



# 20 ANNUAL REPORT 20

A Sustainable Journey.....

**ECOBUILT**  
EcoBuilt Holdings Bhd  
Registration No. 200301033338 ( 635759-U )



# Contents

Ecobuilt Holdings Berhad

ANNUAL REPORT 2020

Corporate Information	2
Financial Highlights	3
Management Discussion And Analysis Disclosures	4 – 7
Board Of Directors	8 – 9
Key Senior Management	10
Audit Committee Report	11 – 13
Corporate Governance Overview Statement	14 – 32
Additional Compliance Information	33
Statement On Risk Management And Internal Control	34 – 37
Corporate Sustainability Statement	38 – 47
Statement On Directors' Responsibility	48

## Reports & Financial Statements

Directors' Report	49 – 52
Statement By Directors	53
Statutory Declaration	53
Independent Auditors' Report	54 – 58
Statements Of Financial Position	59
Statements Of Profit Or Loss And Other Comprehensive Income	60 – 61
Statements Of Changes In Equity	62 – 63
Statements Of Cash Flows	64 – 65
Notes To The Financial Statements	66 – 115
List Of Properties	116
Shareholding Statistics	117 – 118
Notice Of Sixteenth Annual General Meeting	119 – 122
Proxy Form	

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Noordin Bin Sulaiman***Independent Non-Executive Director***Datuk Ong Chee Koen***Executive Director/Chief Executive Officer***Wong Wen Miin***Independent Non-Executive Director***Datuk Ng Seing Liong PJN, JP***Independent Non-Executive Director*

## AUDIT COMMITTEE

**Datuk Ng Seing Liong PJN, JP***Chairman/Independent Non-Executive Director***Dato' Noordin Bin Sulaiman***Independent Non-Executive Director***Wong Wen Miin***Independent Non-Executive Director*

## NOMINATION COMMITTEE

**Wong Wen Miin***Chairman/Independent Non-Executive Director***Dato' Noordin Bin Sulaiman***Independent Non-Executive Director***Datuk Ng Seing Liong PJN, JP***Independent Non-Executive Director*

## REMUNERATION COMMITTEE

**Dato' Noordin Bin Sulaiman***Chairman/Independent Non-Executive Director***Datuk Ng Seing Liong PJN, JP***Independent Non-Executive Director*

## COMPANY SECRETARIES

**Joanne Toh Joo Ann***[SSM PC No. 202008001119 (LS 0008574)]***Sia Ee Chin***[SSM PC No. 202008001676 (MAICSA 7062413)]*

## REGISTERED OFFICE

Unit 30-01, Level 30, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Tel : 03-2783 9191  
Fax : 03-2783 9111

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**

[Company No. 197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Tel : 03-2783 9299  
Fax : 03-2783 9222

## PRINCIPAL BANKER

Public Bank Berhad  
RHB Bank Berhad  
CIMB Bank Berhad

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (MAIN Market)  
Stock Name : ECOHLDS  
Stock Code : 0059

## AUDITOR

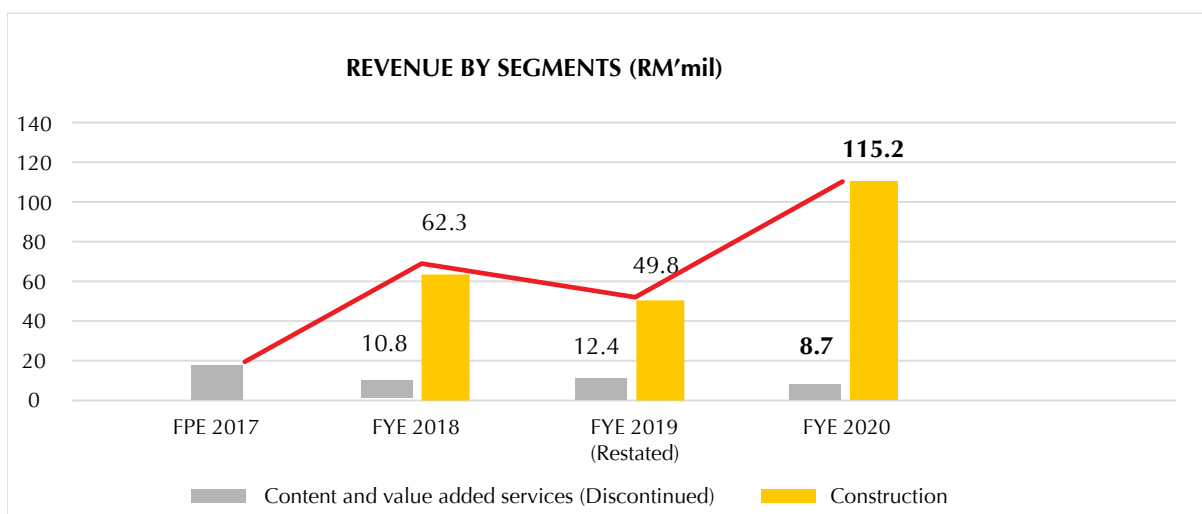
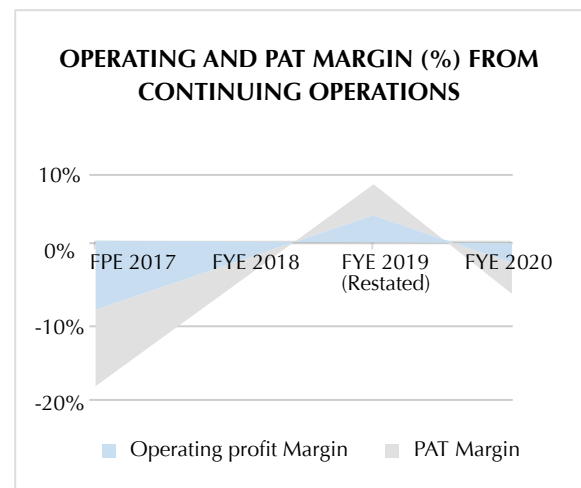
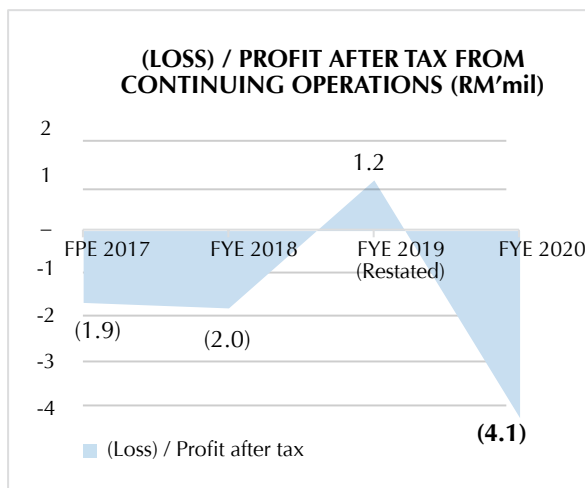
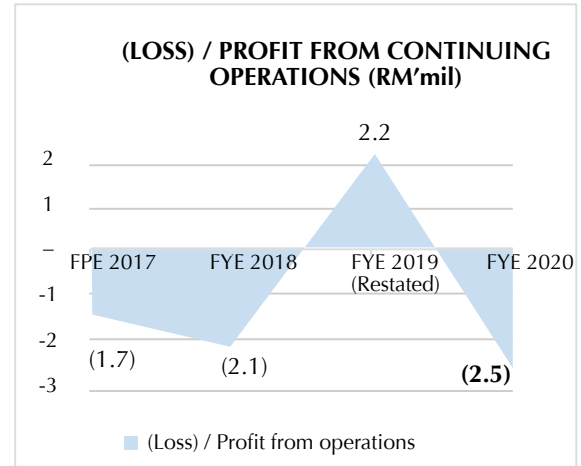
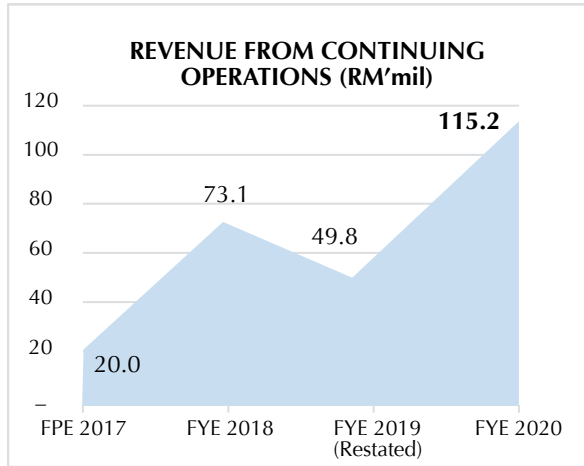
**Morison AAC PLT**

18, Jalan Pinggir 1/64, Jalan Kolam Air  
Off Jalan Sultan Azlan Shah (Jalan Ipoh)  
51200 Kuala Lumpur, Malaysia  
Tel : 03-4048 2888

## CORPORATE WEBSITE

[www.eco-built.com.my](http://www.eco-built.com.my)

# FINANCIAL HIGHLIGHTS



\* Financial highlights for FYE 2019 and FYE 2020 is derived from continuing operations only

# MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURES

## OVERVIEW OF THE GROUP'S BUSINESS

Established since 2004, Ecobuilt Holdings Berhad ("Ecobuilt" or "the Group") is well-known as a leading engineering group with over 15 years of experience in civil engineering, building contracting & construction, property development and provision of digital contents and value added services.

Ecobuilt has undergone certain reorganisation during FYE2020 in order to focus and expand our core business within the construction segment. The Group has acquired Rexallent Construction Sdn Bhd ("Rexallent") in FYE2020, a Grade 7 contractor registered with Construction Industry Development Board which mainly focuses on the construction of residential and non-residential buildings.

Ecobuilt has also disposed three (3) of wholly-owned subsidiary companies, namely M-Mode Mobile Sdn Bhd ("M-Mode Mobile"), Mobile Multimedia Sdn Bhd ("Mobile Multimedia") and Tameko Sdn Bhd ("Tameko") as part of the Group's decision to discontinue our digital contents and value-added services segment.

## FINANCIAL PERFORMANCE REVIEW

### Review on Statements of Profit or Loss and Other Comprehensive Income

	FYE 2020 RM'000	FYE 2019 RM'000 (Restated)	Variance RM'000	%
<b>Statements of Profit or Loss and Other Comprehensive Income</b>				
<b>Continuing operations</b>				
Revenue	115,236	49,793	65,443	>100.0
Purchases and other direct costs	(107,027)	(45,071)	(61,956)	(>100.0)
Other operating income	315	525	(210)	(40.0)
Other operating expenses	(11,002)	(3,093)	(7,909)	(>100.0)
(Loss)/Profit from operations	(2,478)	2,154	(4,332)	(>100.0)
Finance costs	(263)	(89)	(174)	(>100.0)
(Loss)/Profit before tax	(2,741)	2,064	(4,805)	(>100.0)
(Loss)/Profit after tax	(4,128)	1,172	(5,300)	(>100.0)
<b>Discontinued operations</b>				
Profit for the financial year, net of tax	1,872	2,109	(237)	(11.2)
<b>(Loss)/Profit for the financial year</b>	<b>(2,256)</b>	<b>3,281</b>	<b>(5,537)</b>	<b>(&gt;100.0)</b>

### Continuing operations

The Group's total revenue increased by RM65.4 million from RM49.8 million in FYE2019 to RM115.2 million in FYE2020. The increase in revenue was mainly due to higher construction activities carried out on The Shore project and Bukit OUG Residence project which contributed revenue of RM39.2 million and RM41.6 million respectively. We have also completed the residential projects located at Damansara West which contributed revenue of RM3.7 million in FYE2020.

Our newly acquired subsidiary company, Rexallent has contributed approximately RM33.2 million of revenue to our Group in FYE2020. Its revenue is mainly derived from the construction of a residential project located in Cheras as well as the commencement of Riveria City @ KL Sentral project which contributed revenue of RM11.0 million and RM12.7 million respectively.

Purchases and other direct costs mainly consist of purchase of materials, sub-contractor costs and architectural cost. Our purchases and other direct cost have increased by RM62.0 million from RM45.1 million in FYE2019 to RM107.0 million in FYE2020 in line with higher construction activities undertaken by the Group during the financial year.

Other operating income has decreased by RM0.2 million or 40.0% from RM0.5 million in FYE2019 to RM0.3 million in FYE2020 mainly due to lower interest income received.

## MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURES (CONTINUED)

### FINANCIAL PERFORMANCE REVIEW (CONTINUED)

#### Review on Statements of Profit or Loss and Other Comprehensive Income (continued)

##### Continuing operations (continued)

Other operating expenses increased by RM7.9 million from RM3.1 million in FYE2019 to RM11.0 million in FYE2020. The increase is mainly due to impairment loss on goodwill amounted to RM6.5 million, increase in depreciation of property, plant and equipment amounted to RM2.3 million and net expected credit loss allowance amounted to RM0.7 million.

Finance cost increased by RM0.2 million from RM0.1 million in FYE2019 to RM0.3 million in FYE2020 mainly due to higher finance lease facilities utilised to purchase plant and machineries.

The Group recorded a loss before tax of RM2.7 million as compared to the restated profit before tax of RM2.1 million in FYE2019 mainly due to higher other operating expenses as well as lower profit contribution from our construction activities due to the temporary suspension of construction works during the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") implemented by the Government of Malaysia in response to the COVID-19 pandemic.

##### Discontinued operations

Profit from discontinued operations is derived from the provision of digital contents and value-added services.

#### Review on Statements of Financial Position

	31 May 2020 RM'000	31 May 2019 RM'000	Variance	
			RM'000	%
<b><u>Statements of Financial Position</u></b>				
Non-current assets	<b>69,945</b>	9,955	59,990	>100.0
Current assets	<b>94,048</b>	86,046	8,002	9.3
Non-current liabilities	<b>4,587</b>	2,011	2,576	>100.0
Current liabilities	<b>53,081</b>	21,074	32,007	>100.0

The Group's non-current assets increased by RM60.0 million from RM10.0 million as at 31 May 2019 to RM70.0 million as at 31 May 2020. The increase was mainly due to the recognition of goodwill amounting to RM32.7 million arising from the acquisition of Rexallent, investment in quoted shares amounting to RM13.7 million and increase in purchase of plant and machinery amounting to RM8.4 million during FYE2020.

Current assets increased by RM8.0 million or 9.3% from RM86.0 million as at 31 May 2019 to RM94.0 million as at 31 May 2020. The increase was mainly due to higher trade receivables balances arising from slower collections from our customers during the implementation of the MCO and CMCO. Contract asset has also increased by RM6.5 million as at 31 May 2020 mainly due to timing differences with higher revenue recognised based on the cost incurred method compared to the certified progress billing issued to our customers.

The increase in trade receivables and contract assets are offset by the decreased in other receivables as deposits paid to Rexallent in FYE 2019 for commencement of Platinum OUG Residence project has been consolidated within the Group.

The Group's non-current liabilities increased by RM2.6 million from RM2.0 million as at 31 May 2019 to RM4.6 million as at 31 May 2020 is mainly due higher finance lease utilised for the purchase of plant and machineries.

Current liabilities amounted to RM53.1 million as at 31 May 2020, representing an increase of RM32.0 million from RM21.1 million as at 31 May 2019. The increase is mainly due to higher trade payable balances as all our business operations was temporary suspended during the implementation of the MCO and CMCO.

## MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURES (CONTINUED)

### FINANCIAL PERFORMANCE REVIEW (CONTINUED)

#### Review on Statements of Cash Flows

	31 May 2020 RM'000	31 May 2019 RM'000	Variance	
			RM'000	%
<b>Statements of Cash Flows</b>				
Net cash flow generated from/(used in) operating activities	24,446	(23,243)	47,689	>100.0
Net cash flow used in investing activities	(36,263)	(906)	(35,357)	>100.0
Net cash flow generated from/(used in) financing activities	10,052	(576)	10,628	>100.0
Cash and cash equivalents as at 31 May	17,019	18,784	(1,765)	(9.4)

Our Group recorded a net cash generated from operating activities of RM24.4 million as at 31 May 2020 as compared to a net cash flow used in operating activities of RM23.2 million as at 31 May 2019. This was mainly contributed by the higher operating profits as well as the decrease in other receivable balances as the decrease in other receivable balances arising from the acquisition of Rexallent.

The Group recorded a net cash flow used in investing activities of RM36.3 million as at 31 May 2020 as compared to a net cash used in investing activities of RM0.9 million as at 31 May 2019. This was mainly contributed from net cash outflow arising from the acquisition of Rexallent amounting to RM18.9 million as well as the cash outflow arising from the disposal of M-Mode Mobile, Mobile Multimedia and Tameko amounting to RM6.9 million. In addition, the Group has also incurred RM11.0 million for the purchase of plant and machineries.

The Group recorded a net cash flow generated from financing activities amounting to RM10.1 million as at 31 May 2020 mainly due to the proceeds from issuance of share capital amounted to RM12.0 million during the financial year.

### RISK RELATING TO OUR BUSINESS

#### Impacts of COVID-19 pandemic

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a MCO effective from 18 March 2020 to 31 March 2020 arising from COVID-19. The MCO was extended for 2 weeks consecutively on 25 March 2020 and 10 April 2020 until 14 April 2020 and 28 April 2020 respectively, followed by another announcement on 23 April 2020 on the further extension of the MCO for another 2 weeks until 12 May 2020.

The ongoing COVID-19 pandemic may have a significant adverse effect on our Group as the spread of such diseases amongst our employees in our office and project sites may affect our ability to carry out our business. The Group has adopted the COVID-19 standard operating procedures imposed by the Government and relevant authorities to ensure a safe operating environment for all our employees.

A more detailed analysis is as follows –

KEY RISKS	DESCRIPTION	MITIGATION STRATEGY
Economic impact of COVID-19 Pandemic	Economic outlook in Malaysia is expected to be poor, due to unprecedented COVID-19 Pandemic. The resulting MCO caused disruption to business and operation of many companies, such as the Group. Consumers are cautious amid uncertain times and concern over job security.	The Executive Board and Top Management are aware of the challenges faced by the Group and have implemented and will continue to implement various measures/strategies to minimise the impact of COVID-19 Pandemic and MCOs on the Group. These include the right sizing of the work force, and putting on hold expansionary plans.



## MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURES (CONTINUED)

### RISK RELATING TO OUR BUSINESS (CONTINUED)

#### Impacts of COVID-19 pandemic (continued)

KEY RISKS	DESCRIPTION	MITIGATION STRATEGY
Delay in project completion	<p>The Group understands the financial and reputational implications of delay in completing construction projects and handing over of units to customers. Delays may lead to exposure of Liquidated and Ascertained Damages ("LAD") claims from buyers.</p> <p>MCO arising from the COVID-19 Pandemic have caused disruption to business operations. Project delays will have negative impact on cashflow and profitability of the Group.</p>	<p>Nonetheless, with the relaxation of the MCOs and with businesses slowly returning to normalcy, the Group is hopeful that business conditions will improve on the back of a series of economic stimulus packages announced by the Government to provide relief to businesses and households, is optimistic with the Group's ability to weather the challenges.</p> <p>Implementation of technology to improve efficiencies and productivity and to use industrialised building system and formworks for construction.</p> <p>Have in place project management plan/tool and quality management system.</p> <p>Established policy and procedures in selection of consultants to ensure only qualified and competent contractors and consultants are selected.</p> <p>Close monitoring of work progress on site and of contractor performance.</p> <p>To implement "catch-up" construction work programme to reduce days of delay caused by MCOs.</p>

#### Competition and business risks

Our Group faces competition from both new entrants and existing companies involved in the construction industry, whether from local or international. To stay ahead of the competition, our Group seeks to be competitive in the construction industry by being cost efficient through effective project management and cost control policies, providing quality products and also actively seeking new opportunities in the construction industry.

#### Economic, political and regulatory risks

Any adverse developments in political, economic, market, interest rate, taxation, regulatory and social conditions may materially affect our Group's involvement in the construction industry. These include changes which are beyond our Group's control. Our Group intends to mitigate such risks by continuously reviewing our business development strategies to respond to changes in such factors and conditions.

#### FUTURE PROSPECT AND OUTLOOK

The COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations. The global economy is expected to remain challenging in year 2020.

Nonetheless, our Board is positive that with the expertise and experience of its key management personnel, Ecobuilt will be able to weather the challenges against the prevailing market uncertainties and continue to build on its core businesses to seek growth opportunities.

# BOARD OF DIRECTORS

**Dato' Noordin Bin Sulaiman, Male, aged 63**, Malaysian citizen, is the Independent Non-Executive Chairman of Ecobuilt Holdings Berhad ("Ecobuilt" or "Company"). He was appointed to the Board on 01 November 2018. He graduated with Bachelor Degree (Hons) from University Malaya in 1980. He then obtained his Diploma in Public Management and Diploma in Management Science from Institut Tadbiran Awam Negara (INTAN) in 1981 and 1986 respectively.

He started his career as assistant for Director in the Implementation & Coordination Unit (ICU), Prime Minister's Department in 1981. Throughout his 36 years of service with the Government, he was involved in several roles in various government departments such as assistant for Director in Public Service Department, Principal Assistant Secretary for Ministry of Defence Sabah, Principal Assistant District Officer (Development) for District and Land Office Hulu Langat, Principal Assistant District Officer (Land) for District and Land Office Hulu Langat, Secretary for Shah Alam City Council, District Officer for District and Land Office Klang and Deputy Secretary for Selangor State Economic Planning. Prior to his retirement, he held the position of State Treasury Officer for Selangor Government Office from 2012 to 2017.

Currently, Dato' Noordin is also a Non-Independent Non-Executive Director of Theta Edge Berhad, Putrajaya Perdana Berhad and an Independent Non-Executive Director of Worldwide Holdings Berhad and Kumpulan Hartanah Selangor Berhad.

He is the Chairman of the Remuneration Committee and also a member of the Audit Committee and Nomination Committee of the Company. He has no family relationship with any other Directors and/or substantial shareholders of Ecobuilt. He has no conflict of interest with Ecobuilt and has no convictions for any offences within the past 5 years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

---

**Datuk Ong Chee Koen, Male, aged 64**, Malaysian citizen, is an Executive Director and Chief Executive Officer of Ecobuilt. He was appointed to the Board on 20 March 2017. He is an experienced construction and property development professional who is also a graduate in Civil Engineering. He has more than 40 years' experience in both public and private company. He started his career in construction in late 70's as a Site Engineer, has both supervision and management experience in several public and private projects namely development for UKM University in Bangi, USM in Penang, Price Hotel in Kuala Lumpur and several public buildings in peninsular Malaysia in the 80's and 90's. His strength in construction and project management has him being entrusted by public work department to recovery and turnaround 3 abandoned public project during the late year 80's financial crisis. On completion, together with his partner, the project management company were rewarded as PKK class (A) registered construction company. He is also highly valued for his business acumen, having hands on experiences and involvement in IPOs, acquisition and merger scheme.

Apart from his spouse, Siow Lee Fah, who is a Substantial Shareholder of Ecobuilt, he has no family relationship with any other Directors and/or substantial shareholders of Ecobuilt. He has no conflict of interest with Ecobuilt and has no convictions for any offences within the past 5 years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year. He does not hold any directorship in other public companies and listed issuers.

## BOARD OF DIRECTORS (CONTINUED)

**Madam Wong Wen Miin, Female, aged 63**, a Malaysian citizen, is an Independent Non-Executive Director of Ecobuilt. She was appointed to our Board on 1 November 2018. Madam Wong earned her Masters in Economics from University of Malaya in 2006 and graduated in Resource Economics from University of Agriculture Malaysia in year 1983.

Madam Wong began her career in 1983 with the Ministry of Works Malaysia where she was responsible for the budgeting, coordination, and management of public roads, government buildings and water projects in Sarawak, Sabah and Labuan. In 1988, she was transferred from the Ministry of Works to the Ministry of Finance Malaysia. During her tenure of over 30 years there, she was involved in the preparation of loan agreements, facilitation of multilateral loan agreements between the Malaysian government and international organisations, consolidation of financial laws into the Financial Services Act and Islamic Financial Services Act with Bank Negara Malaysia as well as the establishment of standard operating procedures for terms and conditions in the granting of house loans to civil servants.

In 2017, she was promoted from the position of the Deputy Under Secretary (Investment Evaluation Sector) of the Strategic Investment Division of the Ministry of Finance Malaysia to the Prime Minister's Department as the Deputy Director General (Special Projects) of the Public Private Partnership Unit. There, she contributed significantly in the fast-tracking and the conclusion of privatisation projects using the concept of Public Private Partnership together with relevant government ministries/agencies and private companies. She currently serve as Independent Non-Executive Director in Kim Teck Cheong Consolidated Berhad.

She is the Chairman of the Nomination Committee and also a member of the Audit Committee of the Company. She has no family relationship with any other Directors and/or substantial shareholders of Ecobuilt. She has no conflict of interest with Ecobuilt and has no convictions for any offences within the past 5 years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

---

**Datuk Ng Seing Liong PJN, JP, Male, aged 66**, a Malaysian citizen, is an Independent Non-Executive Director of Ecobuilt. He was appointed to our Board on 15 November 2019.

He has more than 35 years experience in the fields of audit, tax, business advisory, receivership and liquidation for a wide variety of industry. Currently, he is the Senior Partner of S.L. Ng & Associates. He holds membership of various professional bodies including Malaysian Institute of Accountants (MIA), Association of Chartered Certified Accountants (ACCA), Institute of Chartered Secretaries & Administrators (ICSA), Malaysia Institute of Certified Public Accountants (MICPA), Chartered Tax Institute of Malaysia (CTIM) and Malaysia Institute of Co-operative & Management Auditors (AICMA).

Due to his vast contribution to Societies and Schools, he was awarded with the appointment as the Justice of Peace (JP) of Selangor in 1999 by DYMM Sultan Selangor. On 7 June 2008, he was awarded the title Panglima Jasa Negara (PJN) by the DYMM Yang Di Pertua Agong.

Currently, Datuk Ng serves on the Board of Directors of United Teochew (Malaysia) Berhad and also Independent Non-Executive Director of Enest Group Berhad and Golden Land Berhad.

He is the Chairman of the Audit Committee and also a member of the Nomination Committee and Remuneration Committee of the Company. He has no family relationship with any other Directors and/or substantial shareholders of Ecobuilt. He has no conflict of interest with Ecobuilt and has no convictions for any offences within the past 5 years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

# KEY SENIOR MANAGEMENT

**Chan Kah Hwang, Male, aged 47**, a Malaysian citizen, is the Chief Operating Officer of Rexallent Construction Sdn Bhd. He is responsible for project development, project management and project coordination for the ongoing construction works and future projects of Ecobuilt group.

He graduated from College Tunku Abdul Rahman in 1996 with a Diploma in Technology (Building).

He began his career as a Site Quantity Surveyor in Kemas Construction Sdn Bhd in 1996 upon completion of his study and thereafter act as a Contract Executive with PJD Construction Sdn Bhd and Kenneison Brother Construction Sdn Bhd. He left to join LST Builder Sdn Bhd in 2005 as Contract Manager. In 2007, he left to join Bangsar Height-MKL Sdn Bhd, Bangsar Height GLC Sdn Bhd, Bangsar Height Synergy Sdn Bhd & GLC Prima Sdn Bhd as a Contract Director which involving property development.

With more than 24 years of valuable experience in infrastructure, building and property development field, he has worked through the corporate ladder in this sector.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any other Directors and/or substantial shareholders of Ecobuilt. He has no conflict of interest with Ecobuilt and has no convictions for any offences within the past 5 years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

# AUDIT COMMITTEE REPORT

## A. MEMBERS AND MEETING ATTENDANCE

The Audit Committee ("AC") was established by the Board of Directors and comprises three (3) members who are Independent Non-Executive Directors.

Pursuant to the Terms of Reference of AC, the Committee shall be appointed by the directors from among themselves and shall not be fewer than three (3) members. All the AC members must be Non-Executive Directors, with a majority of independent directors. The Chairman of the AC shall be an independent director and shall not be the Chairman of the Board. The Chief Executive Officer and the alternate director shall not be a member of the AC. At least one member of the AC:-

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
  - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - (bb) he must be a member of one of the association of accountants specified in Part II of 1st Schedule of the Accountants Act 1967; or
- (iii) fulfills such other requirements as prescribed or approved by the Exchange.

The AC held a total of four (4) meetings during the financial year ended 31 May 2020 and details of the members and their attendance record are as follows:-

Name of Audit Committee Member	Meetings Attended
Datuk Ng Seing Liong PJN, JP (Chairman, Independent Non-Executive Director) – appointed as Chairman on 15 November 2019	1/1
Wong Wen Miin (Independent Non-Executive Director) – re-designated as member on 15 November 2019	4/4
Dato' Noordin Bin Sulaiman (Independent Non-Executive Director) – appointed as member on 15 November 2019	1/1
Nirmala A/P Dorasaimy (Independent Non-Executive Director) – resigned on 15 November 2019	3/3
Mohd Zaini Bin Noordin (Independent Non-Executive Director) – retired on 8 November 2019	3/3

The Committee may invite the External Auditors, any other Board members and senior management of the Group to be present during meetings to assist in its deliberations. At least once a year, the Committee shall meet with the External Auditors and without the presence of Management and the Executive Directors.

## B. TERMS OF REFERENCE

The Terms of Reference of the AC is available for viewing at the Company's website at [www.eco-built.com.my](http://www.eco-built.com.my). The last review of the Term of Reference of the AC was on 30 April 2019.

## AUDIT COMMITTEE REPORT (CONTINUED)

### C. SUMMARY OF ACTIVITIES OF AC

During the financial year ended 31 May 2020, the following activities were carried out by the AC:-

#### (a) Overview of Financial Performance and Reporting

- i. Reviewed the unaudited quarterly financial results and recommend the same to the Board for approval;
- ii. Reviewed the draft audited financial statements of the Company for the financial year ended 31 May 2019 and recommended the same to the Board for approval;
- iii. Reviewed the financial performance of the Company and the Group; and
- iv. Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

#### (b) Oversight of External Audit

- i. Reviewed the Audit Review Memorandum for the financial year ended 31 May 2019 presented by the External Auditors, entailing the significant audit findings, significant deficiencies in internal control, status of audit, compliance with the ethical requirements on independence, communication with the AC, summary of audit adjustments, summary of unadjusted differences and total audit and non-audit fees;
- ii. Reviewed and evaluated the adequacy and effectiveness of the Group's accounting policies, procedures and system of internal controls;
- iii. Private discussion with the External Auditors without the presence of Management and the Executive Directors; and
- iv. Reviewed the suitability and independence of the External Auditors and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval.

#### (c) Oversight of Internal Audit

- i. Reviewed the reports from the Internal Auditors on Risk Assessment and assessed the Internal Auditors' findings and Management's responses and made the necessary recommendations to the Board for notation;
- ii. Reviewed the existing internal controls and work processes undertaken by the respective departments in the Group under review for relevant areas or businesses and the Group's systems and practices for identification and management of risks; and
- iii. Reviewed and recommended improvements to the existing internal controls and risk management system of the Group.

## AUDIT COMMITTEE REPORT (CONTINUED)

### C. SUMMARY OF ACTIVITIES OF AC (CONTINUED)

#### d) Reviewed of Related Party Transactions

Monitored and reviewed the related party transactions and any conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises the question of Management integrity on a quarterly basis.

