

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 2020
(The figures have not been audited)

| | (Unaudited) Current Qtr Ended 30/11/20 RM'000 | (Unaudited) Comparative Qtr Ended 30/11/19 RM'000 | (Unaudited) Cumulative YTD 30/11/20 RM'000 | (Unaudited) Cumulative YTD 30/11/19 RM'000 |
|---|---|---|--|--|
| <u>Continuing operations</u> | | | | |
| Revenue | 57,950 | 36,671 | 98,814 | 57,155 |
| Purchases and other direct costs | (54,315) | (34,027) | (91,983) | (53,392) |
| Gross profit | 3,635 | 2,644 | 6,831 | 3,763 |
| Gain on disposal of an associate | - | - | - | 7 |
| Interest income | 52 | 25 | 88 | 56 |
| Other operating income | 29 64 | - | 76 | - |
| Depreciation and amortisation | 29 (1,057) | (391) | (2,013) | (627) |
| Other operating expenses | 29 (438) | (862) | (919) | (1,465) |
| Profit from operations | 2,256 | 1,416 | 4,063 | 1,734 |
| Finance costs | (71) | (62) | (150) | (115) |
| Profit before taxation | 2,185 | 1,354 | 3,913 | 1,619 |
| Taxation | 21 (521) | (417) | (957) | (604) |
| Profit for the period from continuing operations | 1,664 | 937 | 2,956 | 1,015 |
| <u>Discontinued operations</u> | | | | |
| Profit for the period from discontinued operations | - | 1,110 | - | 1,610 |
| Profit for the period | 1,664 | 2,047 | 2,956 | 2,625 |
| <i>Other comprehensive income / (loss)</i> | | | | |
| <u>Continuing operations</u> | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| - Fair value gain / (loss) on financial assets at fair value through other comprehensive income | (4,911) | - | 8,273 | - |
| Other comprehensive income / (loss), net of tax from continuing operations | (4,911) | - | 8,273 | - |
| <u>Discontinued operations</u> | | | | |
| Other comprehensive income, net of tax from discontinued operations | - | - | - | - |
| Other comprehensive income / (loss), net of tax | (4,911) | - | 8,273 | - |
| Total comprehensive income / (loss) for the period | (3,247) | 2,047 | 11,229 | 2,625 |

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 2020
(The figures have not been audited)

| | (Unaudited) Current Qtr Ended 30/11/20 RM'000 | (Unaudited) Comparative Qtr Ended 30/11/19 RM'000 | (Unaudited) Cumulative YTD 30/11/20 RM'000 | (Unaudited) Cumulative YTD 30/11/19 RM'000 |
|--|---|---|--|--|
| <u>Profit for the period attributable to:</u> | | | | |
| Owners of the Company | | | | |
| - Continuing operations | 1,597 | 700 | 2,722 | 642 |
| - Discontinued operations | - | 1,110 | - | 1,610 |
| | 1,597 | 1,810 | 2,722 | 2,252 |
| Non-controlling interests | | | | |
| - Continuing operations | 67 | 237 | 234 | 373 |
| | 1,664 | 2,047 | 2,956 | 2,625 |
| <u>Total comprehensive income / (loss) for the period attributable to:</u> | | | | |
| Owners of the Company | | | | |
| - Continuing operations | (3,314) | 700 | 10,995 | 642 |
| - Discontinued operations | - | 1,110 | - | 1,610 |
| | (3,314) | 1,810 | 10,995 | 2,252 |
| Non-controlling interests | | | | |
| - Continuing operations | 67 | 237 | 234 | 373 |
| | (3,247) | 2,047 | 11,229 | 2,625 |
| Basic / Diluted Earnings per Share Attributable to Equity holders of the Company (sen): | | | | |
| - Continuing operations | 28 | 0.46 | 0.22 | 0.79 |
| - Discontinued operations | 28 | - | 0.35 | - |
| | | 0.46 | 0.58 | 0.79 |
| | | | | 0.72 |

