

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Year Ended 31 May 2022
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/05/22 RM'000	(Unaudited) Comparative Qtr Ended 31/05/21 RM'000	(Unaudited) Cumulative YTD 31/05/22 RM'000	(Audited) Cumulative YTD 31/05/21 RM'000
Revenue		45,634	61,176	166,964	213,266
Purchases and other direct costs		(52,523)	(55,933)	(167,045)	(196,327)
Gross (loss) / profit		(6,889)	5,243	(81)	16,939
Interest income		44	73	245	446
Other operating income		150	110	659	278
Depreciation and amortisation		(629)	(1,255)	(4,822)	(4,576)
Impairment loss on goodwill		(4,349)	-	(4,349)	-
Other operating expenses		(3,048)	(2,120)	(4,753)	(3,588)
(Loss) / Profit from operations	29	(14,721)	2,051	(13,101)	9,499
Finance costs		(163)	(105)	(588)	(351)
(Loss) / Profit before taxation		(14,884)	1,946	(13,689)	9,148
Taxation	21	1,167	62	132	(2,024)
(Loss) / Profit for the period / year		(13,717)	2,008	(13,557)	7,124
<i>Other comprehensive (loss) / income</i>					
Items that may be reclassified subsequently to profit or loss:					
- Fair value (loss) / gain on financial assets at fair value through other comprehensive income		-	(776)	(6,204)	5,687
Other comprehensive (loss) / income, net of tax		-	(776)	(6,204)	5,687
Total comprehensive (loss) / income for the period / year		(13,717)	1,232	(19,761)	12,811
(Loss) / Profit for the period / year attributable to:					
Owners of the Company		(13,037)	1,831	(12,101)	6,622
Non-controlling interests		(680)	177	(1,456)	502
		(13,717)	2,008	(13,557)	7,124
Total comprehensive (loss) / income for the period / year attributable to:					
Owners of the Company		(13,037)	1,055	(18,305)	12,309
Non-controlling interests		(680)	177	(1,456)	502
		(13,717)	1,232	(19,761)	12,811
(Loss) / Earnings per share					
Basic (loss) / earnings per share (sen)	28	(3.41)	0.53	(3.28)	1.98

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 2021 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 31 May 2022

	Note	(Unaudited) As At 31/05/2022 RM'000	(Audited) As At 31/05/2021 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		24,185	23,153
Goodwill on consolidation		28,388	32,737
Other investments	23	13,184	19,387
Right-of-use assets		583	629
Other receivable		2,400	3,600
Deferred tax assets		969	328
		69,709	79,834
Current Assets			
Trade receivables		100,873	108,542
Contract assets		27,693	10,842
Other receivables, deposits & prepayments		9,447	7,602
Tax recoverable		2,744	1,703
Fixed deposit with licensed bank		2,451	-
Cash and cash equivalents		7,283	4,635
		150,491	133,324
TOTAL ASSETS		220,200	213,158
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		65,017	59,156
Fair value reserves		(1,810)	4,394
Retained earnings		45,855	57,956
Equity attributable to owners of the Company		109,062	121,506
Non-controlling interests		846	2,302
Total Equity		109,908	123,808
Non-current Liabilities			
Borrowings	25	1,314	1,390
Lease liabilities		5,826	3,746
Deferred tax liabilities		-	256
		7,140	5,392
Current Liabilities			
Trade payables		84,779	72,267
Contract liabilities		2,782	1,883
Other payables and accrued expenses		6,506	7,388
Borrowings	25	5,321	73
Lease liabilities		3,764	2,347
		103,152	83,958
Total Liabilities		110,292	89,350
TOTAL EQUITY AND LIABILITIES		220,200	213,158
Net Assets Per Share Attributable to Owners of the Company (Sen)		28.52	35.23

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 2021 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 Year Ended 31 May 2022
(The figures have not been audited)