#### (e) Oversight of Internal Control Matters

- i. Reviewed and confirmed the minutes of the AC Meetings; and
- ii. Reviewed the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2019.

### D. INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent professional services firm with suitable experience and capabilities to handle the internal audit functions, who reports directly to the AC, to assist the Committee in discharging its duties and responsibilities.

The scope of internal audit encompass the examination and evaluation of the adequacy, existence and effectiveness of the Group's governance, system of internal control structure and the quality of performance in carrying out assigned responsibilities to achieve the Group's stated goals and objectives.

The internal auditors also perform ad-hoc appraisals, inspections, investigations, examinations and reviews as may be requested by the Committee or senior management from time to time.

The Statement on Risk Management and Internal Control with an overview of the state of the risk management and internal controls within the Group is found on pages 34 to 37 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to ensure that a high standard of corporate governance is practised throughout Ecobuilt Holdings Berhad (“Ecobuilt”) and its subsidiaries (“the Group”) in discharging its responsibilities with integrity, transparency and professionalism, to protect and enhance shareholders’ value and the financial position of the Group.

The Board recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance (“MCCG”) to enhance business prosperity and maximize shareholders’ value. The Board will continuously evaluate the Group’s corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in MCCG to the best interest of the shareholders of the Company.

Below is a statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year ended 2020 (“FYE2020”) pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The detailed application by Ecobuilt for each practise set out in the MCCG during the financial year is disclosed in the Corporate Governance Report (“CG Report”) in the Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1. Board’s Leadership on Objectives and Goals

##### 1.1 Strategic Aims, Values and Standards

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group’s affairs. Hence, to develop corporate objectives and position descriptions including the limits to management’s responsibilities, which the management is aware and is responsible for meeting.

The Board understands the principal risks of all aspects of the business that the Group is engaged in recognising that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are systems in place that effectively monitor and manage these risks with a view to the long term viability of the Group.

The principal roles and responsibility assumed by the Board are as follows:

- Review and Adopt Strategic Plan of the Group

The Board plays an active role in the development of the Group’s overall corporate strategy, marketing plan and financial plan. The Board presented with the short and long-term strategy of the Group together with its proposed business plans for the forthcoming year. The Board also monitor budgetary exercise which supports the Group’s business plan and budget plan.

- Implementation of Internal Compliance Controls and Justify Measure to Address Principle Risks

The Board is fully alert of the responsibilities to maintain a proper internal control system. The Board’s responsibilities for the Group’s system of internal controls are including financial condition of the business, operational, regulatory compliance as well as risk management matters.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I – BOARD RESPONSIBILITIES (CONTINUED)

##### 1. Board's Leadership on Objectives and Goals (continued)

###### 1.1 Strategic Aims, Values and Standards (continued)

- To Formulate and have in place an Appropriate Succession Planning

The Board is responsible to formulate and have in place an appropriate succession plan encompassing the appointment, training and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, retiring and appointing new member of the Board and Executive Directors.

- Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group

The Board recognises that shareholder and other stakeholders are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Group's website is the primary medium in providing information to all shareholders and stakeholders.

###### 1.1.1 Clear Roles and Responsibilities

The Board assumes the following responsibilities:

- Reviewing, adopting and monitoring strategic plans for the Group;
- Overseeing the conduct of the Company's business by receiving updates and sharing by the Chief Executive Officer during the quarterly Board meeting;
- Identifying risks and assume active role in ensuring the implementation of appropriate systems to manage or mitigate these risks;
- Delegating responsibility to the Nomination Committee on succession planning, including appointing, training, fixing the compensation of the key managements and the adoption of succession policy;
- Ensuring measures are in place to assess and oversee Management's performance;
- Developing and implementing an investor relations programme or shareholder communications policy for the Group; and
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines. The details on the internal control systems are stated in the Statement of Risk Management and Internal Control.

###### 1.1.2 Clear Functions of the Board and Management

The Board is responsible for the oversight and overall management of the Company while delegating specific authorities to the Audit Committee, Nomination Committee, and Remuneration Committee ("the Board Committees") and the Chief Executive Officer in ensuring its responsibilities and function been discharged effectively. The Board reserves for its consideration significant matters such as the following:

- Approval of financial results;
- Declaration of dividends;
- Business acquisition; and
- Corporate proposal.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I – BOARD RESPONSIBILITIES (CONTINUED)

#### 1. Board's Leadership on Objectives and Goals (continued)

##### 1.1 Strategic Aims, Values and Standards (continued)

##### 1.1.2 Clear Functions of the Board and Management (continued)

The day-to-day management of Ecobuilt's business is delegated to the Chief Executive Officer. Amongst others, the responsibilities of the Chief Executive Officer shall include the following:-

- Developing the business direction and strategies of the Company;
- Ensuring that the Company business strategies and policies are effectively implemented;
- Providing the direction for the implementation of short and long term business plans;
- Providing strong leadership i.e. Effectively communicating a vision, management philosophy and business strategy to employees;
- Keeping the Board well informed of salient aspects and issues concerning the Company operations and ensuring that adequate management reports are submitted to Board members;
- Responsible for the effective management of the Company's day-to-day operations; and
- Ensuring that there are adequate systems and controls to safeguard the interests of the Company and all stakeholders.

The day-to-day management of Ecobuilt's business in relation to Contents and Value Added Services is under the supervision of the Chief Operating Officer.

The responsibilities and functions delegated to the Chief Operating Officer includes the following:-

- Supervising head of divisions and departments who are responsible for all functions contributing to the success of the Company;
- Ensuring efficiency and effectiveness of the operation for the Company; and
- Providing information on relevant industry matters and updates to the Chief Executive Officer and Board of Directors at Board meetings on quarterly basis.

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with power to act on behalf of the Board in accordance with the respective Terms of Reference. Even though specific authorities are delegated to the Board Committees, the Board keeps itself abreast of the significant decisions made by each Board Committee through the reports or briefings by the Chairman of the respective Board Committees and the tabling of minutes of the Board Committee meetings at Board meetings on quarterly basis.

The respective Board Committee Terms of Reference is disclosed in the Board Charter.

##### 1.1.3 Strategies Promoting Sustainability

The Board is aware of the importance of business sustainability and reviews operational practices that affect sustainability of environment, governance and social aspects of its business on a regular basis.

#### 1.2 Chairman of the Board

The Chairman of the Board, Dato' Noordin Bin Sulaiman, an Independent Non-Executive Director is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman acts

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I – BOARD RESPONSIBILITIES (CONTINUED)

##### 1. Board's Leadership on Objectives and Goals (continued)

###### 1.2 Chairman of the Board (continued)

as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates any discussion. Together with the other Executive Directors and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management. He chairs the meetings of the Board and the shareholders.

###### 1.3 The positions of Chairman and Chief Executive Officer

The Chairman of the Board is Dato' Noordin Bin Sulaiman and the Chief Executive Officer is Datuk Ong Chee Koen.

The roles of the Chairman and Chief Executive Officer are held by two different individual with a clear division of responsibilities between them to ensure balance of control, power and authority. The Board has delegated its responsibilities for the day-to-day management of the Group's operations and business as well as the implementation of the Board's policies and decisions to the Chief Executive Officer, Executive Director and senior management of the Company.

The Chairman is responsible in leading the Board in its collective oversight of Management and ensure effectiveness of the Board matters whilst the Chief Executive Officer is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Company.

###### 1.4 Company Secretaries

Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act, 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on Corporate Governance. In addition, the Company Secretaries also ensure the meeting minutes are properly documented and maintain a secured retrieval system which stores the meeting papers and minutes of board and board committees.

The Company Secretaries also undertake the following functions, amongst others:-

- Advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
- Advise the Directors on their roles and responsibilities;
- Advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
- Prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
- Attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are made and maintained accordingly.

The Company Secretaries attend all Board meetings and ensure that the deliberations and decisions made by the Boards are accurately minuted, and the records of the proceedings of the Board meetings are properly kept.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I – BOARD RESPONSIBILITIES (CONTINUED)

##### 1. Board's Leadership on Objectives and Goals (continued)

###### 1.4 Company Secretaries (continued)

During the FYE2020, the Company Secretaries have attended relevant development and trainings programmes to enhance their ability in discharging their duties and responsibilities.

###### 1.5 Access to information and advice

All Directors, including Independent Non-Executive Directors, have full and timely access to information concerning the Company or other external information as they may feel necessary. Board papers and reports which include the Group's performance and major operational, financial and corporate information are distributed to the Directors with sufficient time prior to Board meetings to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting. However, in the event of urgent and confidential matters, the relevant meeting materials will only be distributed during the Board meeting.

The Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense, if necessary; with prior approval obtained from the Chairman. The requisition shall include an indication of fee that will be spent on the professional advice.

##### 2. Demarcation of Responsibilities

###### 2.1 Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the role and responsibilities of the Board.

The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. A copy of the Board Charter is available for reference at the Company's website at [www.eco-built.com.my](http://www.eco-built.com.my).

##### 3. Good Business Conduct and Corporate Culture

###### 3.1 Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. The Board has formalised the Code of Conducts and Ethics based on the following principles:

- (i) Conflict of interest;
- (ii) Corporate opportunities;
- (iii) Protection of confidential information;
- (iv) Protection and proper use of company assets;
- (v) Compliance with laws, rules and regulations;
- (vi) Trading on inside information;
- (vii) Compliance with this Code and reporting of any illegal or unethical behaviour; and
- (viii) Waivers and amendments.

The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate. The details of the Code of Ethics and Conduct are available for reference at the Company's website at [www.eco-built.com.my](http://www.eco-built.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I – BOARD RESPONSIBILITIES (CONTINUED)

#### 3. Good Business Conduct and Corporate Culture (continued)

##### 3.2 Whistle-Blowing Policy

The Board recognised the importance of whistle-blowing and is committed to maintain the standards of ethical conduct within the Group. In line with this commitment, a duly reviewed and approved whistle-blowing policy has been implemented to provide an avenue for all employees to disclose any improper conduct within the Company. If an employee has a reasonable belief that an employee or the Company engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or constitute a fraudulent practice, the employee is expected to immediately report such information to the Chairman. If the employee does not feel comfortable reporting information to the Chairman, he or she is expected to report the information to the other Independent Directors.

Details of whistle-blowing channel are available on the Company's website at [www.eco-built.com.my](http://www.eco-built.com.my).

#### PART II – BOARD COMPOSITION

In order to achieve the intended outcome of the MCCG, the Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. Our Group has met most of the practices recommended by the MCCG as follows:

##### 4.1 Board Balance

In FYE2020, the Board has six (6) members comprising two (2) Executive Directors (including the Chief Executive Officer) and four (4) Independent Non-Executive Directors.

The Board having reviewed its size and composition is satisfied that the current composition fairly reflects the investment of shareholders and is optimum and well balanced in view of the Group's business. The mix of skills and experience, including core competencies with diverse professional background ranging from business, marketing and technical knowledge; the Board is capable to discharge its responsibilities and manage the Company effectively. A brief description of the background of each Director is presented on pages 8 to 9 of this Annual Report.

The Directors play an active role in the Board's decision-making process, offering vast experience and knowledge as well as independence and objectivity, acting in the best interests of the Company.

##### 4.2 Re-election of Directors and re-appointment of Directors by rotation

In accordance with the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also require at least one third (1/3) of the Directors to retire by rotation and seek re-election at each AGM and each Director shall submit himself for re-election every three (3) years.

##### 4.3 Time Commitment and Directorship in Other Public Listed Companies

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.3 Time Commitment and Directorship in Other Public Listed Companies (continued)

time to carry out his responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). The notification would include an indication of time that will be spent on the new appointment(s). Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is required to achieve at least 50% attendance of total Board Meetings in any applicable financial year. Any director shall notify the Chairman and/or Company Secretaries, where applicable with appropriate leave of absence.

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. The attendance record of the Directors are as set out in the section below.

During the financial year under review, four (4) Board Meetings were held and the attendance record of the Board members are reflected as follows:-

Name of Directors	Total Meetings Attended	Percentage of Attendance
Dato' Noordin Bin Sulaiman	4/4	100%
Datuk Ong Chee Koen	4/4	100%
Datuk Ng Seing Liong PJN, JP (appointed on 15 November 2019)	1/1	100%
Wong Wen Miin	4/4	100%
Ir. Yap Nam Fee (resigned on 30 June 2020)	4/4	100%
Mohd Zaini Bin Noordin (retired on 8 November 2019)	3/3	100%
Nirmala A/P Doraisamy (resigned on 15 November 2019)	3/3	100%

The Board meets on a quarterly basis, to amongst others; review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings maybe convened by the Company. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of written resolutions.

##### 4.4 Continuing Education Programs/Directors' Training

The Board ensures compliance of Bursa Malaysia Mandatory Accreditation Program ("MAP") for newly appointed Directors and will also identify the training needs amongst the Directors and enrol the Directors for the relevant training programme.

Datuk Ng Seing Liong PJN, JP had attended MAP.

All Directors are provided with the opportunity, and are encouraged to attend any relevant training programme, seminars and conferences to keep them updated on relevant new legislations, best practices, financial reporting requirements and/or other relevant courses to further enhance their skills and knowledge to enable them to discharge their responsibilities more effectively.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.4 Continuing Education Programs/Directors' Training (continued)

The Nomination Committee assessed the training requirement of the Directors annually and each of the Directors is advised to attend at least one (1) workshop or seminar during each financial year. All Directors have successfully attended the MAP prescribed by the Bursa Securities. The trainings/seminars attended by the Directors during the financial year are as listed below:

No.	Seminars / Conferences / Training Programmes Attended	Attendee(s)	Date Attended
1.	MPERS: Practical Issues and Fair Value Measurements	• Datuk Ng Seing Liong	19 June 2019
2.	GREEN Built Conference	• Datuk Ng Seing Liong	26 June 2019
3.	National Tax Conference 2019	• Datuk Ng Seing Liong	5 & 6 August 2019
4.	Demystifying the Diversity Conundrum: The Road to Business Excellence	• Datuk Ng Seing Liong	14 August 2019
5.	Practical solutions to the common problems being experienced in the Malaysia construction market	• Datuk Ong Chee Koen	23 September 2019
6.	2020 Budget Seminar	• Datuk Ng Seing Liong	24 October 2019
7.	Malaysia Insolvency Conference 2019	• Datuk Ng Seing Liong	20 November 2019
8.	Roadshow Seminar for Disciplinary Committee Members on Overcoming Practical Problem	• Datuk Ng Seing Liong	20 December 2019

In view of the Corona Virus Disease 2019 ("COVID 19") pandemic, the Government of Malaysia had on 18 March 2020 implemented the Movement Control Order ("MCO") nationwide to curb the spread of the COVID 19 infection in Malaysia. Hence, Dato' Noordin Bin Sulaiman and Madam Wong Wen Miin were unable to attend a prescheduled training which fell during the MCO period. Both Dato' Noordin Bin Sulaiman and Madam Wong Wen Miin will attend relevant training programs in financial year ending 31 May 2021.

The Board is also briefed by the Company Secretary of any significant changes in laws and regulations that are relevant. The Directors continue to undergo other relevant training programs that can further enhance their knowledge in the latest development relevant to the Group, especially in areas of corporate governance and regulatory development, to carry out their responsibilities effectively.

##### 4.5 Tenure of Independent Director

The tenure of an Independent Director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) years, the Board shall seek annual shareholders' approval through a two-tier voting process.

The Company does not have terms limits for the Independent Directors as the Board believes that the Independent Directors' experience accumulated with the Company's business operation bring benefits to the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.6 Policy of Independent Director's Tenure

The Company does not have a policy which limits the tenure of its independent directors to nine (9) years.

The independent directors play a crucial supervisory function. Their presence is essential in providing unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the non-executive directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group.