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 2020 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 2020

| | Note | (Unaudited) As At 30/11/2020 RM'000 | (Audited) As At 31/05/2020 RM'000 |
|--|------|--|--|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant & equipment | | 17,708 | 18,069 |
| Goodwill on consolidation | | 32,737 | 32,737 |
| Other investments | 23 | 21,973 | 13,701 |
| Right-of-use assets | | 171 | 337 |
| Other receivable | | 4,800 | 4,800 |
| Deferred tax assets | | 301 | 301 |
| | | 77,690 | 69,945 |
| Current Assets | | | |
| Trade receivables | | 89,551 | 55,951 |
| Contract assets | | 14,255 | 12,970 |
| Other receivables, deposits & prepayments | | 7,203 | 7,349 |
| Tax recoverable | | 1,058 | 759 |
| Cash and cash equivalents | | 13,926 | 17,019 |
| | | 125,993 | 94,048 |
| TOTAL ASSETS | | 203,683 | 163,993 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share capital | | 59,156 | 54,484 |
| Fair value reserves | | 6,980 | (1,293) |
| Retained earnings | | 54,056 | 51,334 |
| Equity attributable to owners of the Company | | 120,192 | 104,525 |
| Non-controlling interests | | 2,034 | 1,800 |
| Total Equity | | 122,226 | 106,325 |
| Non-current Liabilities | | | |
| Borrowings | 25 | 1,425 | 1,419 |
| Lease liabilities | | 2,288 | 2,623 |
| Deferred tax liabilities | | 544 | 544 |
| | | 4,257 | 4,586 |
| Current Liabilities | | | |
| Trade payables | | 72,485 | 49,084 |
| Contract liabilities | | 606 | 322 |
| Other payables and accrued expenses | | 2,819 | 1,851 |
| Borrowings | 25 | 72 | 63 |
| Lease liabilities | | 1,218 | 1,581 |
| Tax Payable | | - | 181 |
| | | 77,200 | 53,082 |
| Total Liabilities | | 81,457 | 57,668 |
| TOTAL EQUITY AND LIABILITIES | | 203,683 | 163,993 |
| Net Assets Per Share Attributable to Equity holders of the Company (Sen) | | 34.85 | 33.33 |

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 2020 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 2020
(The figures have not been audited)

| | <-- Attributable to owners of the Company --> | | Sub-Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 | |
|--|---|---------------------------------|--------------------------------|---|---------------------------|----------------|
| | Non-Distributable | Distributable | | | | |
| | Share Capital RM'000 | Fair Value Reserve RM'000 | Retained Earnings RM'000 | | | |
| At 1 June 2020 | 54,484 | (1,293) | 51,334 | 104,525 | 1,800 | 106,325 |
| Profit for the period | - | - | 2,722 | 2,722 | 234 | 2,956 |
| Other comprehensive income | - | 8,273 | - | 8,273 | - | 8,273 |
| Total comprehensive income for the period | - | 8,273 | 2,722 | 10,995 | 234 | 11,229 |
| Issuance of shares during the period | 4,672 | - | - | 4,672 | | 4,672 |
| At 30 November 2020 | 59,156 | 6,980 | 54,056 | 120,192 | 2,034 | 122,226 |
| 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 |

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 2020 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 2020
(The figures have not been audited)

