

ECOBUILT HOLDINGS BERHAD
(Registration No. 200301033338 (635759-U))
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Period Ended 31 May 2024
(The figures have not been audited)

| | Note | (Unaudited) Current Qtr Ended 31/05/24 RM'000 | (Unaudited) Comparative Qtr Ended 31/05/23 RM'000 | (Unaudited) Cumulative YTD 31/05/24 RM'000 | (Audited) Cumulative YTD 31/05/23 RM'000 |
|--|------|---|---|--|--|
| Revenue | | 32,306 | 33,676 | 127,065 | 164,057 |
| Purchases and other direct costs | | (28,193) | (48,270) | (124,451) | (176,588) |
| Gross profit / (loss) | | 4,113 | (14,594) | 2,614 | (12,531) |
| Interest income | | (81) | 71 | 1 | 201 |
| Other operating income | | 301 | 637 | 1,326 | 1,972 |
| Other operating expenses | | (2,548) | (12,512) | (7,799) | (22,927) |
| Profit/(Loss) from operations | 30 | 1,785 | (26,398) | (3,858) | (33,285) |
| Finance costs | | (142) | (346) | (627) | (778) |
| Profit/(Loss) before taxation | | 1,643 | (26,744) | (4,485) | (34,063) |
| Taxation | 22 | 354 | 2,835 | 354 | 2,967 |
| Profit/(Loss) for the period | | 1,997 | (23,909) | (4,131) | (31,096) |
| <i>Other comprehensive income</i> | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| - Fair value gain on financial assets at fair value through other comprehensive income | | | | | |
| | | 517 | - | 776 | 258 |
| Other comprehensive income, net of tax | | 517 | - | 776 | 258 |
| Total comprehensive income/(loss) for the period | | 2,514 | (23,909) | (3,355) | (30,838) |
| Profit/(Loss) for the period attributable to: | | | | | |
| Owners of the Company | | 1,997 | (23,909) | (4,131) | (30,469) |
| Non-controlling interests | | - | - | - | (627) |
| | | 1,997 | (23,909) | (4,131) | (31,096) |
| Total comprehensive income/(loss) for the period attributable to: | | | | | |
| Owners of the Company | | 2,514 | (23,909) | (3,355) | (30,211) |
| Non-controlling interests | | - | - | - | (627) |
| | | 2,514 | (23,909) | (3,355) | (30,838) |
| Earnings/(Loss) per share | | | | | |
| Basic earnings/(loss) per share (sen) | 29 | 0.47 | (6.14) | (0.98) | (7.93) |

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 2023 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 2024

| | Note | (Unaudited) As At 31/05/2024 RM'000 | (Audited) As At 31/05/2023 RM'000 |
|--|------|--|--|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant & equipment | | 12,405 | 18,241 |
| Goodwill on consolidation | | 28,388 | 28,388 |
| Other investments | 24 | 14,218 | 13,442 |
| Right-of-use assets | | - | 19 |
| Deferred tax assets | | 3,102 | 3,102 |
| | | <u>58,113</u> | <u>63,192</u> |
| Current Assets | | | |
| Trade and other receivables | | 69,437 | 91,843 |
| Contract assets | | 41,651 | 22,139 |
| Tax recoverable | | 3,311 | 3,034 |
| Cash and cash equivalents | | 1,010 | 2,128 |
| | | <u>115,409</u> | <u>119,144</u> |
| TOTAL ASSETS | | 173,522 | 182,336 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share capital | | 67,958 | 67,958 |
| Fair value reserves | | (775) | (1,551) |
| Retained earnings | | 11,247 | 15,378 |
| Total Equity | | 78,430 | 81,785 |
| Non-current Liabilities | | | |
| Borrowings | 26 | 1,172 | 1,246 |
| Lease liabilities | | 1,496 | 2,990 |
| | | <u>2,668</u> | <u>4,236</u> |
| Current Liabilities | | | |
| Trade and other payables | | 85,154 | 89,218 |
| Contract liabilities | | 1,881 | 333 |
| Borrowings | 26 | 3,985 | 4,069 |
| Lease liabilities | | 1,404 | 2,695 |
| | | <u>92,424</u> | <u>96,315</u> |
| Total Liabilities | | <u>95,092</u> | <u>100,551</u> |
| TOTAL EQUITY AND LIABILITIES | | 173,522 | 182,336 |
| Net Assets Per Share Attributable to Owners of the Company (Sen) | | 18.64 | 19.44 |