In order to ensure the effectiveness of the Independent Directors, the Board developed the criteria to assess the independence and undertakes the assessment of its Independent Directors on annual basis.

The Board through the Nomination Committee undertakes assessment of the independence of its Independent Directors on an annual basis to examine the level of independence of the Independent Directors and to ensure the Independent Director can continue to bring independent and objective judgment to Board deliberations. The Nomination Committee had conducted assessment on the Independent Directors. The Nomination Committee is satisfied that the Independent Directors had been objective and independent in expressing their views and in participating in deliberations and decision making of the Board.

##### 4.7 Diverse Board and Senior Management Team

The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level.

Having a range of diversity dimensions brings different perspectives to the boardroom and to various levels of Management within the Group.

The Nomination Committee makes independent recommendations for appointment of members to the Board. In making these recommendations, the Nomination Committee assesses the suitability of candidates, taking into account the character, experience, integrity, competency, time commitment and other qualities of the candidates, before recommending their appointment to the Board for approval.

##### 4.8 Criteria for Recruitment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee. As a whole, the Company maintains an adequate number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The Nomination Committee will help to assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.8 Criteria for Recruitment (continued)

In assessing suitability of candidates, consideration will be based on the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of professional knowledge, skills, experience and diversity (including gender diversity), understanding of the Business, the Markets and the Industry in which the Group operates and the accounting, finance and legal matters.

In general, the process for the appointment of director to the Board is as follows:

- (i) The Nomination Committee reviews the Board's composition through Board assessment/evaluation;
- (ii) The Nomination Committee determines skills matrix;
- (iii) The Nomination Committee evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
- (iv) The Nomination Committee recommends to the Board for appointment; and
- (v) The Board approves the appointment of the candidates.

Factors considered by the Nomination Committee when recommending a person for appointment as a director includes:

- (i) the merits and time commitment required for an Executive Director to effectively discharge his or her duties to the Company;
- (ii) the outside commitments of a candidate to be appointed or elected as an Executive Director and the need for that person to acknowledge that they have sufficient time to effectively discharge their duties; and
- (iii) the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

##### 4.9 Gender Diversity

The Board is supportive of gender diversity recommendation made in the Code and the Board currently has one (1) female Directors out of five (5) Directors which is in line with the Company's gender diversity target.

The Board having reviewed its gender mix with diverse professional background ranging from financial, technical and business experience, is satisfied with the current composition of the Board.

The Board has adopted a formal written policy on gender diversity.

##### 4.10 New Candidates for Board Appointment

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The Nomination Committee will help assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programmes for the Board. In assessing suitability of candidates, consideration will be given to the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experiences and diversity (including gender diversity) represented in addition to an understanding of the Business, the Markets and the Industry in which the Group operates and the accounting, finance and legal matters.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.11 Nomination Committee

The Nomination Committee was established on 23 November 2007. The primary function of the Nomination Committee is to recommend to the Board, candidates for all directorships to be filled by the shareholders of the Board after taking into consideration the following criteria:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

Besides, the functions of Nomination Committee included the following:-

- Consider, in making its recommendations, candidates for directorships;
- Assess and recommend to the Board, Directors to fill the seats on Board Committees;
- Undertake an annual review of the required mix of skills, experience and diversity (including gender diversity) and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this forthwith in every Annual Report;
- Assist the Board to introduce a criteria and to formulate and implement a procedure to be carried out by the Nomination Committee annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director;
- To ensure that the Directors to retire by rotation to be in accordance with the Constitution of the Company;
- To ensure that the process carried out in the evaluation and assessment be properly documented;
- To conduct assessment of the Independent Directors who have served the Board for a period of nine (9) years and above and to recommend to the Board whether the Independent Director should remain independent or be re-designated;
- To review the induction and training needs of Directors; and
- To report to the Board on Board and key management succession planning.

The present members of the Nomination Committee are as follows:

Chairman : Wong Wen Miin (Chairman, Independent Non-Executive Director)  
 Member : Dato' Noordin Bin Sulaiman (Independent Non-Executive Director)  
 Member : Datuk Ng Seing Liong PJN, JP (Independent Non-Executive Director)

There had been three (3) Nomination Committee meetings held during the FYE2020. The details of the members' attendance at the meeting are set out as follows:-

Name of Directors	Total Meetings Attended	Percentage of Attendance
Wong Wen Miin (appointed as Chairman on 15 November 2019)	Nil	Nil
Dato' Noordin Bin Sulaiman	3/3	100%
Datuk Ng Seing Liong PJN, JP (appointed as member on 15 November 2019)	Nil	Nil
Nirmala A/P Doraisamy (resigned on 15 November 2019)	3/3	100%
Mohd Zaini Bin Noordin (retired on 8 November 2019)	3/3	100%

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II – BOARD COMPOSITION (CONTINUED)

##### 4.11 Nomination Committee (continued)

The terms of reference of the Nomination Committee is available at the Company's website at [www.eco-built.com.my](http://www.eco-built.com.my).

The summary of activities undertaken by the Nomination Committee during the FYE2020 included the following:

- i) Assessed and discussed the appointment of new Directors and the composition of the Board and Board Committees;
- ii) Assessed the effectiveness and required mix of skills and experience of the Board as a whole;
- iii) Assess the independence of Independence Directors;
- iv) Reviewed and recommend to the Board on the re-election of Directors;
- v) Reviewed and evaluated the continuing in office of Mohd Zaini Bin Noordin, as Independent Director, who had served for a cumulative term of more than nine (9) years;
- vi) Reviewed the training needs for Directors; and
- vii) Reviewed the succession planning of the Group's senior management and the Board of Directors.

#### 5. Overall Effectiveness of the Board and Individual Directors

##### 5.1 Annual evaluation

The Nomination Committee has established performance criteria and assesses the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director on an annual basis. The Nomination Committee reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently. The Company adopted the following customised evaluation form for assessment:

- Individual Director Self Evaluation Sheet
- Independent Directors' Self-Assessment Checklist
- Board and Board Committee Evaluation Self-Assessment
- Audit Committee Member's Self and Peer Evaluation

The above review and assessments had been conducted by the Nomination Committee and tabled to the Board for discussion on 30 July 2020. The Nomination Committee, through the assessment conducted, is satisfied that each of the Director has the character, experience, integrity, competence and time to effectively discharge their duties.

The Nomination Committee also had on 30 July 2020, assessed the training needs of the Directors to ensure that the Directors keep abreast of regulatory charges, other developments and broad business trend.

#### PART III – REMUNERATION

The Board acknowledges the level and composition of remuneration of directors and senior management take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives. In order to achieve the aim, the Board has established Remuneration Committee and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and senior management.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART III – REMUNERATION (CONTINUED)

##### 6.1 Remuneration Policy

The Board believes that Ecobuilt should have a fair remuneration policy to attract, retain and motivate directors. It has established a Remuneration Committee to review and ensure that the remuneration fairly reflect the Board's responsibilities, the expertise and the complexity of its operations. The said remuneration should also be in line with the business strategy and long-term objectives of Ecobuilt.

The Board has adopted the Remuneration Policy.

##### 6.2 Remuneration Committee

In line with the best practices of the Code, the Remuneration Committee was established on 23 November 2007 and is responsible to recommend the remuneration packages for Executive Directors taking into consideration the individual performance, seniority, experience and scope of responsibility that is sufficient to attract and retain the Directors needed to the Company successfully. The Remuneration Committee reports to the Board. The present members of the Remuneration Committee are as follows:-

Chairman : Dato' Noordin Bin Sulaiman (Chairman, Independent Non-Executive Director)

Member : Datuk Ng Seing Liong PJN, JP (Independent Non-Executive Director)

The Remuneration Committee had convened two (2) meetings during the FYE2020. The details of the members' attendance at the meeting are set out as follows:

Name of Directors	Total Meetings Attended	Percentage of Attendance
Dato' Noordin Bin Sulaiman (re-designated as Chairman on 15 November 2019)	2/2	100%
Datuk Ng Seing Liong PJN, JP (appointed as member on 15 November 2019)	Nil	Nil
Mohd Zaini Bin Noordin (retired on 8 November 2019)	2/2	100%

The Remuneration Committee's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The Remuneration Committee also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

The determination of the remuneration packages for Non-Executive Directors is a matter of the Board as a whole. The individuals concerned should abstain from discussing their own remuneration. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART III – REMUNERATION (CONTINUED)

#### 7 Remuneration of Directors

##### 7.1 Directors' Remuneration

The aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components for the FYE2020 are as follows:

Director	Group		Company	
	Fees RM	Salaries and other emoluments RM	Fees RM	Salaries and other emoluments RM
Dato' Noordin Bin Sulaiman	36,000	–	36,000	–
Datuk Ong Chee Koen	–	228,258	–	–
Datuk Ng Seing Liong PJN, JP (appointed on 15 November 2019)	19,500	–	19,500	–
Ir. Yap Nam Fee (resigned on 30 June 2020)	–	163,995	–	–
Wong Wen Miin	36,000	–	36,000	–
Mohd Zaini Bin Noordin (retired on 8 November 2019)	16,500	–	16,500	–
Nirmala A/P Doraisamy (resigned on 15 November 2019)	16,500	–	16,500	–

The fees and allowances for Non-Executive Directors are determined by the Board and are subject to the approval of the shareholders of Ecobuilt.

##### 7.2 Remuneration of the Senior Management

The total remuneration received by senior management of the Group including salary, bonus, benefits-in-kind and other emoluments in bands with RM250,000 for the financial year ended 31 May 2020 are as follows:

Range of Remuneration	Number of Senior Management
Below RM250,000	–
RM250,000 to RM500,000	1
RM500,001 to RM750,000	–
RM750,001 to RM1,000,000	–

Details of total remuneration received by the senior management on named basis are not disclosed in this report as the Board is of the view that the above remuneration disclose by band satisfied the accountability and transparency aspects of the MCCG.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I – AUDIT COMMITTEE

##### 8.1 Composition of Audit Committee

The Company has established the Audit Committee comprising exclusively of Non-Executive Directors. The Audit Committee is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

The present members of the Audit Committee are as follows:

Chairman : Datuk Ng Seing Liong PJN, JP (Chairman, Independent Non-Executive Director)

Member : Dato' Noordin Bin Sulaiman (Non-Independent Non-Executive Director)

Member : Wong Wen Miin (Independent Non-Executive Director)

The Audit Committee is chaired by an Independent Director who is distinct from the Chairman of the Board. The Chairman is a member of the Malaysian Institute of Accountants. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report of the Annual Report.

##### 8.2 Assessment of Suitability and Independence of External Auditors

The Board has established an appropriate and transparent relationship with the External Auditors through the Audit Committee. The Audit Committee has been accorded the authority to communicate directly with the External Auditors. The External Auditors in turn are able to highlight matters related to compliance with the accounting standard and other related regulatory requirements which require the Board's attention effectively.

The Audit Committee assisted by the management, undertakes annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditors was conducted by completing personalised evaluation form. The factors considered by the Audit Committee in its assessment include, adequacy of professionalism and experience of the staff, the resources of the External Auditors, the fees and the independence of the level of non-audit services rendered to the Group. The Audit Committee has assessed and is satisfied with the suitability and the confirmation provided by the External Auditors that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the Board. The External Auditors are invited to attend the Annual General Meeting of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statements.

Every year, the Audit Committee will meet with the External Auditors without the presence of the Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised.

In presenting the Audit Planning Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the FYE2020.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### PART I – AUDIT COMMITTEE (CONTINUED)

##### 8.2 Assessment of Suitability and Independence of External Auditors (continued)

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 May 2020 are as follows:

	Group RM	Company RM
Audit fees	110,000	32,000
Non-Audit fees	9,000	3,000

##### 8.3 Cooling-off Period for Appointment of Former Key Audit Partner

The policy on observation of a cooling-off period of at least two years for a former key audit partner prior to the appointment as a member of the Audit Committee, had been incorporated in the Terms of Reference of the Audit Committee.

##### 8.4 Qualifications and Skills of Audit Committee

The composition of the Audit Committee meets the requirements of Paragraph 15.09(1)(a), (b) and (c) of the Listing Requirements. All members of the Audit Committee are believed to be able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as member of the Audit Committee.

The Nomination Committee is satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's Terms of Reference and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

All members of the Audit Committee are mindful that they should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The composition of the Audit Committee, its terms of reference, attendance of meetings by the individual members and the summary of activities are set out in the Audit Committee Report on pages 11 to 13 of the Annual Report.

#### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### 9.1 Effective Risk Management and Internal Control Framework

The Board is entrusted with the overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to assess current and emerging risks and to respond to risks affecting the Group.

As an effort to enhance the system of internal control, the Board adopted an on-going monitoring and review of the existing risk management process in the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

##### 9.1 Effective Risk Management and Internal Control Framework (continued)

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given on the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

##### 9.2 Adequacy and Effectiveness of the Risk Management and Internal Control

The internal audit function of the Company is effective and remains independent all the time. The internal audit function is set out in the Statement on Risk Management and Internal Control and Audit Committee Report.

Internal Auditors reports functionally to the Audit Committee and has unrestricted access to the Audit Committee. Its function is independent of the activities or operations of other operating units. Internal Auditors periodically evaluates the effectiveness of the risk management process, reviews the operating effectiveness of the internal controls system and compliance control within the Group. The minutes of the Audit Committee meetings are tabled to the Board for information and serves as a reference.

The information on the Group's internal control is further elaborated in page 35 on the Statement on Risk Management and Internal Control of this Annual Report.

##### 9.3 Internal Audit Function

The Board and Audit Committee have appointed AlphaOne Governance Sdn Bhd, for the establishment of internal audit function for the financial year. The Internal Auditors reports directly to the Audit Committee on the results of audit reviews. Internal Auditors conducts regular review and appraisals of the effectiveness of the governance, risk management and internal control processes within the Company.

### PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### PART 1 – COMMUNICATION WITH STAKEHOLDERS

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, environment and social responsibility.

##### 10.1 Continuous Communication between Company and Stakeholders

The Board recognises that shareholder and other stakeholders are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company website is the primary medium in providing information to all shareholders and stakeholders.

Presently, the Board and management of the Company communicate regularly with its shareholders and other stakeholders through the following channels of communication:



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

#### PART 1 – COMMUNICATION WITH STAKEHOLDERS (CONTINUED)

##### 10.1 Continuous Communication between Company and Stakeholders (continued)

###### (i) Bursa Securities

The Company releases all material information publicly through Bursa Securities and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Securities.

###### (ii) Company website

The Company's website, [www.eco-built.com.my](http://www.eco-built.com.my), incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by both shareholders and the public. This Investor Relations section enhances the Investor Relations function by including all announcements made by the Company.

##### 10.2 Integrated Report

The Board is mindful on the benefit of integrated reporting. Nevertheless, due to the limited resources, the Board has not prepared the Integrated Report.

##### 10.3 Corporate Disclosure Policies

The Board does not have a Corporate Disclosure Policy. However, the Company ensures disclosure are compliance with the disclosure requirements as set out in Listing Requirements of Bursa Securities.

#### PART II – CONDUCT OF GENERAL MEETINGS

General meetings are the important and effective platforms for directors and senior management to communicate with the shareholders. Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

##### 11.1 Encourage Shareholder Participation at General Meetings

Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report at least twenty eight (28) days before the meeting in order for them to have sufficient time to read and understand about the Company financial and non-financial performance before the actual event takes place.