| | Note | (Unaudited) 6 months Ended 30/11/2020 RM'000 | (Unaudited) 6 months Ended 30/11/2019 RM'000 |
|---|-------------|---|---|
| Cash Flows from Operating Activities | | | |
| Profit before taxation | | | |
| - Continuing operations | | 3,913 | 1,619 |
| - Discontinued operations | | - | 1,610 |
| | | <u>3,913</u> | <u>3,229</u> |
| Adjustments for: | | | |
| Amortisation of intangible assets for discontinued operations | | - | 23 |
| Depreciation of property, plant and equipment | | | |
| - Continuing operations | | 1,998 | 627 |
| - Discontinued operations | | - | 209 |
| Depreciation of right-of-use assets | | 109 | - |
| Finance costs | | 150 | 115 |
| Gain on disposal of property, plant and equipment | | (2) | - |
| Gain on disposal of an associate | | - | (7) |
| Gain on derecognise of right-of-use assets | | (1) | - |
| Interest income | | | |
| - Continuing operations | | (88) | (56) |
| - Discontinued operations | | - | (152) |
| | | <u>6,079</u> | <u>3,988</u> |
| Operating profit before changes in working capital | | 6,079 | 3,988 |
| Receivables | | (34,738) | 26,161 |
| Payables | | 24,657 | (20,502) |
| | | <u>24,657</u> | <u>(20,502)</u> |
| Cash (used in) / generated from operations | | (4,002) | 9,647 |
| Tax refund | | 260 | 564 |
| Tax paid | | (1,697) | (1,075) |
| | | <u>(4,002)</u> | <u>9,647</u> |
| Net cash (used in) / generated from operating activities | | <u>(5,439)</u> | <u>9,136</u> |
| Cash flows from investing activities | | | |
| Additions in intangible assets | | - | (16) |
| Purchase of property, plant and equipment | | (1,337) | (938) |
| Proceeds from disposal of property, plant and equipment | | 2 | - |
| Net cash inflow arising from disposal of an associate | | - | 7 |
| Net cash outflow arising on acquisition of subsidiary company | | - | (42,813) |
| Interest received | | 88 | 208 |
| | | <u>88</u> | <u>208</u> |
| Net cash used in investing activities | | <u>(1,247)</u> | <u>(43,552)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issuance of share capital | | 4,672 | 36,959 |
| Drawdown of term loans | | 14 | - |
| Repayment of term loans | | - | (25) |
| Additions of lease liabilities | | - | 684 |
| Repayment of lease liabilities | | (943) | (478) |
| Finance cost paid | | (150) | (115) |
| | | <u>4,672</u> | <u>36,959</u> |
| Net cash generated from financing activities | | <u>3,593</u> | <u>37,025</u> |

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 November 2020
(The figures have not been audited)

| | Note | (Unaudited) 6 months Ended 30/11/2020 RM'000 | (Unaudited) 6 months Ended 30/11/2019 RM'000 |
|--|-------------|---|---|
| Net (decrease) / increase in cash and cash equivalents | | (3,093) | 2,609 |
| Effect of exchange rate changes | | - | - |
| Cash and cash equivalents at the beginning of the financial year | | 17,019 | 18,784 |
| Cash and cash equivalents at the end of the financial period | | <u>13,926</u> | <u>21,393</u> |
| Cash and cash equivalents at the end of the financial period comprise the following: | | | |
| Short-term deposit with fund management companies | | 10,184 | 16,423 |
| Fixed deposit with licensed banks | | 32 | 32 |
| Cash and bank balances | | 3,710 | 4,938 |
| | | <u>13,926</u> | <u>21,393</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 30 November 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 2020. The consolidated financial statements of the Group as at and for the year ended 31 May 2020 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 2020 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 Business Combinations
(Definition of a Business)
- Amendments to MFRS Standards arising from Definition of Material:
 - Amendments to MFRS 101 Presentation of Financial Statements
 - Amendments to MFRS 108 Accounting Policies, Changes in Accounting
Estimates and Errors
- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform:
 - Amendments to MFRS 7 Financial Instruments: Disclosures
 - Amendments to MFRS 9 Financial Instruments
 - Amendments to MFRS 139 Financial Instruments: Recognition and Measurement
- Amendments to MFRS 4 Insurance Contracts
(Extension of the Temporary Exemption from Applying MFRS 9)