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 2023 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 31 May 2024
(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 2023 | 67,958 | (1,551) | 15,378 | 81,785 | 81,785 |
| Loss for the period | - | - | (4,131) | (4,131) | (4,131) |
| Other comprehensive income | - | 776 | - | 776 | 776 |
| Total comprehensive income/(loss) for the period | - | 776 | (4,131) | (3,355) | (3,355) |
| At 31 May 2024 | 67,958 | (775) | 11,247 | 78,430 | 78,430 |
| At 1 June 2022 | 65,017 | (1,809) | 45,847 | 109,055 | 109,901 |
| Loss for the period | - | - | (30,469) | (30,469) | (31,096) |
| Other comprehensive income | - | 258 | - | 258 | 258 |
| Total comprehensive income/(loss) for the period | - | 258 | (30,469) | (30,211) | (30,838) |
| Issuance of ordinary shares (net of transaction costs) | 2,941 | - | - | 2,941 | 2,941 |
| Disposal of a subsidiary company | - | - | - | (219) | (219) |
| At 31 May 2023 | 67,958 | (1,551) | 15,378 | 81,785 | 81,785 |

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 2023 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 31 May 2024
(The figures have not been audited)

| | (Unaudited) | (Audited) |
|--|--------------------|------------------|
| | 12 months | 12 months |
| | Ended | Ended |
| | 31/05/24 | 31/05/23 |
| | RM'000 | RM'000 |
| Cash Flows from Operating Activities | | |
| Loss before taxation | (4,485) | (34,063) |
| Adjustments for: | | |
| Amount due from a former subsidiary company written-off | - | 9,147 |
| Bad debt written-off | - | 36 |
| Depreciation of property, plant and equipment | 4,783 | 5,528 |
| Depreciation of right-of-use assets | 19 | 563 |
| Finance costs | 627 | 985 |
| Liabilities from financial guarantee | - | 1,683 |
| Loss on deemed disposal of a subsidiary company | - | 228 |
| Net expected credit loss allowance on trade and other receivables | 2,395 | 4,517 |
| (Gain)/Loss on disposal of property, plant and equipment | (951) | 124 |
| Interest income | (1) | (201) |
| Remeasurement of lease liabilities | - | (300) |
| | <hr/> | <hr/> |
| Operating profit / (loss) before changes in working capital | 2,387 | (11,753) |
| Trade and other receivables | 20,011 | 10,674 |
| Contract assets / (liabilities) | (17,963) | (15,920) |
| Trade and other payables | (4,064) | 13,096 |
| | <hr/> | <hr/> |
| Cash generated from / (used in) operations | 371 | (3,903) |
| Tax refund | 603 | - |
| Tax paid | (527) | (661) |
| | <hr/> | <hr/> |
| Net cash generated from/(used in) operating activities | 447 | (4,564) |
| Cash flows from investing activities | | |
| Net cash outflow arising from deemed disposal of a subsidiary company | - | (44) |
| Proceeds from disposal of property, plant and equipment | 2,225 | 422 |
| Purchase of property, plant and equipment | (61) | (390) |
| Interest received | 1 | 52 |
| | <hr/> | <hr/> |
| Net cash generated from investing activities | 2,165 | 40 |
| Cash flows from financing activities | | |
| Decrease in short-term deposits pledged | - | 2,275 |
| Net repayment of bank local bills | - | (5,245) |
| Proceeds from issuance of share capital (net of transaction cost) | - | 2,941 |
| Repayment of lease liabilities | (3,217) | (4,219) |
| Repayment of term loans | (129) | (124) |
| Dividend paid | - | - |
| Interest paid | (295) | (431) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (3,641) | (4,803) |
| Net decrease in cash and cash equivalents | (1,029) | (9,327) |
| Cash and cash equivalents at the beginning of the financial year | (2,044) | 7,283 |
| Cash and cash equivalents at the end of the financial period | <hr/> | <hr/> |
| | (3,073) | (2,044) |
| Cash and cash equivalents at the end of the financial period comprises: | | |
| Short-term deposits with a licensed bank | 176 | 176 |
| Short-term deposits with fund management companies | - | 574 |
| Cash and bank balances | 834 | 1,378 |
| Bank overdraft | (3,907) | (3,996) |
| | <hr/> | <hr/> |
| Less: Short-term deposits with a licensed bank pledged | (176) | (176) |
| | <hr/> | <hr/> |
| Total cash and cash equivalents | (3,073) | (2,044) |