##### 11.2 Poll Voting

At the Extraordinary General Meeting ("EGM") held on 16 August 2019 and the Fifteenth (15th) Annual General Meeting ("AGM") held on 8 November 2019, all resolutions put forth for shareholders' approval at the EGM and 15th AGM were voted by poll and an independent scrutineer was appointed to validate the votes cast at the EGM and 15th AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

#### PART II – CONDUCT OF GENERAL MEETINGS (CONTINUED)

##### 11.2 Poll Voting (continued)

Pursuant to the Listing Requirements of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all resolutions as set out in the Notice of the Fifteenth AGM and future general meetings will be conducted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

##### 11.3 Attendance of the Chair of the Board Committees at the AGM

The Board took note that the presence of all directors will provide opportunity for shareholders to effectively engage each director. Besides, having the chair of the Board subcommittees present facilitates these conversations and allows shareholders to raise questions and concerns directly to those responsible. Accordingly, barring unforeseen circumstances, all directors as well as the Chairman of respective Board Committees (i.e. Audit Committee, Nomination Committee and Remuneration Committee) will present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.

##### 11.4 Encourage Shareholder Participation at General Meeting

The Company allows a member to appoint a proxy who may not be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia. Ecobuilt has not set the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for Omnibus account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Constitution of the Company further accord proxies the same rights as members to speak at the general meeting. Essentially, a corporate representative, proxy or attorney is entitled to attend, speak and vote both on a show of hands and on a poll as if they were a member of the Company.

Despite the recommendation of Practice 12.3 of MCCG that the Company with large number of shareholders should have meetings in remote locations and in leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at the general meeting, the Board assessed and of the opinion that meetings in remote locations is not necessary and costly to the Company in view of the current numbers of shareholders of the Company.

In line with the Practice 12.3 of the MCCG in promoting electronic voting, as at the date of this Statement, the Board assessed and of the opinion that the electronic voting is not necessary and costly in view of the current number of shareholders of the Company and will consider adopting such recommendation when necessary.

This Corporate Governance Overview Statement was approved by the Board on 28 September 2020.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Variation in Results

There were no deviation of 10% or more between the profit after taxation stated in the unaudited fourth quarter ended 31 May 2020 announced on 30 July 2020 and the audited financial statements of the Group for the financial year ended 31 May 2020.

## 2. Profit Forecast / Profit Guarantee

During the year under review, the Company did not provide any profit forecast / guarantee in any public documents.

## 3. Material Contract

There was no material contract entered into by the Company and its subsidiaries involving Directors and major shareholders' interest which was still subsisting at the end of the financial year ended 31 May 2020.

## 4. Recurrent Related Party Transaction Statement

There was no significant recurrent related party transaction of revenue or trading nature during the financial year under review.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) of Ecobuilt Holdings Berhad (“Ecobuilt”) is pleased to provide the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 May 2020, which has been prepared, taken into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) and made in accordance with the recommendations of the Malaysian Code of Corporate Governance.

## BOARD RESPONSIBILITIES

The Board undertakes responsibilities for maintaining a sound system of internal control that supports the achievement of the corporate policies, aims and objectives of Ecobuilt Group of Companies by continuous improvement on internal control and risk management.

The system of risk management and internal control is designed to safeguard shareholders’ investment and the Group’s assets, and for reviewing its adequacy and integrity. In view of the limitations underlying any system of the internal controls which covers financial, operational, compliance controls and risk management procedures, the system is designated to provide reasonable but not absolute assurance of its effectiveness and is designated to manage rather than eliminate the risk of failure to achieve the corporate aims and objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal controls set out in order to attain reasonable assurance that business objectives have been met. The processes which have been instituted throughout the Group, except for associated companies and joint ventures which are not under the control of the Group. These controls are regularly reviewed by the Board and subject to continuous improvement. The Board, through its Audit Committee, regularly reviews the results of this process which has been in place for the year under review and up to the date of issuance of the Annual Report and financial statements.

The Board is of the view that the risk management and internal control system is in place for the year under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators, employees and the Group’s assets.

## RISK MANAGEMENT SYSTEM

Towards formalising the risk management functions within the Group, the Board has engaged an independent professional firm with suitable experience and capabilities to handle the internal audit functions, and to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system.

Key management personnel and Heads of Department are responsible for assisting the Board to implement policies and procedures on risk management and internal control. Significant risk affecting the Group’s strategic and business plans are escalated to the Board at their scheduled meetings.

During the financial year, the Group had identified major risk areas of concern and mitigating actions were taken. The major risks are outlined below:

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### RISK MANAGEMENT SYSTEM (CONTINUED)

#### (1) Competition and business diversification risks

The Group faces direct competition from both new entrants and existing companies involved in the construction industry. The Group is also disadvantaged as a new entrant in the construction industry due to lack of relevant track record and brand name compared to the existing construction companies which may enjoy established brand names and entrenched reputation in the industry. Therefore, the Group seeks to be competitive in the construction industry by being cost efficient through effective project management and cost control policies, providing quality products and competitive pricing as well as actively seeking new opportunities in the construction industry.

#### (2) Dependency on key management personnel

The Group's involvement in the construction industry will depend on the abilities, skills, experience and competency of Datuk Ong Chee Koen and other key management personnel. The loss of any of these key management personnel without suitable and timely replacement may adversely affect the Group's construction business. The Group is aware of such a risk and will strive to retain its key personnel by way of attractive remuneration and project-based incentives.

#### (3) Economic, political and regulatory risks

Any adverse developments in political, economic, market, interest rate, taxation, regulatory and social conditions may materially affect the Group's involvement in the construction industry. These include changes which are beyond the Group's control. The Group intends to mitigate such risks by continuously reviewing our business development strategies to respond to changes in such factors and conditions.

### INTERNAL CONTROL SYSTEM

Key internal controls in place for the Group are as follows: -

- (1) Well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.
- (2) The Board and Audit Committee meet at least once on a quarterly basis to review and deliberate on financial reports, annual financial statements and two (2) internal audit reports. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.
- (3) Internal policies and procedures had been established for key business units within the Group.
- (4) Proper delegation of authorities that sets out decision that needs to be taken and the appropriate levels of management involved including matters that require the Board's approval.
- (5) Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performances of the Group.
- (6) Management accounts containing key financial results, operational performances and comparison of actual performance against budgets are presented to the management team for monitoring and review. The quarterly financial statements are presented to the Audit Committee and Board for their review and approval.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### INTERNAL AUDIT FUNCTION

The Board is of the view that by outsourcing the internal audit function, it provides the Group a professional, independent and more objective review on the overall adequacy of the Group's internal control system and environment.

The Internal Auditors report directly to the Audit Committee and is guided by an approved Internal Audit Charter. The internal audit is guided by the International Professional Practices Framework issued by the Institute of Internal Auditors which contains the international standards for internal auditing. The Internal Auditors, performed review on key processes within the Group according to the Internal Audit Plan which have been approved by the Audit Committee and assessed the effectiveness of the internal control system, based on their procedures.

The internal audit report which highlights material non-compliance or weaknesses, risks and implications, and management responses are presented at the Audit Committee Meetings. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame. Subsequent review on the implementation of corrective actions taken for previous audit findings will also be performed by the Internal Auditors and reported to the Audit Committee.

The Internal Auditors performed independent assessment of the risks identified, evaluated and managed by risk owners. Such assessment provides guidance in determining the risk-based audit plan and scope of work as well as preparation of audit programme for a more effective audit to be conducted.

The Internal Audit Plan which is prepared based on areas of higher risk exposure has been approved by the Audit Committee. During the financial year ended 31 May 2020, the business processes / audit areas covered construction and contract management, including tendering as follows:

- (1) To ensure there is a proper internal control system in place for:
  - Preparation of cost estimates / project budget;
  - Pre-qualification of subcontractors;
  - Tendering / quotation process;
  - Evaluation of tenders / quotations and subcontractors;
  - Awarding of contracts.
- (2) Review of policies and procedures
- (3) Review of Letter of Award/Contracts

The fees incurred for the internal audit function and risk management function for the financial year ended 31 May 2020 was RM10,000.

Based on the report of the appointed Internal Auditors, the Board is satisfied that there is no significant breakdown or weaknesses in the system of internal control of the Group that may have a material impact against the operations of the Group for the financial year ended 31 May 2020.

### OTHER RISK AND CONTROL PROCESSES

The Group has set in place standard operating procedures internally covering major and critical facets of the Group's business process. Procedures are primarily geared towards the prevention of wastages, handling loss and major functional aspects of business operations. The procedures are subject to review as processes change or when new business requirements need to be met.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### REVIEW BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Main Market Listing Requirements of Bursa Securities, the External Auditors, Messrs. MORISON AAC PLT, has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 May 2020 in accordance with Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report and reported to the Board that based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

### MANAGEMENT'S ASSURANCE

The Chief Operating Officer and Head of Accounts and Finance, representing the management, has given reasonable assurance to the Board that the Group's risk management and internal controls system are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

### CONCLUSION

The Directors believes that the system of the internal control is considered appropriate to the business operations and that the risk taken is at an acceptable level within the context of the business environment of the Group. It should be noted that such arrangements do not eliminate the possibility of collusion or deliberate circumvention of procedures by employees. Human error and/or other unforeseen circumstances can result in poor judgement. For the financial year under review, there was no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties which would require separate disclosure in this Annual Report.

The statement was approved by the Board on 28 September 2020.

# CORPORATE SUSTAINABILITY STATEMENT



## INTRODUCTION

Ecobuilt Holdings Berhad (“Ecobuilt”) and its subsidiaries (“the Group”) recognises that sustainability is the key driver to value creation for the Group and various stakeholders on a long-term basis.

The Board is pleased to present the Sustainability Statement for the financial year ended 31 May 2020 (“FYE 2020”). This Sustainability Statement sets out our Group’s sustainability material matters, risks and opportunities that are important to our various stakeholders.

In line with Bursa Securities Sustainability Reporting Guide, our sustainability practices are to ensure economic, environmental and social risks and opportunities are consistent with our governance framework and social responsibilities.

## SCOPE OF THIS STATEMENT

This Sustainability Statement covers the sustainability activities of Ecobuilt and all its subsidiaries, involving in the business of civil engineering, building contracting and construction, and property development.

## ASSESSMENT OF MATERIAL MATTERS

We have conducted an assessment to identify a list of Material Matters relevant to our Group. Please refer to our Material Matters Matrix within this Sustainability Statement.

## BASIS OF THIS STATEMENT

This Sustainability Statement was prepared based on the available internal information and in a manner as prescribed by Bursa Malaysia Securities Berhad (“Bursa Securities”), in accordance with the Main Market Listing Requirements and Sustainability Reporting Guide and Toolkits issued by Bursa Securities.

## FEEDBACK

In our continuous efforts to improve our performance in sustainability measures and standards, we welcome stakeholders’ feedback on this sustainability Statement and any other matters that we should undertake. Comments and queries related to this Sustainability Statement can be directed to [inquiry@eco-built.com.my](mailto:inquiry@eco-built.com.my).



## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### OUR SUSTAINABILITY RESPONSIBILITIES AND COMMITMENT

Ecobuilt was established in 2004 and currently listed on the Main Market of Bursa Securities. As a public-listed company, we acknowledge our continuous responsibilities and commitments to create sustainable values to various stakeholders and enrich our future generations in line with our Group's mission.

#### OUR MISSION

We aim to provide world class property developments and services to help create a better community for the future generations.

#### OUR VALUES

We always believe that by using the following five brand values, we will continue to build the right thing together globally: -

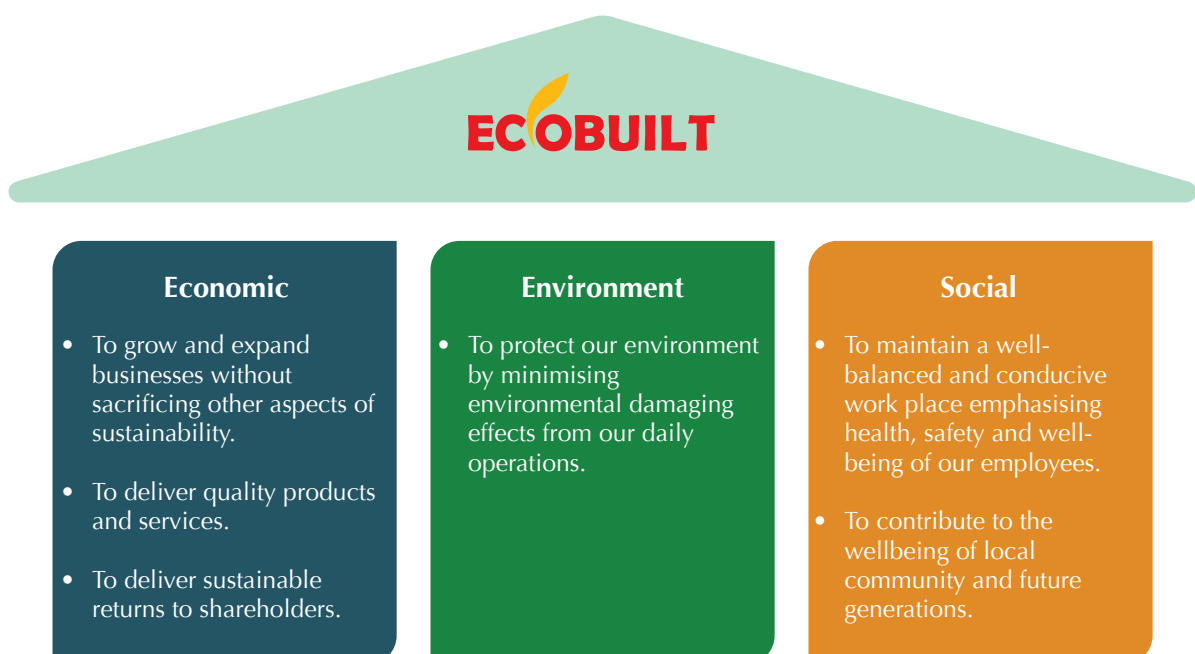
- Hard work
- Responsibility
- Morality
- Integrity
- Vitality

These are the values that we will continue to adhere as an essential part of what it means to be Ecobuilt as we move towards the future.

### OUR SUSTAINABILITY STRATEGIES

Being a responsible corporate entity, Ecobuilt recognises the growing significance of incorporating sustainability practices into our business operations management while providing sustainable services and products to our customers and creating a sustainable environment to our local community.

In order to achieve the sustainable goals, we formulate our sustainability strategies surrounding three (3) main pillars namely Economic, Environment and Social as follows: -



## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### OUR SUSTAINABILITY GOVERNANCE



Our Board plays an essential role to ensure that the Group's strategic planning supports long-term value creation with sustainability management that includes economic, environmental and social considerations. The Board recognises that risk management and internal controls system are integral to our corporate governance and vital to our business sustainability. Hence, the Board has delegated the responsibilities to review the adequacy and effectiveness of the Group's risk management and internal controls system to Audit Committee. Meanwhile, the overall performance of the Group and the Board is monitored by Nomination Committee and Remuneration Committee.

Ecobuilt realises that good corporate governance is underpinned by ethical business conducts across the entire operations of the Group. The Group has established a Code of Ethics to identify and emphasise the areas of ethical risks. It serves as a guidance to promote ethical practices and behaviours. A Whistle Blowing Policy has also been established for employees to report any violation of laws and regulations, fraud, corruption, bribery or criminal offences. Both Code of Ethics and Whistle Blowing Policy are made available on our website at <http://eco-built.com.my/corporate-info/>.