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 Standards arising from Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) | 1 January 2021 |
| - Annual Improvements to MFRS Standards 2018 - 2020 | 1 January 2022 |
| - Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework) | 1 January 2022 |
| - Amendments to MFRS 116 Property, Plant and Equipment (Proceeds before Intended Use) | 1 January 2022 |
| - Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Cost of Fulfilling a Contract) | 1 January 2022 |
| - MFRS 17 Insurance Contracts | 1 January 2023 |
| - Amendments to MFRS 17 Insurance Contracts | 1 January 2023 |
| - Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current) | 1 January 2023 |
| - 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 2020 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 |
| Year ended 30 November 2020 | | | | | |
| Total external revenue | 98,814 | - | - | 98,814 | - |
| Inter-segment revenue | 53,285 | - | (53,285) | - | - |
| Total segment revenue | 152,099 | - | (53,285) | 98,814 | - |
| Segment results | 4,179 | (116) | - | 4,063 | - |
| Finance costs | (150) | - | - | (150) | - |
| Profit before taxation | 4,029 | (116) | - | 3,913 | - |
| Taxation | (957) | - | - | (957) | - |
| Net Profit after taxation | 3,072 | (116) | - | 2,956 | - |
| Year ended 30 November 2019 | | | | | |
| Total external revenue | 57,155 | - | - | 57,155 | 5,977 |
| Inter-segment revenue | 7,343 | - | (7,343) | - | - |
| Total segment revenue | 64,498 | - | - | 57,155 | 5,977 |
| Segment results | 2,433 | (699) | - | 1,734 | 1,610 |
| Finance costs | (115) | - | - | (115) | - |
| Profit before taxation | 2,318 | (699) | - | 1,619 | 1,610 |
| Taxation | (604) | - | - | (604) | - |
| Net Profit after taxation | 1,714 | (699) | - | 1,015 | 1,610 |
| As at 30 November 2020 | | | | | |
| Total segment assets | 171,497 | 104,148 | (71,962) | 203,683 | - |
| Total segment liabilities | 143,972 | 210 | (62,725) | 81,457 | - |
| Depreciation and amortisation | 1,974 | 39 | - | 2,013 | - |
| Non-cash expenses other than depreciation and amortisation | - | - | - | - | - |
| As at 30 November 2019 | | | | | |
| Total segment assets | 123,260 | 98,930 | (61,220) | 160,970 | 20,995 |
| Total segment liabilities | 107,246 | 1,504 | (48,541) | 60,209 | 9,257 |
| Depreciation and amortisation | 586 | 41 | - | 627 | 232 |
| Non-cash expenses other than depreciation and amortisation | - | - | - | - | - |

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 2020.

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 2020.

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 2020.

8. Dividends Paid

There were no dividends paid during the six months ended 30 November 2020.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the six months ended 30 November 2020.

10. Debt And Equity Securities

On 2 October 2020, the issued and fully paid-up capital of the Company increased from 313,563,166 ordinary shares to 344,919,466 ordinary shares through private placement of 31,356,300 ordinary shares at an exercise price of RM0.149 per share. 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 2020.

11. Changes in Composition of the Group

There were no changes to the composition of the Group for the six months ended 30 November 2020.

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 2020.

13. Changes in Contingent Liabilities and Contingent Assets

Details of contingent liabilities of the Company are as follows:

| | 30 November 2020 RM'000 | 31 May 2020 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 indirect subsidiary, Gabungan EJB Konstrukt Sdn. Bhd. for the supply of goods | 9,274 | 7,274 |
| Corporate guarantees in favour of suppliers of its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. for the supply of goods | 7,600 | 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 | 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 | - | - |
| - hire purchase facilities granted to its indirect subsidiary, Gabungan EJB Konstrukt Sdn. Bhd. to part finance the purchase of two units of passenger hoist | 435 | 435 |
| - hire purchase facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to part finance the purchase of two units of tower crane | 1,521 | 1,521 |
| - term loan facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance the purchase of properties | 1,540 | 1,540 |
| - domestic recourse factoring facility to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance approved certified progress claims by the customer | 35,000 | 35,000 |
| | <u>74,423</u> | <u>66,423</u> |

Other than the above, there were no changes in contingent assets of the Group during the six months ended 30 November 2020.

