

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Period Ended 29 February 2020
(The figures have not been audited)

	(Unaudited) Current Qtr Ended 29/02/2020 RM'000	(Unaudited) Comparative Qtr Ended 28/02/2019 RM'000	(Unaudited) Cumulative YTD 29/02/2020 RM'000	(Unaudited) Cumulative YTD 28/02/2019 RM'000
<u>Continuing operations</u>				
Revenue	44,767	16,100	101,922	33,495
Cost of sales	(40,600)	(14,946)	(93,992)	(30,313)
Gross profit	4,167	1,154	7,930	3,182
Interest income	46	314	102	379
Other income	29 82	46	82	54
Gain on disposal of an associate	-	-	7	-
(Loss) / Gain on disposal of subsidiary companies	(1,231)	-	(1,231)	12
Other expenditure	29 (838)	(1,102)	(2,302)	(1,855)
Depreciation and amortisation	29 (1,092)	(234)	(1,719)	(276)
Finance costs	(69)	(45)	(184)	(48)
Profit before taxation	1,065	133	2,685	1,448
Taxation	21 (513)	(640)	(1,117)	(774)
Profit / (Loss) for the period from continuing operations	552	(507)	1,568	674
<u>Discontinued operations</u>				
Profit for the period from discontinued operations	1,494	583	3,103	2,127
Profit for the period	2,046	76	4,671	2,801
<u>Other comprehensive (loss) / income</u>				
<u>Continuing operations</u>				
Items that may be reclassified subsequently to profit or loss:				
- Fair value changes on available for sale financial assets	(1,034)	-	(1,034)	(81)
- Reclassification to profit or loss upon disposal on available for sale financial assets	-	502	-	502
Other comprehensive (loss) / income, net of tax from continuing operations	(1,034)	502	(1,034)	421
<u>Discontinued operations</u>				
Other comprehensive income, net of tax from discontinued operations	-	-	-	1
Other comprehensive (loss) / income, net of tax	(1,034)	502	(1,034)	422
Total comprehensive income for the period	1,012	578	3,637	3,223

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<u>Profit / (Loss) for the period attributable to:</u>				
Equity holders of the Company				
- Continuing operations	368	(847)	1,011	126
- Discontinued operations	1,494	583	3,103	2,127
	<u>1,862</u>	<u>(264)</u>	<u>4,114</u>	<u>2,253</u>
Non-controlling interests				
- Continuing operations	184	340	557	548
	<u>2,046</u>	<u>76</u>	<u>4,671</u>	<u>2,801</u>
<u>Total comprehensive income / (loss) for the period attributable to:</u>				
Equity holders of the Company				
- Continuing operations	(666)	(345)	(23)	547
- Discontinued operations	1,494	583	3,103	2,128
	<u>828</u>	<u>238</u>	<u>3,080</u>	<u>2,675</u>
Non-controlling interests				
- Continuing operations	184	340	557	548
	<u>1,012</u>	<u>578</u>	<u>3,637</u>	<u>3,223</u>
Basic / Diluted Earnings / (Loss) per Share Attributable to Equity holders of the Company (sen):				
- Continuing operations	28	0.12	(0.52)	0.32
- Discontinued operations	28	0.48	0.36	0.99
		<u>0.59</u>	<u>(0.16)</u>	<u>1.31</u>
			<u>1.31</u>	<u>1.38</u>

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 29 February 2020

	Note	(Unaudited) As At 29/02/2020 RM'000	(Audited) As At 31/05/2019 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		19,201	9,688
Goodwill on consolidation	11(c)	39,325	-
Deferred development cost		-	267
Other investments	23	14,506	-
		73,032	9,955
Current Assets			
Trade receivables		74,790	25,342
Contract assets		4,941	6,459
Other receivables, deposits & prepayments		19,169	35,039
Tax recoverable		212	421
Cash and cash equivalents		9,093	18,784
		108,205	86,045
TOTAL ASSETS		181,237	96,000
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital		54,484	17,525
Reserves		(1,034)	-
Retained earnings		58,295	54,181
		111,745	71,706
Non-controlling interests		1,766	1,209
Total Equity		113,511	72,915
Non-current Liabilities			
Borrowings	25	4,203	1,804
Deferred tax liabilities		422	207
		4,625	2,011
Current Liabilities			
Trade payables		58,112	17,095
Contract liabilities		1,357	581
Other payables and accrued expenses		2,009	2,190
Borrowings	25	1,593	815
Tax Payable		30	393
		63,101	21,074
Total Liabilities		67,726	23,085
TOTAL EQUITY AND LIABILITIES		181,237	96,000
Net Assets Per Share Attributable to Equity holders of the Company (Sen)		35.64	44.07