Code of Ethics	Whistle Blowing Policy
<ul style="list-style-type: none"> <li>• Avoid any potential or actual conflict of interest;</li> <li>• Owe duty of care to the Group;</li> <li>• Maintain and protect confidential information;</li> <li>• Protect and proper use of the Group's assets;</li> <li>• Comply with all applicable laws, rules and regulations;</li> <li>• Prohibit insider trading; and</li> <li>• Promote ethical behaviour and report any illegal or unethical behaviour.</li> </ul>	<p>Whistle Blowing Policy outlines a reporting procedure for employees to report on any irregularities or misconduct actions.</p> <p>Employees are encouraged to report to Executive Chairman or other Independent Directors immediately if he/she has reasonably belief that another employee of Ecobuilt has engaged in any action that warrant the reporting. Such report will be treated fairly, properly and confidentially.</p>

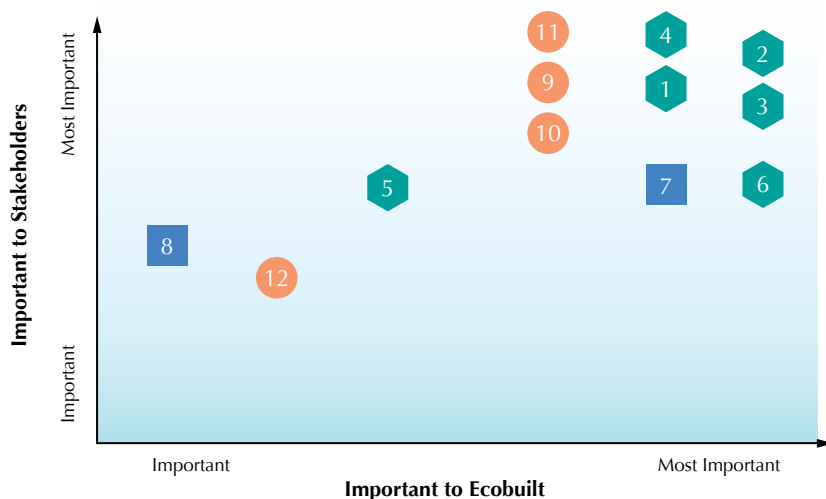
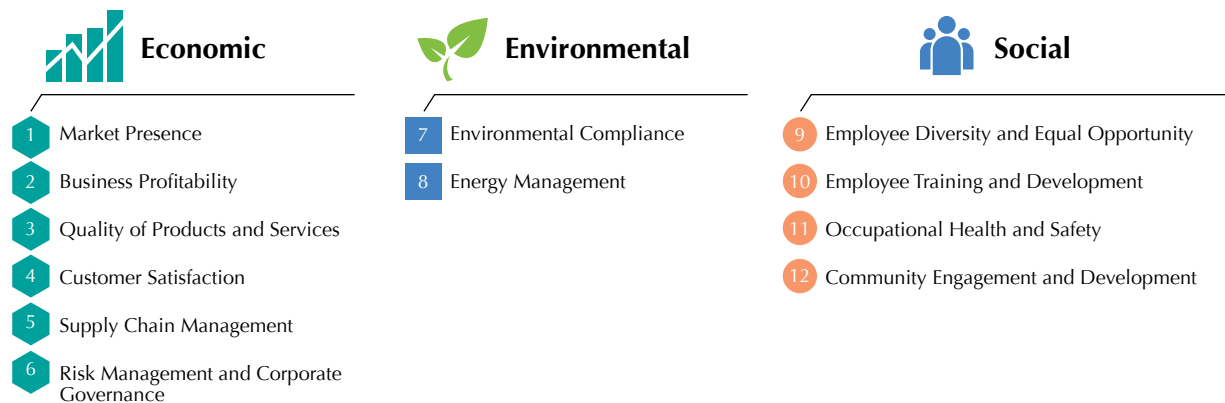
## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### ASSESSMENT OF MATERIAL MATTERS

Materiality assessment is an essential method to identify and prioritise any sustainability matters which brings material impact to our daily business operations and our various stakeholders' interest. We adopt a rating approach to identify and rank the relevant Economic, Environmental and Social matters in accordance to respective significance and degree of its impacts to Ecobuilt and various stakeholders.



Coming to FYE 2020, we have reassessed and concluded that material matters relevant to our Group are similar to that of identified in FYE 2019 within the following three (3) contexts: -











According to our assessment, we have identified and ranked twelve (12) key areas which matter the most to our Group and our various stakeholders, as illustrated in the following Material Matters Matrix scaling from "Important" to "Most Important": -

## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### STAKEHOLDERS ENGAGEMENT

We are of the opinion that long-lasting and quality relationships with various stakeholders enable us to create strong synergy relationships and improve business performance by understanding their needs and expectations. Our engagement approaches with key stakeholders are as follows: -

Stakeholders	Stakeholders Interest/Material Matters	Engagement Approaches
 Shareholders/Investors	<ul style="list-style-type: none"> <li>Investment risks and returns</li> <li>Share price performance</li> <li>Business performance and profitability</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual report</li> <li>Quarterly financial results</li> <li>Annual/extraordinary general meetings</li> <li>Bursa announcements</li> <li>Company website</li> <li>Press releases</li> </ul>
 Board of Directors	<ul style="list-style-type: none"> <li>Operational improvement and business expansion</li> <li>Financial performance of the Group</li> <li>Risk management and internal controls</li> <li>Interest of various stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual/extraordinary general meetings</li> <li>Company events</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Career growth opportunities</li> <li>Training and development</li> <li>Workplace health and safety</li> <li>Competitive compensation and benefits packages</li> </ul>	<ul style="list-style-type: none"> <li>Training and development program</li> <li>Employee performance evaluation and appraisal</li> <li>Regular engagement with management</li> <li>Company events</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Long-term business relationship</li> <li>Supplier selection and evaluation</li> <li>Credit terms</li> </ul>	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Email and face-to-face communications</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Quality assurance of products and services</li> <li>Customer satisfaction</li> <li>New products innovation</li> <li>Competitive pricing and on-time delivery</li> </ul>	<ul style="list-style-type: none"> <li>Advertisement and marketing events</li> <li>Company website</li> <li>Email and face-to-face communications</li> <li>Customer feedback survey</li> </ul>
 Government/Regulators	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Corporate governance</li> <li>Licenses and permits</li> <li>Workforce health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Compliance audit</li> <li>Bursa announcements and company website</li> <li>Renewal of licenses and permits</li> </ul>
 Community	<ul style="list-style-type: none"> <li>Employment creation</li> <li>Local economic development</li> <li>Impact of operations on surrounding environment</li> <li>Economic support</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility programs</li> <li>Company website</li> <li>Voluntary community events</li> </ul>
 Analyst/Media	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Business growth and expansion plans</li> <li>Corporate action</li> </ul>	<ul style="list-style-type: none"> <li>Annual report</li> <li>Quarterly financial results</li> <li>Press conferences</li> <li>Annual/extraordinary general meetings</li> <li>Bursa announcements</li> <li>Company website</li> </ul>

## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)



### ECONOMIC RESILIENCE

*To maintain and enhance our competitive competency*

During FYE 2020, we have faced several challenges and uncertainties, including the global economic instability caused by United States and China trade war, United States elections and the COVID-19 pandemic as well as upcoming domestic federal budget announcement. It is not an easy year for us where the market sentiments and economic spending is poor and slowdown which consequently resulted in our declining business performance.

In spite of that, Bank Negara Malaysia has cut the Overnight Policy Rate ("OPR") to 1.75% as at 10 September 2020, a decrease by 1.25% from 3.0% as at 7 May 2019. Such decrease in OPR is advantageous to us in terms of decrease in borrowings cost.

On the other hand, we expect an increase in government spending on infrastructure and semi-government projects in order to stimulate Malaysia's Gross Domestic Product ("GDP") growth.

We shall maintain timely review of our risk assessment and strategic planning so as to keep abreast with any economic and environmental changes.

In short term, we will strive to tender for government and semi-government projects as well as to dispose any unutilised assets in order to maintain a healthy cash flow. We shall be more cautious and ensure effective use of our cash flow as well. Concurrently, we will streamline and reduce our operating costs to enhance our operating efficiency and profit margin. In the long run, we will explore the possibility of securing long-term recurring income projects such as Build-Operate-Transfer ("BOT") contracts in order to secure our order book and enhance our reputation.

### BUSINESS GROWTH AND EXPANSION

*To grow and expand our business continuously*

Ecobuilt was initially involved in provision of mobile contents and data application services. In year 2018, with the aspiration to grow and expand our businesses, we managed to tap on a business opportunity to venture into civil engineering, building contracting & construction and property development activities. Since then, we have been actively involved in various construction projects and decided to focus on construction businesses as it brings greater values to the Group and various stakeholders.

We desire to grow and expand our construction businesses so as to reach a larger market presence and exposure in Malaysia. In FYE 2020, we have secured a new construction project, namely Riveria City @ KL Sentral. Riveria City is a mix development located at KL Sentral, an integrated public transportation hub. The development consists of retail shops, lifestyle office suites and serviced apartments, spread across 3 towers stretching as high as 54 storeys. We have been appointed as the main contractor for the said project.

We shall continue to look for business growth and expansion opportunities so as to continuously improve and create value for the Group, consequently maximising shareholders' interest.



## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

**PRODUCTS AND SERVICES QUALITY**

*To monitor and improve the quality of our products and services continuously*

We strive to serve our customers with top quality products and services so as to keep our customers satisfied while establish a strong and reputable brand in the market. Ensuring products and services quality is the key driver to ensure that our order book continue to grow continuously and our business remained sustainable.

We have several quality monitoring methods such as consistent quality inspection during construction period, issuance of non-conformance report as and when necessary, and regular site inspection by our project consultants.

**CUSTOMER SATISFACTION**

*To understand our customers' expectation and improve continuously*

In ensuring our customers' satisfaction towards our products and services, our team works closely with customers to obtain feedbacks frequently. Any enquiries and complaints from customers shall be dealt with by our team members within a short period of times.

**GOOD CORPORATE GOVERNANCE**

*To ensure good corporate governance within the Group to safeguard our stakeholders' interest*

In Ecobuilt, our business transactions and operational practices are governed by our firm standard operating procedures ("SOP") and Code of Ethics that emphasised ethical practices, of which we are committed to in order to avoid any malpractices or practices of bribery and corruption of all forms in the Group's daily operations. All employees are required to carry out their obligations and responsibilities diligently and decently. This shall then strengthen the trust relationship with our various stakeholders.

In addition, we adhered strictly to all relevant laws and regulations in Malaysia. During FYE 2020, no employees had been disciplined or dismissed, no contracts with suppliers or customers being terminated, nor have any public cases been brought against Ecobuilt and its employees due to non-compliance with our Code of Ethics and/or any laws and regulations in Malaysia. In this regard, there was no fines, penalties or settlements imposed or made during the year.

## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### ENVIRONMENT



#### SMALL CONTRIBUTION FROM US, BIG HELP TO OUR MOTHER EARTH

*To protect the environment and provide a better future for our future generations.*

Ecobuilt recognises the importance of environment protection and the bad impacts to our future generations if we do not take actions in preserving the environment now. Therefore, we have taken the following initiatives in our daily business operations as a small contribution to our mother nature:-

# 1

Encourage paperless transactions by using electronic payments and adopt e-documents to reduce the paper usage

# 2

Reduce, reuse and recycle waste papers, paper products and swapped equipment

# 3

Reduce energy consumption through timely maintenance and reduction in the use of air-conditioning

#### ENVIRONMENTAL COMPLIANCE

*To comply with environmental laws and protect the environment*

As a construction player, Ecobuilt is aware of the environmental impact which caused by us from our daily operation. We consistently ensure that we complied to all the applicable environmental laws and regulations in Malaysia.

We are glad to highlight that there was no fine or penalty imposed by relevant authorities to Ecobuilt within the FYE 2020.



#### POLLUTION & WASTE MANAGEMENT

*To minimise the impact of pollution and waste disposal*

Inevitably, noise and ambient dust are generated from our construction operations such as excavation, demolition, carpentry works, hacking and vehicles movement etc. However, being a responsible construction company, we ensure that all our site operations are carried out within the permitted noise level and with good dust suppression system. We require our contractors to monitor and control the noise level and ambient dust generated in accordance to local environmental pollution control regulations.

We also dispose all the scheduled wastes and non-hazardous solid wastes generated to the approved disposal facilities and regulated landfills respectively.

We are committed to protect the environment by monitoring our environmental matters in a proper and sustainable way.



## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

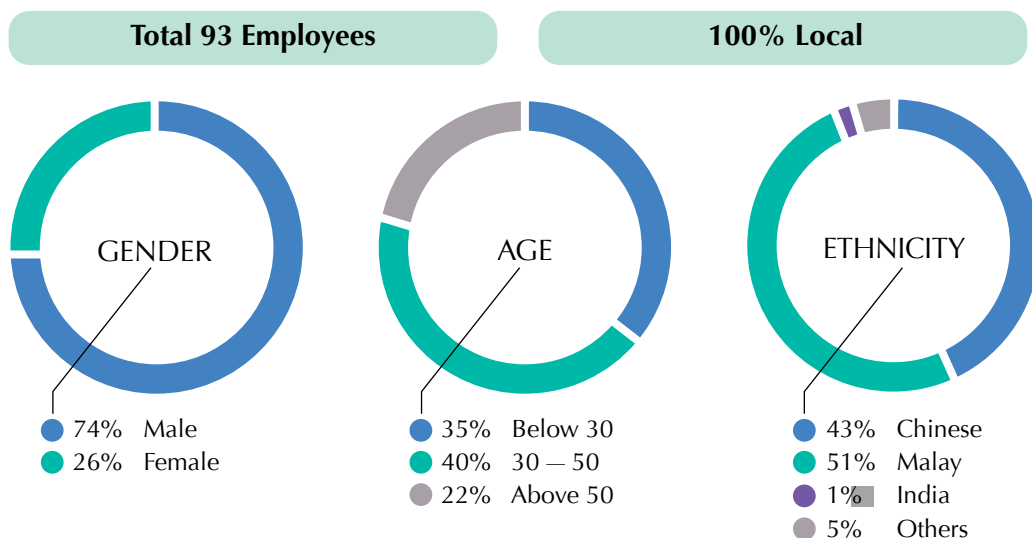
### SOCIAL

#### DYNAMIC WORKPLACE

*To ensure equal opportunities and fair treatment are provided in the workplace*

Ecobuilt values our people as the largest asset of the Group. We are committed to maintain diversity in our workplace where everyone is able to have equal opportunity and fair treatment. We believe that a dynamic and multi-cultural workplace shall create valuable ideas and foster continuous development and enhancement for the Group's businesses.

In FYE 2020, we have a total of 93 local employees, summarised as follows: -



#### EMPLOYEE WELFARE

*To protect employees' interests and rights*

We always promote a well-balanced and conducive workplace, by emphasising our employees' health, safety, and well-being of our employees. We ensure that our employees' working days and hours as well as compensations are complied to the labour laws and regulations in Malaysia. In addition, our employees are able to enjoy the following benefits according to respective job grades and/or years of service: -

- Annual leave
- Emergency leave
- Birthday leave
- Medical leave and allowance
- Hospitalization leave
- Maternity leave
- Replacement leave
- Marriage leave and grant
- Compassionate leave and care
- Infant care subsidy
- Travelling claims
- Group hospitalisation and surgical insurance scheme

#### EMPLOYEE ENGAGEMENT & DEVELOPMENT

*To support the development of workforce*

We cherish our employees' contribution in their respective job positions. We recognise the importance of continuous learning and development of our people as we believe that a capable workforce would be the strongest backbone to the sustainable business growth.

Our employees are provided with both in-house and external training programs to enhance their respective knowledge and skills. Employees are provided with an average of 8 to 9 hours of trainings in FYE 2020.