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 May 2024

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 2023. The consolidated financial statements of the Group as at and for the year ended 31 May 2023 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 2023 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 June 2023:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
(Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements"
(Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements"
(Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors"
(Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes"
(Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

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 16 | Leases (Lease Liability in a Sale and Leaseback) | 1 January 2024 |
| - Amendments to MFRS 101 | Presentation of Financial Statements (Non-current Liabilities with Covenants) | 1 January 2024 |
| - Amendments to MFRS 107 and MFRS 7 | Statement of Cash Flows and Financial Instruments: Disclosures (Supplier Finance Arrangements) | 1 January 2024 |
| - Amendments to MFRS 121 | The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) | 1 January 2025 |
| - Amendments to MFRS 10 and MFRS 128 | Consolidated Financial Statements and Investment in Associates and Joint Ventures (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 2023 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 twelve months ended 31 May 2024.

6. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the twelve months ended 31 May 2024.

7. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the twelve months ended 31 May 2024.

8. Dividends Paid

There were no dividends paid during the twelve months ended 31 May 2024.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the twelve months ended 31 May 2024.

10. Debt And Equity Securities

There were no issuance, cancellation, resale and repayment of debt and equity securities for the twelve months ended 31 May 2024.

11. Changes in Composition of the Group

There were no changes to the composition of the Group for the twelve months ended 31 May 2024.

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 2024.

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 2024 RM'000 | 31 May 2023 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 guarantee in favour of licensed banks for repayment of the following: | | |
| - hire purchase facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to part finance the purchase of machineries. | 2,743 | 4,231 |
| - hire purchase facility granted to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to part finance the purchase of machineries. | - | 1,214 |
| - term loan facility granted to its wholly owned subsidiary, Eko Bina Sdn. Bhd. to finance the purchase of properties. | 1,250 | 1,319 |
| - bank guarantee facility to its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. to finance tender bonds and performance bond. | 1 | 1 |
| Corporate guarantees in favour of suppliers for supply of goods of the following: | | |
| - wholly owned subsidiary, Rexallent Construction Sdn. Bhd. | 11,950 | 11,950 |
| | <u>51,627</u> | <u>54,398</u> |

Other than the above, there were no changes in contingent liabilities of the Group during the twelve months ended 31 May 2024.

14. Subsequent Material Events

There were no material events subsequent to the end of the current quarter up to 25 July 2024 (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 twelve months ended 31 May 2024.

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 2024 Level 1 Fair Value RM'000 | As at 31 May 2023 Level 1 Fair Value RM'000 |
|---|--|--|
| Financial asset | | |
| Financial assets at fair value through other comprehensive income | 14,218 | 13,442 |

17. Changes of financial year end

The Group has changed the financial year end from 31 May to 31 August as announced on 9 May 2024. The next audited financial statements shall be for a period of fifteen (15) months from 1 June 2023 to 31 August 2024 and thereafter, the financial year shall be fall under 31 August for each subsequent year.

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

18. 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 2024 RM'000 | 31 May 2023 RM'000 | 31 May 2024 RM'000 | 31 May 2023 RM'000 |
| Revenue | 32,306 | 33,676 | 127,065 | 164,057 |
| Gross Profit/(Loss) | 4,113 | (14,594) | 2,614 | (12,531) |
| Profit/(Loss) Before Taxation | 1,643 | (26,744) | (4,485) | (34,063) |

For the current quarter ended 31 May 2024, the Group had recorded a profit before taxation of RM1.64 million on the back of revenue RM32.31 million as compared to a loss before taxation of RM26.74 million and revenue of RM33.68 million reported in the preceding year's corresponding quarter. The profit before taxation in the current quarter was mainly contributed by the progress in Riveria City and Damai Suria projects while maintaining proper costs control for both project costs and operating costs, whereas the preceding year's corresponding quarter loss was mainly driven by a bad debt written-off of RM9.15 million and a provision for expected credit loss allowance of RM0.72 million.