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ECOBUILT HOLDINGS BERHAD
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Condensed Consolidated Statement of Changes in Equity
For The Period Ended 29 February 2020
(The figures have not been audited)

	<-- Attributable to Equity holders of the Company -->			Sub-Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000	
	Non-Distributable	Distributable	Distributable				
	Share Capital RM'000	Available- for-sale Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000			
At 1 June 2019	17,525	-	-	54,181	71,706	1,209	72,915
Profit for the period	-	-	-	4,114	4,114	557	4,671
Other comprehensive loss	-	(1,034)	-	-	(1,034)	-	(1,034)
Total comprehensive (loss) / income for the period	-	(1,034)	-	4,114	3,080	557	3,637
Issuance of shares during the period	36,959	-	-	-	36,959		36,959
At 29 February 2020	54,484	(1,034)	-	58,295	111,745	1,766	113,511
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
Issuance of equity interest to non-controlling interest	-	-	-	-	-	490	490
At 28 February 2019	17,525	-	-	53,872	71,397	1,038	72,435

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 29 February 2020
(The figures have not been audited)

	Note	(Unaudited) 9 months Ended 29/02/2020 RM'000	(Unaudited) 9 months Ended 28/02/2019 RM'000
Cash Flows from Operating Activities			
Profit before taxation			
Continuing operations		2,685	1,448
Discontinued operations		3,103	1,975
		<u>5,788</u>	<u>3,423</u>
Adjustments for:			
Deposits written off		-	2
Depreciation and amortisation			
- Continuing operations		1,719	276
- Discontinued operations		361	424
Finance costs		184	48
Dividend income from available-for-sale investment		(78)	(8)
Gain on disposal of an associate		(7)	-
Gain on disposal of property, plant and equipment		-	(2)
Loss / (Gain) on disposal of subsidiary companies		1,231	(12)
Interest income			
- Continuing operations		(102)	(379)
- Discontinued operations		(240)	(156)
Loss on disposal of other investment		-	518
Unrealised gain on foreign exchange			
- Continuing operations		-	-
- Discontinued operations		-	(16)
		<u>8,856</u>	<u>4,118</u>
Operating profit before changes in working capital		8,856	4,118
Receivables		25,862	(34,493)
Payables		(15,114)	11,129
		<u>19,604</u>	<u>(19,246)</u>
Cash generated from / (used in) operations		19,604	(19,246)
Tax refund		760	23
Tax paid		(1,503)	(1,546)
		<u>18,861</u>	<u>(20,769)</u>
Net cash generated from / (used in) operating activities		<u>18,861</u>	<u>(20,769)</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(c)	(42,813)	-
Net cash outflow arising on disposal of subsidiary companies		(11,696)	-
Net cash inflow arising from issuance of share capital		36,959	-
Purchase of property, plant and equipment		(11,041)	(1,112)
Net changes in financial asset		-	298
Purchase of intangible asset		(10)	-
Development expenditure		(11)	(154)
Interest received			
- Continuing operations		102	379
- Discontinued operations		240	156
Dividend received		78	8
Proceeds from disposal of property, plant and equipment		-	2
		<u>(28,185)</u>	<u>67</u>
Net cash (used in) / generated from investing activities		<u>(28,185)</u>	<u>67</u>
Cash flows from financing activities			
Net changes in borrowings		(183)	(297)
Finance cost paid		(184)	(48)
		<u>(367)</u>	<u>(345)</u>
Net cash used in financing activities		<u>(367)</u>	<u>(345)</u>

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	Note	(Unaudited) 9 months Ended 29/02/2020 RM'000	(Unaudited) 9 months Ended 28/02/2019 RM'000
Net decrease in cash and cash equivalents		(9,691)	(21,047)
Effect of exchange rate changes		-	16
Cash and cash equivalents at the beginning of the financial year		<u>18,784</u>	<u>43,491</u>
Cash and cash equivalents at the end of the financial period		<u>9,093</u>	<u>22,460</u>
Cash and cash equivalents at the end of the financial period comprise the following:			
Short-term deposit with fund management companies		6,584	7,038
Fixed deposit with licensed banks		32	12,732
Cash and bank balances		<u>2,477</u>	<u>2,690</u>
		<u>9,093</u>	<u>22,460</u>