14. Subsequent Material Events

There were no material events subsequent to the end of the current quarter up to 22 January 2021 (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 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 30 November 2020 Level 1 Fair Value RM'000 | As at 31 May 2020 Level 1 Fair Value RM'000 |
|---|---|--|
| Financial asset | | |
| Financial assets at fair value through other comprehensive income | <u>21,973</u> | <u>13,701</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 2020 RM'000 | 30 November 2019 RM'000 | 30 November 2020 RM'000 | 30 November 2019 RM'000 |
| <u>Continuing operations</u> | | | | |
| Revenue | | | | |
| - Construction | 57,950 | 36,671 | 98,814 | 57,155 |
| - Investment Holding | - | - | - | - |
| | <u>57,950</u> | <u>36,671</u> | <u>98,814</u> | <u>57,155</u> |
| Profit / (Loss) Before Taxation | | | | |
| - Construction | 2,235 | 1,756 | 4,029 | 2,318 |
| - Investment Holding | (50) | (402) | (116) | (699) |
| | <u>2,185</u> | <u>1,354</u> | <u>3,913</u> | <u>1,619</u> |
| <u>Discontinued operations</u> | | | | |
| Revenue | | | | |
| - Contents & Value Added Services | - | 2,591 | - | 5,977 |
| | <u>-</u> | <u>2,591</u> | <u>-</u> | <u>5,977</u> |
| Profit Before Taxation | | | | |
| - Contents & Value Added Services | - | 1,110 | - | 1,610 |
| | <u>-</u> | <u>1,110</u> | <u>-</u> | <u>1,610</u> |

Overall Performance

The Group had recorded a profit before taxation from continuing operations of RM2.19 million in the current quarter under review which is 62.2% higher than the profit before taxation from continuing operations of RM1.35 million reported in the preceding year's corresponding period. The increase in profit before taxation was mainly contributed from the newly acquired subsidiary.

Construction

Construction business had recorded a profit before taxation of RM2.24 million in the current quarter under review which is 27.3% higher than the profit before taxation of RM1.76 million reported in the preceding year's corresponding period. The increase in profit before taxation was mainly contributed from the newly acquired subsidiary.

Contents & Value Added Services

No contribution from contents & value added services business in the quarter due to it being discontinued earlier.

Investment Holding

Investment holding business had recorded a loss before taxation of RM0.05 million in the current quarter under review compared with a loss before taxation RM0.40 million reported in the preceding year's corresponding period.

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

| | Current Quarter 30 November 2020 RM'000 | Immediate Preceding Quarter 31 August 2020 RM'000 |
|--|---|--|
| <u>Continuing operations</u> | | |
| Revenue | | |
| - Construction | 57,950 | 40,864 |
| - Investment Holding | - | - |
| | 57,950 | 40,864 |
| Profit / (Loss) Before Taxation | | |
| - Construction | 2,235 | 1,794 |
| - Investment Holding | (50) | (66) |
| | 2,185 | 1,728 |

Overall Performance

The Group had recorded a profit before taxation from continuing operations of RM2.19 million in the current quarter under review which is 26.6% higher than the profit before taxation from continuing operations of RM1.73 million reported in the immediate preceding quarter. The profit before taxation from continuing operations was mainly attributed to the familiarisation of MCO restrictions and guidelines in the immediate preceding quarter. The experience gained helped to push our construction division to accelerate our progress to achieve higher revenue and profit.

Construction

Construction business had recorded a profit before taxation of RM2.24 million in the current quarter under review which is 25.1% higher than the profit before taxation of RM1.79 million reported in the immediate preceding quarter. The profit before taxation was mainly attributed to the familiarisation of MCO restrictions and guidelines in the immediate preceding quarter. The experience gained helped to push our construction division to accelerate our progress to achieve higher revenue and profit.

Investment Holding

The investment holding business had recorded a loss before taxation of RM0.05 million in the current quarter under review compared with the loss before taxation of RM0.07 million reported in the immediate preceding 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. These uncertainties have caused substantial 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 | |
|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 30 November 2020 RM'000 | 30 November 2019 RM'000 | 30 November 2020 RM'000 | 30 November 2019 RM'000 |
| Current Tax | 521 | 417 | 957 | 604 |
| Deferred Tax | - | - | - | - |
| | 521 | 417 | 957 | 604 |

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 six months ended 30 November 2020.

23. Quoted Securities

| | As at 30 November 2020 RM'000 | As at 31 May 2020 RM'000 |
|---|--|-----------------------------------|
| Financial assets at fair value through other comprehensive income | | |
| - Quoted shares in Malaysia | 21,973 | 13,701 |
| Analysed as follows: | | |
| Non-Current | 21,973 | 13,701 |

24. Status of Corporate Proposals

(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.