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

| | Current Quarter 31 May 2024 RM'000 | Immediate Preceding Quarter 29 February 2024 RM'000 |
|------------------------|--|--|
| | Revenue | 32,306 |
| Gross Profit | 4,113 | 2,692 |
| Profit Before Taxation | 1,643 | 772 |

For the current quarter ended 31 May 2024, the Group had recorded a profit before taxation of RM1.64 million on the back of revenue RM32.31 million as compared to a profit before taxation of RM0.77 million and revenue of RM22.66 million reported in the immediate preceding quarter. The profit before taxation in the current quarter is mainly contributed by the progress in Riveria City and Damai Suria projects coupled with gain on disposal of an office unit at Megan Avenue II of RM0.33 million.

20. Current Year Prospects

The outlook for the construction industry in Malaysia is poised for a rebound, bolstered by more positive sentiment in the market. However, navigating cost pressures, regulatory challenges and global economic uncertainties will require strategic planning. Despite ongoing challenges, the Group remains proactive in seeking new projects and is committed to delivering quality results to preserve long-term value for shareholders.

21. Variance of Profit Forecast

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

22. Taxation

| | Individual Quarter | | Cumulative YTD | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 May 2024 RM'000 | 31 May 2023 RM'000 | 31 May 2024 RM'000 | 31 May 2023 RM'000 |
| Current Tax: | | | | |
| -Over provision in prior year | 354 | 165 | 354 | 28 |
| Deferred Tax: | | | | |
| -Original and reversal of temporary differences | - | 2,446 | - | 2,446 |
| -Over provision in prior year | - | 224 | - | 493 |
| | <u>354</u> | <u>2,835</u> | <u>354</u> | <u>2,967</u> |

The Group's effective tax rate is lower than the statutory tax rate primarily due to loss position of the companies.

23. Status of Corporate Proposals

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

24. Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 31 May 2024 were denominated in Ringgit Malaysia and are as follows:-

| | As at #REF! #REF! RM'000 | As at #REF! #REF! RM'000 |
|------------------|-----------------------------------|-----------------------------------|
| Secured | | |
| Current: | | |
| - Term Loans | 78 | 73 |
| - Bank overdraft | 3,907 | 3,996 |
| | <u>3,985</u> | <u>4,069</u> |
| Non-Current: | | |
| - Term Loans | 1,172 | 1,246 |

25. 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:

- Rexallent had put in place adequate health and safety measures at the work site to the letter of the law;
- CCV who was not wearing a proper and approved safety helmet, was wholly or partly responsible for the injuries; and
- 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 by the Sessions Court. An appeal to the High Court was filed by Rexallent against the judgement sum by the Sessions Court both on liability and quantum in respect of CCV's claim. On 26 April 2022, the High Court dismissed the appeals against CCV with costs.

As of 31 May 2024, the Company recognised a provision on the judgment sum amounting to RM299,034 together with interest and costs that have been awarded against Rexallent.

- (b) Safetags Solution Sdn. Bhd. ("Safetags") & Rexallent Construction Sdn. Bhd. ("Rexallent") vs Berjaya Sampo ("Berjaya") & MSIG Insurance ("MSIG")

In relation to the claims against Rexallent as disclosed in Note 27(a) to the financial statements, Rexallent has in turn brought third party proceedings against MSIG and Berjaya for breach of the Workmen's Compensation Policy that was taken out to indemnify Rexallent against claims by the workers at the site.

On 23 April 2021, the third party claims were dismissed with costs by the Sessions Court. Rexallent had filed an appeal against the dismissal of the indemnity claims against MSIG and Berjaya.

On 26 April 2022, the High Court allowed the appeal against Berjaya with costs but dismissed the appeal against MSIG with costs. Berjaya Sampo has since paid CCV the judgement sums. However, Berjaya has filed the appeal against Rexallent to the Court of Appeal. Rexallent in turn also filed an appeal to the Court of Appeal against MSIG. The Court of Appeal has fixed the hearing on 8 May 2023, which was subsequently extended to 7 December 2023 and 5 August 2024 respectively.

- (c) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to Golden Wave Sdn. Bhd. ("Golden Wave")

Eko Bina Sdn. Bhd. ("Eko Bina"), a wholly-owned subsidiary of the Company had on 8 August 2023 served a Notice of Adjudication against Golden Wave on the disputes arising from the payment claim under Sections 7 and 8 of the CIPAA for the project known as the proposed mixed commercial development of Main Buildings & External Works for Retail & Serviced Apartments ("Contract").