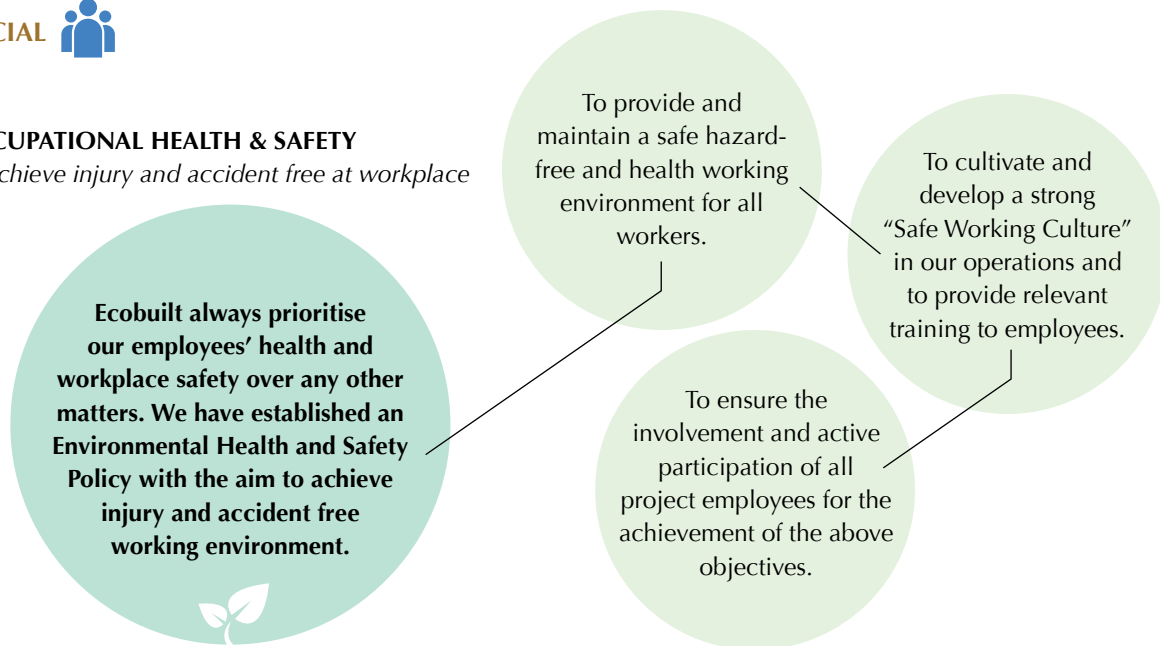


## CORPORATE SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL

#### OCCUPATIONAL HEALTH & SAFETY

*To achieve injury and accident free at workplace*



In order to monitor and facilitate the occupational health and safety management, a Occupational Health and Safety Committee has also been established: -

With our stringent management on occupational safety and health matters, we are pleased to report that we have no work-related injury cases reported during FYE 2020. We are striving to maintain an injury or accident free working environment consistently.

#### Safety and Health Training

On 10 July 2020, we conducted an installation of working platform and scaffolding training and a working at height training. A total of 327 workers from 15 contractors attended the training to have a better understanding on the precautions and safety requirements.



#### COVID-19 Pandemic

Due to the outbreak of COVID-19 in Year 2020, we have conducted medical surveillance and COVID-19 testing for our employees to ensure our people are free from COVID-19 before entering workplace upon obtaining work permit from Ministry of International Trade and Industry ("MITI") during the Movement Control Order period. None of our employees were tested positive for the COVID-19.

We had conducted a COVID-19 SOP Briefing on 27 April 2020 where the SOP was explained and implemented in our workplace and site operations to safeguard our employees' health and safety.



# STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 2016 to ensure that financial statements for each financial year which give a true and fair view of the financial position as at the end of the financial year and the financial performance of the Group for the financial year.

In preparing the financial statements, the Directors are responsible for the adoption of suitable accounting policies that comply with the provisions of the Companies Act, 2016, the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible to ensure that the appropriate accounting policies are consistently applied in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors hereby confirm that suitable accounting policies have been consistently applied in the preparation of the financial statements. The Directors also confirm that there has been adequate accounting records maintained to safeguard the assets of the Group.

# DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2020.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

## FINANCIAL RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year attributable to:		
- Owners of the Company	(2,846,901)	1,256,309
- Non-controlling interests	590,404	–
	<hr/>	<hr/>
	(2,256,497)	1,256,309

## DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and fully paid-up capital from RM17,525,258 comprising of 162,709,500 ordinary shares to RM54,484,406 comprising of 313,563,166 ordinary shares through the following:

- (i) issuance of 48,812,850 new ordinary shares pursuant to private placement at an exercise price of RM0.245 per share on 29 August 2019 for a cash consideration of RM11,959,148 to partially satisfy the purchase consideration for Rexallent Construction Sdn. Bhd.; and
- (ii) issuance of 102,040,816 new ordinary shares as consideration pursuant to the acquisition of Rexallent Construction Sdn. Bhd. amounting to RM25,000,000 on 23 September 2019.

The newly issued ordinary shares ranked pari passu in all respect with the existing ordinary shares.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Ong Chee Koen	
Dato' Noordin Bin Sulaiman	
Wong Wen Miin	
Datuk Ng Seing Liong	(Appointed on 15 November 2019)
Nirmala A/P Doraisamy	(Resigned on 15 November 2019)
Mohd Zaini Bin Noordin	(Retired on 08 November 2019)
Yap Nam Fee	(Resigned on 30 June 2020)

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	At 1.6.2019/Date of appointment	Acquired	Disposed	At 31.5.2020
<b>Interest in the Company:</b>				
<b>Ecobuilt Holdings Berhad</b>				
<b>Direct interest</b>				
Datuk Ong Chee Koen	300,000	–	–	300,000
Datuk Ng Seing Liong	–	100,000	–	100,000
<b>Indirect interest</b>				
Datuk Ong Chee Koen <sup>1, 2 &amp; 3</sup>	33,550,400	–	–	33,550,400
Yap Nam Fee <sup>2</sup>	18,194,400	–	–	18,194,400

Notes:

<sup>1</sup> Deemed interested through his direct interest in E&J Venture Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

<sup>2</sup> Deemed interested through their direct interest in Ecobuilt (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

<sup>3</sup> Deemed interested through direct interest held by his spouse pursuant to Section 8 of the Companies Act, 2016.

By virtue of their interests in the shares of the Company, Datuk Ong Chee Koen, Datuk Ng Seing Liong and Yap Nam Fee are deemed to have interests in the shares of all its subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial year.

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

Details of Directors' remuneration are disclosed in Note 26 to the financial statements.

### SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 6 to the financial statements.

### AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in Note 24 to the financial statements.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) the amount written off for bad debts or the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

## DIRECTORS' REPORT (CONTINUED)

### OTHER STATUTORY INFORMATION (CONTINUED)

No contingent or other liability of any company in the Group has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which the report is made.

### SIGNIFICANT EVENT

Details of significant event are disclosed in Note 37 to the financial statements.

### MATERIAL LITIGATIONS

Details of material litigations are disclosed in Note 38 to the financial statements.

### AUDITORS

The auditors, Messrs. Morison AAC PLT (LLP0022843-LCA & AF001977), have expressed their willingness to accept re-appointment.

Morison AAC PLT (LLP0022843-LCA & AF001977) was registered on 8 January 2020 and with effect from that date, Morison AAC (AF001977) which was formerly known as Morison Anuarul Azizan Chew (AF001977), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

**DATUK ONG CHEE KOEN**

**DATUK NG SEING LIONG**

KUALA LUMPUR  
28 September 2020

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **DATUK ONG CHEE KOEN** and **DATUK NG SEING LIONG**, being two of the Directors of **ECOBUILT HOLDINGS BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

**DATUK ONG CHEE KOEN**

**DATUK NG SEING LIONG**

KUALA LUMPUR  
28 September 2020

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, **WOO SAU FAN**, being the officer primarily responsible for the financial management of **ECOBUILT HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements and information set out on pages 59 to 115 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
above named **WOO SAU FAN** )  
at Kuala Lumpur )  
on this date of 28 September 2020 )

**WOO SAU FAN**

Before me:

**KHATIJAH BINTI KAMARUDDIN** (W 739)  
COMMISSIONER FOR OATHS  
No. 19-M, Jalan Manis 3  
Taman Segar, Cheras  
56100 Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBUILT HOLDINGS BERHAD

Registration No. 200301033338 (635759-U)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of Ecobuilt Holdings Berhad, which comprise the statements of financial position as at 31 May 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment of goodwill on consolidation</b> Refer to Note 2.2(iii), Note 2.4 (c) and Note 5 to the financial statements</p> <p>On 10 October 2019, the Group completed the acquisition of Rexallent Construction Sdn. Bhd. ("Rexallent") for a total consideration of RM45.0 million and recorded a goodwill on acquisition amounting to RM39.3 million.</p>	<p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> <li>discussed with Directors on the future plan for Rexallent;</li> <li>evaluated the reasonableness of management's impairment assessment and the process by which it is developed;</li> </ul>



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBUILT HOLDINGS BERHAD (CONTINUED)

### KEY AUDIT MATTERS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment of goodwill on consolidation (continued)</b></p> <p>Arising from the challenging operating environment due to outbreak of COVID-19 as disclosed in Note 37 to the financial statements and the annual impairment assessment pursuant to MFRS 136 "Impairment of Assets", the Group has identified Rexallent as a CGU and assessed its recoverable amount based on value-in-use calculation.</p> <p>Based on the impact assessment, the Group recognised an impairment loss of RM6.5 million during the financial year.</p> <p>We focused on this area because of the complexity and subjectivity of the assumptions involved in the annual impairment assessment.</p> <p><b>Revenue recognition on construction contracts</b> <i>Refer to Note 2.2(i), Note 2.4(l) and Note 22 to the financial statements</i></p> <p>During the financial year, the Group recognised revenue from construction activities amounting to RM110.9 million.</p> <p>We focused on this area because the accounting for construction contracts activities is inherently complex as it involves the use of significant estimates and judgements made by the management which includes the followings:</p> <ul style="list-style-type: none"> <li>• estimation of the total budgeted project costs and the assessment of cost yet to be incurred to complete these projects;</li> <li>• determination of the progress towards satisfaction of the performance obligations and overall progress of the Group's projects;</li> <li>• consideration of variation orders and claims with the Group's customers;</li> <li>• estimation of damages in transaction price arising from liquidated and ascertained damages.</li> </ul>	<p>Our audit procedures focused on the following: (continued)</p> <ul style="list-style-type: none"> <li>• challenged key assumptions used in the impairment assessment model, including forecast revenue, forecast operating expenses and discount rate; and</li> <li>• performed sensitivity analysis on the key assumptions used by management.</li> </ul> <p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding and tested the Group's internal controls over construction project budget approvals and revenue recognition process;</li> <li>• evaluated the management's key judgements used in the estimation of budgeted construction contract costs by examining documentation with subcontractors, historical evidence or results of these estimates;</li> <li>• verified the budgeted revenue by examining the construction projects' approved letters of award;</li> <li>• discussed with project team to understand the nature of the variation orders and claims included in the budgeted revenue and inspected the correspondences from the customers;</li> <li>• inspected the costs incurred to date and compared against sub-contractor claim certificates and suppliers' invoices to corroborate the projects' progress towards satisfaction of the performance obligations and reasonableness of the estimated project budget;</li> <li>• performed re-computations on the calculation of the stage of completion to ascertain there is no mathematical error in the profit recognition; and</li> <li>• reviewed the stage of completion of all on-going construction projects and review the extension of time approved by the customers to determine if any adjustment to the transaction price is required arising from the estimation for liquidated and ascertained damages.</li> </ul>

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBUILT HOLDINGS BERHAD (CONTINUED)

### KEY AUDIT MATTERS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
<p><b>Expected credit loss of trade receivables</b>  <i>Refer to Note 2.2(ii), Note 2.4(f)(iv) and Note 11 to the financial statements</i></p> <p>As at 31 May 2020, the Group carried trade receivables balance of RM57.0 million and recognised expected credit loss allowance of RM1.1 million.</p> <p>In assessing the expected credit loss, the Group considered the historical loss rate of the receivables and any known adverse conditions in respect of the receivables which would affect the recoverability of the balances.</p> <p>We focused on this area due to the inherent subjectivity in making judgement in relation to credit risk exposure in determining the recoverability of the trade receivables.</p>	<p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> <li>• recomputed the probability of default using historical data and forward-looking information applied by the Group;</li> <li>• scrutinised trade receivable ageing and investigated trends and conditions that may indicate objective evidence of impairment;</li> <li>• reviewed long outstanding trade receivables and discussed with management on the recoverability; and</li> <li>• reviewed the appropriateness and reasonableness of the assumptions applied in the management's assessment of the expected credit loss, taking into account specific known receivables' circumstances.</li> </ul>

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBUILT HOLDINGS BERHAD (CONTINUED)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBUILT HOLDINGS BERHAD (CONTINUED)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume any responsibility to any other person for the content of this report.

**MORISON AAC PLT**  
(LLP0022843-LCA & AF001977)  
Chartered Accountants

KUALA LUMPUR  
28 September 2020

**TANG YAN YU**  
Approved Number: 03452/10/2021 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MAY 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3	18,068,929	9,687,713	1,139,808	1,219,736
Intangible assets	4	—	267,397	—	—
Goodwill in consolidation	5	32,737,146	—	—	—
Investment in subsidiary companies	6	—	—	42,060,196	7,006,008
Other investments	8	13,700,500	—	—	—
Right-of-use assets	9	337,456	—	—	—
Amount owing by subsidiary companies	10	—	—	32,673,470	31,480,892
Other receivable	13	4,800,000	—	4,800,000	—
Deferred tax assets	19	300,837	—	—	—
		<b>69,944,868</b>	<b>9,955,110</b>	<b>80,673,474</b>	<b>39,706,636</b>
<b>Current Assets</b>					
Trade receivables	11	55,951,321	25,342,371	—	—
Contract assets	12	12,970,044	6,458,984	—	—
Other receivables	13	7,348,835	35,039,255	4,681,070	68,804
Amount owing by subsidiary companies	10	—	—	—	12,476,144
Tax recoverable		758,543	421,187	54,195	—
Cash and cash equivalents	14	17,019,240	18,783,893	14,243,463	9,320,571
		<b>94,047,983</b>	<b>86,045,690</b>	<b>18,978,728</b>	<b>21,865,519</b>
<b>TOTAL ASSETS</b>		<b>163,992,851</b>	<b>96,000,800</b>	<b>99,652,202</b>	<b>61,572,155</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	15	54,484,406	17,525,258	54,484,406	17,525,258
Reserves	16	50,041,424	54,180,825	44,896,788	43,640,479
Equity attributable to owners of the Company		<b>104,525,830</b>	<b>71,706,083</b>	<b>99,381,194</b>	<b>61,165,737</b>
Non-controlling interests	6(d)	1,799,757	1,209,353	—	—
<b>TOTAL EQUITY</b>		<b>106,325,587</b>	<b>72,915,436</b>	<b>99,381,194</b>	<b>61,165,737</b>
<b>Non-Current Liabilities</b>					
Borrowings	17	1,419,452	1,804,275	—	—
Lease liabilities	18	2,622,874	—	—	—
Deferred tax liabilities	19	544,278	207,052	—	—
		<b>4,586,604</b>	<b>2,011,327</b>	<b>—</b>	<b>—</b>
<b>Current Liabilities</b>					
Trade payables	20	49,083,927	17,094,611	—	—
Contract liabilities	12	321,781	581,363	—	—
Other payables	21	1,850,539	2,189,801	271,008	314,418
Borrowings	17	62,800	814,933	—	—
Lease liabilities	18	1,580,986	—	—	—
Tax payable		180,627	393,329	—	92,000
		<b>53,080,660</b>	<b>21,074,037</b>	<b>271,008</b>	<b>406,418</b>
<b>TOTAL LIABILITIES</b>		<b>57,667,264</b>	<b>23,085,364</b>	<b>271,008</b>	<b>406,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>163,992,851</b>	<b>96,000,800</b>	<b>99,652,202</b>	<b>61,572,155</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	Group 2020 RM	2019 RM Restated	Company 2020 RM	2019 RM
<b>Continuing operations</b>					
Revenue	22	115,235,964	49,793,093	–	–
Purchases and other direct costs	23	(107,027,499)	(45,070,780)	–	–
Other operating income	24	315,491	524,626	7,666,742	467,488
Employee benefits expense	25	(384,956)	(311,637)	–	–
Directors' remuneration	26	(665,984)	(632,424)	(124,500)	(144,000)
Other operating expenses	24	(9,950,864)	(2,149,358)	(6,323,798)	(4,519,990)
(Loss)/Profit from operations		(2,477,848)	2,153,520	1,218,444	(4,196,502)
Finance costs	27	(263,046)	(89,386)	–	–
(Loss)/Profit before taxation		(2,740,894)	2,064,134	1,218,444	(4,196,502)
Taxation	28	(1,387,547)	(891,696)	37,865	(117,143)
(Loss)/Profit for the financial year from continuing operations		(4,128,441)	1,172,438	1,256,309	(4,313,645)
<b>Discontinued operations</b>					
Profit for the financial year from discontinued operation, net of tax	29	1,871,944	2,108,887	–	–
(Loss)/Profit for the financial year		(2,256,497)	3,281,325	1,256,309	(4,313,645)
<i>Other comprehensive (loss)/income:</i>					
<b>Continuing operations</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Reclassification to profit or loss upon disposal on available for sale financial assets		–	421,139	–	421,139
- Fair value loss on financial assets at fair value through other comprehensive income		(1,292,500)	–	–	–
Other comprehensive (loss)/income for the financial year from continuing operations		(1,292,500)	421,139	–	421,139