	<-- Attributable to owners of the Company -->		Retained Earnings RM'000	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				
At 1 June 2021	59,156	4,394	57,956	121,506	2,302	123,808
Loss for the year	-	-	(12,101)	(12,101)	(1,456)	(13,557)
Other comprehensive loss	-	(6,204)	-	(6,204)	-	(6,204)
Total comprehensive loss for the year	-	(6,204)	(12,101)	(18,305)	(1,456)	(19,761)
Contributions by owners of the Company:						
- Issuance of shares during the year	5,896	-	-	5,896	-	5,896
- Shares issuance expenses	(35)	-	-	(35)	-	(35)
At 31 May 2022	65,017	(1,810)	45,855	109,062	846	109,908
At 1 June 2020	54,484	(1,293)	51,334	104,525	1,800	106,325
Profit for the year	-	-	6,622	6,622	502	7,124
Other comprehensive income	-	5,687	-	5,687	-	5,687
Total comprehensive income for the year	-	5,687	6,622	12,309	502	12,811
Issuance of shares during the year	4,672	-	-	4,672	-	4,672
At 31 May 2021	59,156	4,394	57,956	121,506	2,302	123,808

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 2021 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 Year Ended 31 May 2022
(The figures have not been audited)

	(Unaudited) 12 months Ended 31/05/22 RM'000	(Audited) 12 months Ended 31/05/21 RM'000
Cash Flows from Operating Activities		
(Loss) / Profit before taxation	(13,689)	9,148
Adjustments for:		
Depreciation of property, plant and equipment	5,162	4,214
Depreciation of right-of-use assets	590	362
Finance costs	678	365
Impairment loss on goodwill	4,349	-
Net expected credit loss allowance		
- trade receivables	1,400	1,492
- other receivables	43	20
Property, plant and equipment written off	25	-
Provision for compensation	-	299
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(245)	(446)
Remeasurement of lease liabilities	(171)	(48)
Operating (loss) / profit before changes in working capital	(1,858)	15,398
Receivables	(10,517)	(49,467)
Payables	11,747	27,295
Cash used in operations	(628)	(6,774)
Tax refund	726	260
Tax paid	(2,539)	(3,725)
Net cash used in operating activities	(2,441)	(10,239)
Cash flows from investing activities		
Purchase of property, plant and equipment	(305)	(4,782)
Proceeds from disposal of property, plant and equipment	-	19
Interest received	245	446
Net cash used in investing activities	(60)	(4,317)
Cash flows from financing activities		
Proceeds from issuance of share capital	5,896	4,672
Drawdown of borrowings	5,756	-
Repayment of term loans	(73)	(19)
Repayment of lease liabilities	(3,301)	(2,116)
Increase in fixed deposit pledged	(2,451)	-
Interest paid	(678)	(365)
Net cash generated from financing activities	5,149	2,172
Net increase / (decrease) in cash and cash equivalents	2,648	(12,384)
Cash and cash equivalents at the beginning of the financial year	4,635	17,019
Cash and cash equivalents at the end of the financial year	7,283	4,635

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
 Condensed Consolidated Statement of Cash Flows
 For The Year Ended 31 May 2022
 (The figures have not been audited)

	(Unaudited)	(Audited)
	12 months	12 months
	Ended	Ended
	31/05/22	31/05/21
	RM'000	RM'000
Cash and cash equivalents at the end of the financial year comprises:		
Short-term deposits with fund management companies	561	3,719
Fixed deposit with a licensed bank	2,451	-
Cash and bank balances	6,722	916
	9,734	4,635
Less: Fixed deposit pledged to a licensed bank	(2,451)	-
	7,283	4,635
Total cash and cash equivalents	7,283	4,635

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 May 2022

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 2021. The consolidated financial statements of the Group as at and for the year ended 31 May 2021 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 2021 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2021:

- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139)

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>
- Annual Improvements to MFRS Standards 2018 - 2020 (Amendments to MFRS 101, MFRS 9, MFRS 16 and MFRS 141)	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 Ful lling 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) (Disclosure of Accounting Policies)	1 January 2023
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
- Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	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 2021 was not subjected to any audit qualification.

4. Segmental Information

There was no segmental reporting as the Group is currently involved primarily in a single operating segment, namely general construction work of a related activities.

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 year ended 31 May 2022.

6. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the year ended 31 May 2022.

7. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the year ended 31 May 2022.

8. Dividends Paid

There were no dividends paid during the year ended 31 May 2022.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the year ended 31 May 2022.

10. Debt And Equity Securities

On 15 October 2021, the issued and fully paid-up capital of the Company increased from 344,919,466 ordinary shares to 382,471,804 ordinary shares through private placement of 37,552,338 ordinary shares at an exercise price of RM0.157 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 year ended 31 May 2022.

11. Changes in Composition of the Group

There were no changes to the composition of the Group for the year ended 31 May 2022.

12. Capital Commitments

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements as at 31 May 2022.

13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets. Details of contingent liabilities of the Company are as follows:

	31 May 2022 RM'000	31 May 2021 RM'000
Corporate guarantees in favour of customers of its wholly-owned subsidiary, Eko Bina Sdn. Bhd. for performance obligation of a project awarded to the subsidiary	35,683	35,683
Corporate guarantees in favour of suppliers of its indirect subsidiary, Gabungan Eko Construkt Sdn. Bhd. for the supply of goods	9,274	9,274
Corporate guarantees in favour of suppliers of its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. for the supply of goods	8,200	8,200
Corporate guarantees in favour of government, statutory bodies and/or other parties of its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. as tender bonds, performance bonds, payment of excise duty, sales tax and earnest money for tender/security deposits and other non-financial guarantees	3,000	-
Corporate guarantees in favour of licensed banks for repayment of the following:		
- fixed rate industrial hire purchase facilities granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to part finance the purchase of machineries and equipment	8,000	8,000
- fixed rate industrial hire purchase facilities granted to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to part finance the purchase of machineries and equipment	5,000	-
- industrial hire purchase facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to part finance the purchase of one unit of tower crane	520	520
- hire purchase facilities granted to its indirect subsidiary, Gabungan Eko Construkt Sdn. Bhd. to part finance the purchase of two units of passenger hoist	383	435
- hire purchase facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to part finance the purchase of machineries	3,390	3,390
- hire purchase facility granted to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to part finance the purchase of machinery	569	-
- term loan facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to finance the purchase of properties	1,540	1,540
- domestic recourse factoring facility to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to finance approved certified progress claims by the customer	12,000	35,000
- domestic recourse factoring facility to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to finance approved certified progress claims by the customer	30,000	-
	117,559	102,042

13. Changes in Contingent Liabilities and Contingent Assets (Continued)

Other than the above, there were no changes in contingent liabilities of the Group during the year ended 31 May 2022.

14. Subsequent Material Events

There were no material events subsequent to the end of the current quarter up to 22 July 2022 (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 year ended 31 May 2022.

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 31 May 2022 Level 1 Fair Value RM'000	As at 31 May 2021 Level 1 Fair Value RM'000
Financial asset		
Financial assets at fair value through other comprehensive income	<u>13,184</u>	<u>19,387</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	
	31 May 2022 RM'000	31 May 2021 RM'000	31 May 2022 RM'000	31 May 2021 RM'000
Revenue	45,634	61,176	166,964	213,266
Gross (Loss) / Profit	(6,889)	5,243	(81)	16,939
(Loss) / Profit Before Taxation	(14,884)	1,946	(13,689)	9,148

For the current quarter ended 31 May 2022, the Group had recorded a loss before taxation of RM14.89 million on the back of revenue RM45.63 million as compared to a profit before taxation of RM1.95 million and revenue of RM61.18 million reported in the preceding year's corresponding quarter. Both revenue and profit before taxation in current quarter were lower than the preceding year's corresponding quarter mainly due to continuous impact of the Covid-19 pandemic which resulted in lower revenue recognition for on-going projects and increase in building material costs, stemming from disruptions in the building materials supply chain.

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

	Current Quarter 31 May 2022 RM'000	Immediate Preceding Quarter 28 February 2022 RM'000
Revenue	45,634	50,522
Gross (Loss) / Profit	(6,889)	965
Loss Before Taxation	(14,884)	(945)

For the current quarter ended 31 May 2022, the Group had recorded a loss before taxation of RM14.89 million on the back of revenue RM45.63 million as compared to a loss before taxation of RM0.95 million and revenue of RM50.52 million reported in the immediate preceding quarter. The loss before taxation in current quarter were mainly due to the lower revenue recognition and increase in building raw material costs.