Eko Bina is seeking the following reliefs or remedies:

- The amount of RM23,161,711.46 for the certified amounts pursuant to the Interim Certificates;
- The interest on the amount of RM23,161,711.46 at the rate of as stipulated under Clause 30.17 of the PAM Contract 2016 until the date of full settlement;
- The costs of the Adjudicator's fee, AIAC administrative fees and Eko Bina's legal costs and expenses; and
- Such further order and/or relief as the Adjudicator deems fit and proper.

On 20 December 2023, Eko Bina received a copy of the Adjudication Decision dated 12 December 2023 from the Adjudicator.

Following the adjudication under the CIPAA, the Adjudicator had on 12 December 2023 delivered the Adjudication Decision as

- Golden Wave pays to Eko Bina the total sum of RM23,161,711.46 as payments due and owing pursuant to Interim Certificates No. 12 to 23 ("Adjudicated Sum");
- Pursuant to Section 18(1) of the CIPAA, Golden Wave bears the Costs of Adjudication in the sum of RM61,289.00 ("Costs of Adjudication");
- Golden Wave shall further pay Eko Bina's Legal Costs in the sum of RM30,000.00 ("Legal Costs");
- Golden Wave shall pay Eko Bina the Adjudicated Sum, Costs of Adjudication and Legal Costs within thirty (30) days from the date of the Adjudication Decision; and
- In the event Golden Wave fails to do so, Golden Wave shall pay interest at 5% per annum on the Adjudicated Sum, Costs of Adjudication and the Legal Costs from the expiry of the thirty (30) days from the date of the Adjudication Decision until the date of full and final settlement.

25. Material Litigation (Continued)

- (c) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to Golden Wave Sdn. Bhd. ("Golden Wave") (continued)

On 21 December 2023, Eko Bina received a Notice to Arbitrate from Golden Wave, to refer the disputes arising from the Contract. In that regard, Golden Wave has requested that Eko Bina agree with the proposed nominated arbitrator stipulated in the Notice to Arbitrate and seeks to commence arbitration proceedings (collectively shall be referred to as the "Arbitration"). The Company and Eko Bina is seeking legal advice to determine the next course of action on the Arbitration.

The solicitors have confirmed that on 17 May 2024, the High Court in Sabah and Sarawak at Kota Kinabalu had dismissed Golden Wave's Originating Summons to set aside the CIPAA Award with costs of RM10,000 and Golden Wave's Notice of Application to stay the CIPAA Award with costs of RM10,000.00. The effect of the High Court's Ruling is that the CIPAA Award is therefore affirmed and is now due and payable.

- (d) Notice of Adjudication Issued Under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") from Strong Force (M) Sdn. Bhd. ("Claimant")

Rexallent Sdn. Bhd. ("Rexallent"), a wholly-owned subsidiary of the Company has been served with a copy of the Adjudication Decision dated 28 November 2023 from the Adjudicator on the same date, to refer the dispute arising from the payment claim between Claimant and Rexallent.

Rexallent had on 26 July 2023 received a Payment Claim dated 26 July 2023 under Section 5 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") from the Claimant for a sum of RM1,876,225.85 for the project known as the proposed development of 3 Storeys Logistics Business Complex. In addition, the Claimant claimed RM6,274.99 of interest on the total outstanding payment due from the due date up to 31 July 2023. Rexallent had responded via a Payment Response dated 8 August 2023 under Section 6 of the CIPAA.

Following the adjudication under the CIPAA, the Adjudicator had on 28 November 2023 delivered the Adjudication Decision as follows:-

- (i) Rexallent shall pay the Claimant the Adjudicated Sum amounting to RM1,876,225.85 ("Adjudicated Amount");
- (ii) The Adjudicated Amount shall be paid to the Claimant on or before 28 December 2023;
- (iii) Pursuant to Section 25(o) of the CIPAA and Clause 26.17 of the PAM 2006 NSC Conditions, Rexallent shall pay to the Claimant interest on the Adjudicated Amount calculated at the rate of a simple interest based on the Maybank Base Lending Rate plus one (1) percent from the date of Payment Claim and continuing until the Adjudicated Amount is paid; and
- (iv) Pursuant to Section 18(1) of the CIPAA and in accordance with the principle that costs follow the event, Rexallent shall pay the cost of the adjudication proceedings as stated below:-
 - Adjudication fees: RM28,607.20;
 - AIAC administrative fees: RM6,064.72;
 - Reimbursement fee: RM500.00; and
 - Party and Party Cost: RM35,000.00.