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 - 29 February 2020

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

	←----- Continuing ----->			Discontinued Contents & Value Added Services	
	Construction RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000	RM'000
Period ended 29 February 2020					
Total external revenue	123,613	-	(21,691)	101,922	8,673
Inter-segment revenue	14,930	-	(14,930)	-	-
Total segment revenue	<u>138,543</u>	<u>-</u>	<u>(36,621)</u>	<u>101,922</u>	<u>8,673</u>
Segment results	<u>5,131</u>	<u>6,723</u>	<u>(8,985)</u>	<u>2,869</u>	<u>3,103</u>
Finance costs				<u>(184)</u>	-
Profit before taxation				<u>2,685</u>	<u>3,103</u>
Taxation				<u>(1,117)</u>	-
Net Profit after taxation				<u>1,568</u>	<u>3,103</u>
Period ended 28 February 2019					
Total external revenue	33,495	-	-	33,495	9,361
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>33,495</u>	<u>-</u>	<u>-</u>	<u>33,495</u>	<u>9,361</u>
Segment results	<u>2,206</u>	<u>(2,652)</u>	<u>1,942</u>	<u>1,496</u>	<u>1,975</u>
Finance costs				<u>(48)</u>	-
Profit before taxation				<u>1,448</u>	<u>1,975</u>
Taxation				<u>(774)</u>	<u>152</u>
Net Profit after taxation				<u>674</u>	<u>2,127</u>
As at 29 February 2020					
Total segment assets	123,262	105,090	(47,115)	181,237	-
Total segment liabilities	106,425	242	(38,941)	67,726	-
Depreciation and amortisation	<u>1,984</u>	<u>60</u>	<u>(325)</u>	<u>1,719</u>	<u>361</u>
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-
As at 28 February 2019					
Total segment assets	68,666	63,056	(48,144)	83,578	16,144
Total segment liabilities	60,656	331	(39,706)	21,281	6,007
Depreciation and amortisation	<u>214</u>	<u>62</u>	<u>-</u>	<u>276</u>	<u>424</u>
Non-cash expenses other than depreciation and amortisation	-	-	-	-	<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 nine months ended 29 February 2020 except for Note 11(b).

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 29 February 2020.

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 29 February 2020.

8. Dividends Paid

There were no dividends paid during the nine months ended 29 February 2020.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the nine months ended 29 February 2020.

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 nine months ended 29 February 2020.

11. Changes in Composition of the Group

There were no other changes to the composition of the Group for the nine months ended 29 February 2020 except for the following:-

- (a) On 13 June 2019, the Company had entered into a Shares 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 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:
- (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.

On 28 February 2020, the Company entered into a Supplemental Shares Sale Agreement with Dato' Lim Thean Keong to vary and amend certain salient terms of the Shares Sale Agreement. The disposals of three wholly-owned subsidiaries, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. have been completed on 6 April 2020.

- (c) 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>
<u>Net cash outflow arising from the acquisition of subsidiary company</u>	
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	<u>2,187</u>
	<u>(42,813)</u>
<u>Goodwill arising from business combination</u>	
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 of purchase price allocation exercise. The goodwill on acquisition is provisional estimated to be RM39.33 million, it will be adjusted accordingly on a retrospective basis if new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of acquisition date.

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 29 February 2020.

13. Changes in Contingent Liabilities and Contingent Assets

Details of contingent liabilities of the Company are as follows:

	29 February 2020 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 suppliers of its wholly-owned subsidiary, Rexallent Construction Sdn. Bhd. for supply goods on credit terms.	1,600	-
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.	10,319	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>48,407</u>	<u>44,271</u>

Other than the above, there were no changes in contingent assets of the Group during the nine months ended 29 February 2020.

14. Subsequent Material Events

There were no other material events subsequent to the end of the current quarter up to 2 June 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 nine months ended 29 February 2020.