19. Current Year Prospects

The global economy is expected to contract weighed by the unprecedented lockdown taken to contain the pandemic and coupled with the 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	
	31 May 2022 RM'000	31 May 2021 RM'000	31 May 2022 RM'000	31 May 2021 RM'000
Current Tax	(804)	254	765	2,340
Deferred Tax	(363)	(316)	(897)	(316)
	<u>(1,167)</u>	<u>(62)</u>	<u>(132)</u>	<u>2,024</u>

The Group's effective tax rate is higher than the statutory tax rate primarily due to certain expenses which are not tax deductible coupled with the utilisation of deferred tax assets recognised previously.

22. Sale of Unquoted Investment and Properties

There were no sale of unquoted investments and/or properties during the year ended 31 May 2022.

23. Quoted Securities

	As at 31 May 2022 RM'000	As at 31 May 2021 RM'000
Financial assets at fair value through other comprehensive income		
- Quoted shares in Malaysia	13,184	19,387
Analysed as follows:		
Non-Current	13,184	19,387

24. Status of Corporate Proposals

There were no corporate proposals announced but not completed by the Group during the current interim period under review.

25. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 May 2022 were denominated in Ringgit Malaysia and are as follows:-

	As at 31 May 2022 RM'000	As at 31 May 2021 RM'000
Secured		
Current:		
- Term Loans	76	73
- Bank local bills	5,245	-
	5,321	73
Non-Current:		
- Term Loans	1,314	1,390

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 Sampo 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.

On 23 April 2021, a judgment sum amounting to RM299,034 together with interest and costs has been awarded against Rexallent. Rexallent and other defendants are in the midst of compiling and filing the common Record of Appeal. The Shah Alam High Court had fixed the appeal for further case management on 23 September 2021 pending the filing of the Record of Appeal, which was subsequently extended to 23 December 2021 and 4 March 2022 respectively, and subsequently to 26 April 2022. On 26 April 2022, the appeal in relation to Berjaya Sampo is allowed. Berjaya Sampo is liable for the Workmen Compensation Insurance policy procured by Rexallent. However, Berjaya Sampo has 1 month to appeal the decision of the High Court.

As of 31 May 2022, the Company recognised a provision on the judgment sum amounting to RM299,034 together with interest and costs that have been awarded against Rexallent.

Other than the above, there was no pending material litigation as at 31 May 2022.

27. Dividends Payable

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

28. (Loss) / Earnings Per Share**(a) Basic (loss) / earnings per share**

Basic (loss) / earnings per share figures is calculated by dividing the consolidated (loss) / profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the period / year.

	Individual Quarter		Cumulative YTD	
	31 May 2022	31 May 2021	31 May 2022	31 May 2021
(Loss) / Profit attributable to the Owners of the Company (RM'000)	(13,037)	1,831	(12,101)	6,622
Weighted average number of ordinary shares in issued	382,471,804	344,919,466	368,479,700	334,352,822
Basic (loss) / earnings per share (sen)	(3.41)	0.53	(3.28)	1.98

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary of shares during the period / year.

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

	Individual Quarter		Cumulative YTD	
	31 May 2022 RM'000	31 May 2021 RM'000	31 May 2022 RM'000	31 May 2021 RM'000
Depreciation of property, plant and equipment	(1,384)	(1,102)	(5,162)	(4,214)
Depreciation of right-of-use assets	(175)	(153)	(590)	(362)
Net expected credit loss allowance				
- trade receivables	(1,400)	(1,492)	(1,400)	(1,492)
- other receivables	(43)	(20)	(43)	(20)
Property, plant and equipment written off	-	-	(25)	-
Provision for compensation	-	(299)	-	(299)
Gain on disposal of property, plant and equipment	-	6	-	8
Remeasurement of lease liabilities	-	-	171	48

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 July 2022.