Rexallent is currently in the process of negotiating with the relevant parties following the Adjudication Decision and actively engaged in discussions and is working towards reaching a settlement agreement to resolve the matter.

- (e) Winding Up Petition served by S-Form System Formwork (M) Sdn Bhd ("S-Form System")

On 24 April 2024, Ecobuilt Holdings Berhad ("the Company") received the winding up petition served by S-Form System. The Company engaged S-Form System as subcontractor to carry out general contract work. S-Form System had made several demands against the Company including a letter of Notice of Demand from its Solicitor for a claim amounting to RM670,596.00. However, no response has been received and S-Form System has served a Petition of Winding-up against the Company with the claims as follows:-

- (i) Total amount of RM670,596;
- (ii) Interest at the rate of 5% per annum on the sum of RM670,596.00 from 22 September 2023 until the full settlement;
- (iii) Court cost of RM3,000

The Company does not expect to incur further losses arising from the Petition and the Hearing for the Winding-Up Petition is fixed on 24 July 2024. The Company has appointed legal counsel for this purpose and sought preliminary legal advice to challenge and oppose the Petition. Meanwhile, the Company had on 24 April 2024, filed an Originating Summons for Fortuna Injunction ("the Injunction") against S-Form System concerning the Winding-up Petition.

On 2 May 2024, the Company had made announcement on reason for delay in making immediate announcement. The delay in making an immediate announcement upon the receipt of the petition on 24 April 2024 was due to the need for a comprehensive internal review and thorough legal consultation. Whereas, the reasons for not responding to the petitioner's demand including the Notice of Demand issued by its Solicitor claiming sum of RM670,596.00 is that the Company has attempted several instalment proposals but refused by S-Form System. Additionally, the Company is looking into the possibilities of appealing the court case due to the defects of the Transaction Agreement on the Corporate Guarantee with S-Form System.

On 24 July 2024, the High Court has ordered to stay the S-Form System's winding-up petition pending the disposal of the appeal hearing in the High Court of Malaya in Kuala Lumpur under suit No. WA-12AC-4-04/2024. The hearing date for the appeal in High Court of Malaya in Kuala Lumpur is fixed on 27 September 2024.

Other than the above, there was no pending material litigation as at 25 July 2024.

26. Dividends Payable

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

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

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

| | Individual Quarter | | Cumulative YTD | |
|---|--------------------|----------------|----------------|----------------|
| | 31 May 2024 | 31 May 2023 | 31 May 2024 | 31 May 2023 |
| Gain/(Loss) attributable to the Owners of the Company (RM'000) | 1.997 | (23,909) | (4,131) | (30,469) |
| Weighted average number of ordinary shares in issued | 420,718,984 | 389,539,218 | 420,718,984 | 384,253,180 |
| Basic earnings/(loss) per share (sen) | 0.47 | (6.14) | (0.98) | (7.93) |

(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.

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

| | Individual Quarter | | Cumulative YTD | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 May 2024 RM'000 | 31 May 2023 RM'000 | 31 May 2024 RM'000 | 31 May 2023 RM'000 |
| Amount due from a former subsidiary company written-off | - | (9,147) | - | (9,147) |
| Bad debt written-off | - | (36) | - | (36) |
| Depreciation of property, plant and equipment | (1,128) | (1,487) | (4,783) | (5,528) |
| Depreciation of right-of-use assets | - | (7) | (19) | (563) |
| Finance costs | (142) | (553) | (627) | (985) |
| Liabilities from financial guarantee | - | (1,683) | - | (1,683) |
| Loss on deemed disposal of a subsidiary company | - | - | - | (228) |
| Gain/(Loss) on disposal of property, plant and equipment | 302 | - | 951 | (124) |
| Net expected credit loss allowance on trade and other receivables | (1,242) | (717) | (2,395) | (4,517) |
| Interest income | (81) | 71 | 1 | 201 |
| Remeasurement of lease liabilities | - | - | - | 300 |

29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 July 2024.