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 29 February 2020 Level 1 Fair Value RM'000	As at 31 May 2019 Level 1 Fair Value RM'000
Financial asset Available-for-sale	<u>14,506</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:

	Cumulative YTD		Cumulative YTD	
	29 February 2020 RM'000	28 February 2019 RM'000	29 February 2020 RM'000	28 February 2019 RM'000
<u>Continuing operations</u>				
Revenue				
- Construction	44,767	16,100	101,922	33,495
- Investment Holding	-	-	-	-
	<u>44,767</u>	<u>16,100</u>	<u>101,922</u>	<u>33,495</u>
Profit / (Loss) Before Taxation				
- Construction	2,368	594	4,687	2,160
- Investment Holding	(1,303)	(461)	(2,002)	(712)
	<u>1,065</u>	<u>133</u>	<u>2,685</u>	<u>1,448</u>
<u>Discontinued operations</u>				
Revenue				
- Contents & Value Added Services	2,696	2,815	8,673	9,361
	<u>2,696</u>	<u>2,815</u>	<u>8,673</u>	<u>9,361</u>
Profit Before Taxation				
- Contents & Value Added Services	1,493	428	3,103	1,975
	<u>1,493</u>	<u>428</u>	<u>3,103</u>	<u>1,975</u>

Overall Performance

The Group had recorded a profit before taxation from continuing operations of RM1.07 million in the current quarter under review as compared to preceding year's corresponding period profit before taxation from continuing operations of RM0.13 million. The increase in profit before taxation was mainly contribute from the new acquired subsidiary from construction business offset with the loss on disposal of subsidiary companies from investment holding business.

Construction

Construction business had recorded a profit before taxation of RM2.37 million in the current quarter under review compared to preceding year's corresponding period profit before taxation of RM0.60 million. 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 RM1.49 million in the current quarter under review compared to preceding year's corresponding period profit before taxation of RM0.43 million. The increase in profit before taxation was mainly due to retirement gratuity paid in preceding year's corresponding period.

Investment Holding

Investment holding business had recorded a loss before taxation of RM1.30 million in the current quarter under review compared with a loss before taxation RM0.46 million reported in the preceding year's corresponding period. The increase in loss before taxation was mainly due to loss on disposal of subsidiary companies in current quarter.

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

	Current Quarter 0-Jan 2020 RM'000	Immediate Preceding Quarter 30 November 2019 RM'000
<u>Continuing operations</u>		
Revenue		
- Construction	44,767	36,671
- Investment Holding	-	-
	<u>44,767</u>	<u>36,671</u>
Profit / (Loss) Before Taxation		
- Construction	2,368	1,757
- Investment Holding	(1,303)	(402)
	<u>1,065</u>	<u>1,355</u>
<u>Discontinued operations</u>		
Revenue		
- Contents & Value Added Services	2,696	2,591
	<u>2,696</u>	<u>2,591</u>
Profit Before Taxation		
- Contents & Value Added Services	1,493	1,110
	<u>1,493</u>	<u>1,110</u>

Overall Performance

The Group had recorded a profit before taxation from continuing operations of RM1.07 million in the current quarter under review which is 21.4% lower than the profit before taxation from continuing operations of RM1.36 million reported in the immediate preceding quarter. The increase in profit before taxation was mainly contribute from the new acquired subsidiary in construction business offset with the loss on disposal of subsidiary companies from investment holding business.

Construction

Construction business had recorded a profit before taxation of RM2.37 million in the current quarter under review which is 34.8% higher than the profit before taxation of RM1.76 million reported in the immediate preceding quarter. 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 RM1.49 million in the current quarter under review which is 34.5% higher than the profit before taxation of RM1.11 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 RM1.30 million in the current quarter under review compared with the loss before taxation of RM0.40 million reported in the immediate preceding quarter. The increase in loss before taxation was mainly due to loss on disposal of subsidiary companies in current quarter.

19. **Current Year Prospects**

The global economy is expected to contract weighed by the unprecedented lockdown taken to contain the pandemic and coupled by the weak oil price and ongoing international trade conflicts. This uncertainties have caused rapid declines, the deepest in recent times anyone has witnessed. So long as the aforesaid matters haven't been resolved, short and mid term prospects remain dire and affecting business confidence and sentiments.

20. **Variance of Profit Forecast**

Not applicable as the Group has not announced profit forecast in a public document.