On 21 September 2020, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that Board had on 21 September 2020 resolved to fix the issue price for the Proposed Private Placement at RM0.1490 per Placement Share. The issue price of RM0.1490 per Placement Share represents a discount of approximately 9.97% to the 5-day VWAP of Ecobuilt Shares up to and including 18 September 2020, being the last traded day of Ecobuilt Shares immediately preceding the price-fixing date of RM0.1655 per Ecobuilt Share.

On 2 October 2020, UOB Kay Hian Securities (M) Sdn. Bhd. on behalf of the Board of Directors of Ecobuilt announced that the Placement Shares of 31,356,300 issued pursuant to the Private Placement were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Friday, 2 October 2020, which marks the completion of the Private Placement.

25. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 November 2020 were denominated in Ringgit Malaysia and are as follows:-

| | As at 30 November 2020 RM'000 | As at 31 May 2020 RM'000 |
|--------------|--|-----------------------------------|
| Secured | | |
| Current: | | |
| - Term Loans | 72 | 63 |
| Non-Current: | | |
| - Term Loans | 1,425 | 1,419 |
| | <u>1,497</u> | <u>1,482</u> |

26. Material Litigation

(a) Chong Cheng Voon vs Safetags Solution Sdn. Bhd. ("Safetag") & Rexallent Construction Sdn. Bhd. ("Rexallent") & Dexon Electrical Engineering Sdn. Bhd. ("Dexon") & Cytrix Engineering Sdn. Bhd. ("Cytrix Engineering") (collectively referred as the "Defendants")

On 4 July 2018, Chong Cheng Voon ("CCV"), an employee of Cytrix brought an action against the Defendants claiming damages for pain and suffering, medical expenses and loss of future earnings as a result of injuries whilst engaged at work at the 3 Element project construction site of which Safetags, Rexallent, Dexon and Cytrix were the developer, main contractor, nominated sub-contractor and sub-sub contractor respectively.

In undertaking the work, Dexon and Rexallent had separately procured a Workmen Compensation Insurance Policy from MSIG and Berjaya Sompoo respectively. All the four named defendants are insured person in the policy for their respective rights and interests.

The points of defense raised so far as Rexallent is concerned are as follows:

- (i) Rexallent had put in place adequate health and safety measures at the work site to the letter of the law;
- (ii) CCV who was not wearing a proper and approved safety helmet, was wholly or partly responsible for the injuries; and
- (iii) CCV is eligible to SOCSO protection and his employer, Cytrix is a contributor. As such, CCV's remedies lie solely under the Employees' Social Security Act 1969.

In view of the legal advice, the Board of Directors of the Company is of the opinion that the Company is in a position to dispute the claim or any part thereof.

Other than the above, there was no pending material litigation as at 30 November 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 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 2020 | 30 November 2019 | 30 November 2020 | 30 November 2019 |
| Profit attributable to Equity holders of the Company (RM'000) | | | | |
| - Continuing operations | 1,597 | 700 | 2,722 | 642 |
| - Discontinued operations | - | 1,110 | - | 1,610 |
| | <u>1,597</u> | <u>1,810</u> | <u>2,722</u> | <u>2,252</u> |
| Weighted average number of ordinary shares in issue | 344,919,466 | 313,563,166 | 344,919,466 | 313,563,166 |
| Basic / Diluted earnings per share (sen) | | | | |
| - Continuing operations | 0.46 | 0.22 | 0.79 | 0.20 |
| - Discontinued operations | - | 0.35 | - | 0.51 |
| | <u>0.46</u> | <u>0.58</u> | <u>0.79</u> | <u>0.72</u> |

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

| | Individual Quarter | | Cumulative YTD | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 30 November 2020 RM'000 | 30 November 2019 RM'000 | 30 November 2020 RM'000 | 30 November 2019 RM'000 |
| Amortisation of intangible assets for discontinued operations | - | (12) | - | (23) |
| Depreciation of property, plant and equipment | | | | |
| - Continuing operations | (1,049) | (391) | (1,998) | (627) |
| - Discontinued operations | - | (116) | - | (209) |
| Depreciation of right-of-use assets | (53) | - | (109) | - |
| Gain on disposal of property, plant and equipment | 2 | - | 2 | - |
| Gain on derecognise of right-of-use assets | - | - | 1 | - |

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 29 January 2021.