Status of Corporate Proposals (Continued)

- (b) 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.
- (c) 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.

25. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 November 2019 were denominated in Ringgit Malaysia and are as follows:-

	As at 30 November 2019 RM'000	As at 31 May 2019 RM'000
Secured		
Current:		
- Finance Lease Liabilities	1,208	766
- Term Loans	50	49
	<u>1,258</u>	<u>815</u>
Non-Current:		
- Finance Lease Liabilities	1,450	328
- Term Loans	1,133	1,476
	<u>2,583</u>	<u>1,804</u>

26. Material Litigation

There was no pending material litigation as at 30 November 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	
	30 November 2019	30 November 2018	30 November 2019	30 November 2018
Profit attributable to Equity holders of the Company (RM'000)	1,810	1,690	2,252	2,517
Weighted average number of ordinary shares in issue	313,563,166	162,709,500	313,563,166	162,709,500
Basic / Diluted earnings per share (sen)	<u>0.58</u>	<u>1.04</u>	<u>0.72</u>	<u>1.55</u>

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

	Individual Quarter		Cumulative YTD	
	30 November 2019 RM'000	30 November 2018 RM'000	30 November 2019 RM'000	30 November 2018 RM'000
Dividend income from available-for-sale investment	-	8	-	8
Unrealised gain on foreign exchange	-	4	-	16
Depreciation of property, plant and equipment	(507)	(141)	(836)	(304)
Amortisation of intangible assets	(12)	(16)	(23)	(32)

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 21 January 2020.