21. **Taxation**

	Individual Quarter		Cumulative YTD	
	29 February 2020 RM'000	28 February 2019 RM'000	29 February 2020 RM'000	28 February 2019 RM'000
Current Tax	513	640	1,117	774
	<u>513</u>	<u>640</u>	<u>1,117</u>	<u>774</u>

The Group's effective tax rate is higher than the statutory tax rate, primarily due to certain expenses are not tax deductible and deferred tax assets not recognised in certain subsidiaries.

22. Sale of Unquoted Investment and Properties

There were no sale of unquoted investments and/or properties during the nine months ended 29 February 2020.

23. Quoted Securities

	As at 29 February 2020 RM'000	As at 31 May 2019 RM'000
At Fair Value		
Equity Securities:		
- Quoted Shares	14,506	-
	<hr/>	<hr/>
Analysed as follows:		
Non-Current	14,506	-
	<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	Within 12 months from listing date	4,989
Defray estimated expenses	Upon completion	55
		<hr/> <u>5,044</u>

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 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.

On 13 April 2020, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the Board has decided not to proceed with the Private Placement as the Board intends to undertake a new private placement based on the current total number of Shares, which will be more reflective of the current number of Placement Shares to be placed out by the Company and the amount of funds to be raised pursuant to the private placement under the general mandate.

24. Status of Corporate Proposals (Continued)

- (a) On 13 April 2020, 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 16 April 2020, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the listing application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

On 17 April 2020, 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 RM0.0840 per Placement Share, and the indicative number of Placement Shares of 31,356,316, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM2.63 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
Full/ partial payment for a piece of land intended as the Group's new storage or warehouse	Within 12 months from the receipt of placement funds	2,337
General working capital	Within 6 months from the receipt of placement funds	250
Estimated expenses for the Proposed Private Placement	Upon completion	47
		<u>2,634</u>

On 21 April 2020, 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 20 April 2020 (the approval letter was received on 21 April 2020), resolved to approve the listing and quotation of up to 31,356,316 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 of Bursa Securities 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.
- (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.

On 28 February 2020, the Company entered into a Supplemental Shares Sale Agreement with Dato' Lim Thean Keong to vary and amend certain salient terms of the Shares Sale Agreement. The disposals of three wholly-owned subsidiaries, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. have been completed on 6 April 2020.

25. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 29 February 2020 were denominated in Ringgit Malaysia and are as follows:-

	As at 29 February 2020 RM'000	As at 31 May 2019 RM'000
Secured		
Current:		
- Finance Lease Liabilities	1,543	766
- Term Loans	50	49
	<u>1,593</u>	<u>815</u>
Non-Current:		
- Finance Lease Liabilities	2,760	328
- Term Loans	1,443	1,476
	<u>4,203</u>	<u>1,804</u>

26. Material Litigation

There was no pending material litigation as at 29 February 2020.

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 / (loss) 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	
	29 February 2020	28 February 2019	29 February 2020	28 February 2019
Profit / (Loss) attributable to Equity holders of the Company (RM'000)				
- Continuing operations	368	(847)	1,011	126
- Discontinued operations	1,494	583	3,103	2,127
	<u>1,862</u>	<u>(264)</u>	<u>4,114</u>	<u>2,253</u>
Weighted average number of ordinary shares in issue	313,563,166	162,709,500	313,563,166	162,709,500
Basic / Diluted earnings / (loss) per share (sen)				
- Continuing operations	0.12	(0.52)	0.32	0.08
- Discontinued operations	0.48	0.36	0.99	1.31
	<u>0.59</u>	<u>(0.16)</u>	<u>1.31</u>	<u>1.38</u>

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

	Individual Quarter		Cumulative YTD	
	29 February 2020 RM'000	28 February 2019 RM'000	29 February 2020 RM'000	28 February 2019 RM'000
Dividend income from available-for-sale investment	78	-	78	8
Gain on disposal of property, plant and equipment	-	2	-	2
Unrealised gain on foreign exchange				
- Continuing operations	-	-	-	-
- Discontinued operations	-	-	-	16
Loss on disposal of other investment	-	(518)	-	(518)
Depreciation of property, plant and equipment				
- Continuing operations	(1,092)	(234)	(1,719)	(276)
- Discontinued operations	(116)	(115)	(326)	(377)
Amortisation of intangible assets				
- Continuing operations	-	-	-	-
- Discontinued operations	(12)	(15)	(35)	(47)

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 9 June 2020.