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2020 (CONTINUED)

	Note	Group 2020 RM	2019 RM Restated	Company 2020 RM	2019 RM
<i>Other comprehensive (loss)/income:</i>					
<i>(continued)</i>					
<b>Discontinued operations</b>					
Other comprehensive income for the financial year		–	518	–	–
Other comprehensive income for the financial year from discontinued operations		–	518	–	–
Total comprehensive (loss)/income for the financial year		<b>(3,548,997)</b>	3,702,982	<b>1,256,309</b>	(3,892,506)
<b>(Loss)/Profit for the year attributable to:</b>					
Owners of the Company					
- Continuing operations		<b>(4,718,845)</b>	453,085	<b>1,256,309</b>	(4,313,645)
- Discontinued operations	29(a)	<b>1,871,944</b>	2,108,887	–	–
		<b>(2,846,901)</b>	2,561,972	<b>1,256,309</b>	(4,313,645)
Non-controlling interests					
- Continuing operations	6(d)	<b>590,404</b>	719,353	–	–
		<b>(2,256,497)</b>	3,281,325	<b>1,256,309</b>	(4,313,645)
<b>Total comprehensive (loss)/income for the financial year attributable to:</b>					
Owners of the Company					
- Continuing operations		<b>(6,011,345)</b>	874,224	<b>1,256,309</b>	(3,892,506)
- Discontinued operations	29(a)	<b>1,871,944</b>	2,109,405	–	–
		<b>(4,139,401)</b>	2,983,629	<b>1,256,309</b>	(3,892,506)
Non-controlling interests					
- Continuing operations	6(d)	<b>590,404</b>	719,353	–	–
		<b>(3,548,997)</b>	3,702,982	<b>1,256,309</b>	(3,892,506)
<b>(Loss)/Earnings per share</b>					
Basic and diluted (sen)	30				
- Continuing operations		<b>(1.75)</b>	0.28		
- Discontinued operations		<b>0.69</b>	1.30		
		<b>(1.06)</b>	1.58		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Attributable to owners of the Company				
	Share Capital RM	Fair Value Reserve RM	Translation Reserve RM	Retained Profits RM	Sub-Total RM
At 1 June 2018	17,525,258	(421,139)	(518)	51,618,853	68,722,454
Profit for the financial year	-	-	-	2,561,972	2,561,972
Other comprehensive income:					
- Exchange differences arising from translation of foreign operations	-	-	518	-	518
- Reclassification to profit or loss upon disposal on available for sale financial assets	-	421,139	-	-	421,139
Total comprehensive income for the financial year	-	421,139	518	2,561,972	2,983,629
Issuance of equity interest to non-controlling interest	-	-	-	-	-
At 31 May 2019	17,525,258	-	-	54,180,825	71,706,083
At 1 June 2019	17,525,258	-	-	54,180,825	71,706,083
Loss for the financial year	-	-	-	(2,846,901)	(2,846,901)
Other comprehensive loss:					
- Fair value loss on financial assets at fair value through other comprehensive income	-	(1,292,500)	-	-	(1,292,500)
Total comprehensive loss for the financial year	-	(1,292,500)	-	(2,846,901)	(4,139,401)
Issuance of share capital	36,959,148	-	-	-	36,959,148
At 31 May 2020	<b>54,484,406</b>	<b>(1,292,500)</b>	-	<b>51,333,924</b>	<b>104,525,830</b>
				<b>1,799,757</b>	<b>106,325,587</b>

Note

15



## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2020 (CONTINUED)

Company	Note	Non-distributable Share Capital RM	Fair Value Reserve RM	Distributable Retained Profits RM	Total RM
At 1 June 2018		17,525,258	(421,139)	47,954,124	65,058,243
Loss for the financial year		–	–	(4,313,645)	(4,313,645)
Other comprehensive income:					
- Reclassification to profit or loss upon disposal of available for sale financial assets		–	421,139	–	421,139
Total comprehensive loss for the financial year		–	421,139	(4,313,645)	(3,892,506)
At 31 May 2019		17,525,258	–	43,640,479	61,165,737
At 1 June 2019		17,525,258	–	43,640,479	61,165,737
Profit/Total comprehensive income for the financial year		–	–	1,256,309	1,256,309
Issuance of share capital	15	36,959,148	–	–	36,959,148
At 31 May 2020		<b>54,484,406</b>	–	<b>44,896,788</b>	<b>99,381,194</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	Group 2020 RM	2019 RM	Company 2020 RM	2019 RM
<b>Cash Flows from Operating Activities</b>					
Profit/(Loss) before taxation					
- Continuing operations		<b>(2,740,894)</b>	2,064,134	<b>1,218,444</b>	(4,196,502)
- Discontinued operations	29(a)	<b>1,872,006</b>	1,849,607	–	–
		<b>(868,888)</b>	3,913,741	<b>1,218,444</b>	(4,196,502)
Adjustments for:					
Amortisation of intangible assets for discontinued operations	29(b)	<b>35,004</b>	51,644	–	–
Bad debt written off		–	11,832	–	11,832
Deposits written off for discontinued operations	29(b)	–	1,554	–	–
Depreciation of property, plant and equipment					
- Continuing operations		<b>2,793,591</b>	488,999	<b>79,928</b>	82,749
- Discontinued operations	29(b)	<b>326,168</b>	496,364	–	–
Depreciation of right-of-use assets		<b>229,582</b>	–	–	–
Net expected credit loss allowance		<b>652,292</b>	–	–	–
Impairment loss on investment in an associate		–	–	–	180,262
Impairment loss on investment in subsidiary companies		–	–	<b>5,439,804</b>	1,264,230
Impairment loss on goodwill		<b>6,514,604</b>	–	–	–
Finance costs		<b>276,810</b>	89,386	–	–
Loss/(Gain) on disposal of subsidiary companies	29(a)	<b>1,231,363</b>	(11,834)	<b>(7,493,992)</b>	1,930,996
Gain on disposal of an associate		<b>(6,700)</b>	–	<b>(6,700)</b>	–
Loss on disposal of other investments		–	518,362	–	518,362
Dividend income		<b>(77,509)</b>	(7,650)	–	(7,650)
Interest income					
- Continuing operations		<b>(166,629)</b>	(459,838)	<b>(161,650)</b>	(459,838)
- Discontinued operations	29(b)	<b>(239,684)</b>	(223,143)	–	–
Unrealised gain on foreign exchange for discontinued operations	29(b)	<b>(189)</b>	(16,452)	–	–
Operating profit/(loss) before changes in working capital		<b>10,699,815</b>	4,852,965	<b>(924,166)</b>	(675,559)
Changes in working capital:					
Trade receivables		<b>(616,413)</b>	(15,041,278)	–	–
Contract assets/(liabilities)		<b>(1,845,104)</b>	(8,705,104)	–	–
Other receivables		<b>37,275,537</b>	(14,274,187)	<b>(3,412,266)</b>	72,275
Amount owing by subsidiary companies		–	–	<b>11,283,566</b>	(24,262,722)
Trade payables		<b>(3,850,096)</b>	11,157,843	–	–
Other payables		<b>(15,935,103)</b>	234,801	<b>(43,410)</b>	44,204
Amount owing to a subsidiary company		–	–	–	(660,000)
		<b>15,028,821</b>	(26,627,925)	<b>7,827,890</b>	(24,806,243)
Cash generated from/(used in) operations		<b>25,728,636</b>	(21,774,960)	<b>6,903,724</b>	(25,481,802)
Tax refund		<b>963,424</b>	41,494	–	–
Tax paid		<b>(2,245,727)</b>	(1,509,638)	<b>(108,330)</b>	(25,143)
		<b>(1,282,303)</b>	(1,468,144)	<b>(108,330)</b>	(25,143)
Net cash generated from/(used in) operating activities		<b>24,446,333</b>	(23,243,104)	<b>6,795,394</b>	(25,506,945)

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2020 (CONTINUED)

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
<b>Cash Flows from Investing Activities</b>					
Purchase of property, plant and equipment	31(a)	(10,985,307)	(2,370,314)	–	–
Additions in intangible assets	4	(19,907)	(13,980)	–	–
Proceeds from disposal of other investments		–	298,081	–	298,081
Net cash inflow arising from issuance of share capital in subsidiary company		–	490,000	–	–
Net cash outflow arising on acquisition of a subsidiary company	6(c)(i)	(18,852,171)	–	(20,000,000)	–
Net cash (outflow)/inflow arising on disposal of subsidiary companies	6(c)(ii)	(6,895,882)	2	6,000,000	6
Net cash inflow arising on disposal of an associate		6,700	–	6,700	–
Dividend received		77,509	7,650	–	7,650
Interest received		406,313	682,981	161,650	459,838
Net cash (used in)/generated from investing activities		(36,262,745)	(905,580)	(13,831,650)	765,575
<b>Cash Flows from Financing Activities</b>					
Proceeds from issuance of share capital	15	11,959,148	–	11,959,148	–
Repayment of finance lease liabilities	31(b)	–	(471,170)	–	–
Repayment of term loans	31(b)	(42,910)	(15,088)	–	–
Repayment of lease liabilities	31(b)	(1,587,858)	–	–	–
Interest paid		(276,810)	(89,386)	–	–
Net cash generated from/(used in) financing activities		10,051,570	(575,644)	11,959,148	–
Net (decrease)/increase in cash and cash equivalents		(1,764,842)	(24,724,328)	4,922,892	(24,741,370)
Effect of exchange rate changes		189	16,970	–	–
Cash and cash equivalents at the beginning of the financial year		18,783,893	43,491,251	9,320,571	34,061,941
Cash and cash equivalents at the end of the financial year		17,019,240	18,783,893	14,243,463	9,320,571
<b>Cash and cash equivalents at the end of the financial year comprises:</b>					
Short-term deposits with licensed banks		–	8,212,582	–	8,208,457
Short-term deposits with fund management companies		10,947,577	8,811,340	10,947,577	1,008,280
Cash and bank balances		6,071,663	1,759,971	3,295,886	103,834
		17,019,240	18,783,893	14,243,463	9,320,571

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at D-G-11 & D-1-11, Medan Connaught, Jalan 3/144A, 56000 Kuala Lumpur.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.2.

Accounting standards, amendments to accounting standards and IC interpretation that are effective for the Group's and the Company's financial year beginning on or after 1 June 2019 are as follows:

- MFRS 16, "Leases"
- Amendments to MFRS 3, "Business Combination" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 9, "Prepayment Features with Negative Compensation"
- Amendments to MFRS 11, "Joint Arrangement" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 112, "Income taxes" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 119, "Employee Benefits" (Plan amendment, curtailment or settlement)
- Amendments to MFRS 123, "Borrowing Costs" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 128, "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23, "Uncertainty over Income Tax Treatments"

The above accounting standards, amendments to accounting standards and IC interpretation effective during the financial year do not have any significant impact to the financial results and position of the Group and the Company, except as follows:

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 Basis of preparation (continued)

##### Adoption of MFRS 16 “Leases”

The Group and the Company has adopted MFRS 16 for the first time in the 2020 financial statements with the date of initial application (“DIA”) of 1 June 2019. The Group and the Company elected to apply the simplified retrospective transition method under Appendix C, paragraph 5(b) of MFRS 16. Accordingly, the 2019 comparative information was not restated.

Under the simplified retrospective transition method, the 2019 comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group and the Company is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 June 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 “Leases” and IC Interpretation 4 “Determining whether an Arrangement Contains a Lease”.

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 Leases are no longer required. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the present value of future lease payments, discounted using the lessee’s incremental borrowing rate, as of the DIA.

The impact of changes of the Group resulting from the adoption of MFRS 16 Leases as at 1 June 2019 is as follows:

Group	Balance as at 31 May 2019 (Based on MFRS 117) RM	Effect of adoption of MFRS 16 RM	Balance as at 1 June 2019 (After adoption of MFRS 16) RM
Right-of-use assets	—	509,349	509,349
Lease liabilities	—	(1,603,395)	(1,603,395)
Borrowings	(2,619,208)	1,094,046	(1,525,162)

Accounting standards, amendments to accounting standards and IC Interpretations that are applicable for the Group and the Company in the following periods but are not yet effective:

##### ***Annual periods beginning on/after 1 January 2020***

- Amendments to References to the Conceptual Framework in MFRS Standards:
  - Amendments to MFRS 2, “Share Based Payments”
  - Amendments to MFRS 3, “Business Combinations”
  - Amendments to MFRS 6, “Exploration for and Evaluation of Mineral Resources”
  - Amendments to MFRS 14, “Regulatory Deferral Accounts”
  - Amendments to MFRS 101, “Presentation of Financial Statements”
  - Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”
  - Amendments to MFRS 134, “Interim Financial Reporting”
  - Amendments to MFRS 137, “Provisions, Contingent Liabilities and Contingent Assets”
  - Amendments to MFRS 138, “Intangible Assets”
  - Amendments to IC Interpretation 12, “Service Concession Arrangements”

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 Basis of preparation (continued)

##### *Annual periods beginning on/after 1 January 2020 (continued)*

- Amendments to References to the Conceptual Framework in MFRS Standards: (continued)
  - Amendments to IC Interpretation 19, "Extinguishing Financial Liabilities with Equity Instruments"
  - Amendments to IC Interpretation 20, "Stripping Costs in the Production Phase of a Surface Mine"
  - Amendments to IC Interpretation 22, "Foreign Currency Transactions and Advance Considerations"
  - Amendments to IC Interpretation 132, "Intangible Assets- Web Site Costs"
- 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"

##### *Annual periods beginning on/after 1 January 2021*

- MFRS 17, "Insurance Contracts"

##### *Effective date yet to be determined by the Malaysian Accounting Standards Board*

- Amendments to MFRS 10 and MFRS 128, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The adoption of the accounting standards, amendments to accounting standards, IC interpretation and amendments to IC interpretation are not expected to have any significant impact to the financial statements of the Group and of the Company.

#### 2.2 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Revenue recognition from construction contracts

The Group recognises revenue from construction contracts over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation using the output method. The output method recognises revenue based on contract work certified to date which depicts the basis of direct measurements of value to the customer for the work performed to date relative to the remaining construction work promised under the contract.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Significant accounting estimates and judgements (continued)

##### (i) Revenue recognition from construction contracts (continued)

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations, the estimated total contract revenue and costs, as well as the recoverability of the cost incurred to fulfill the contract with the customer. In making the judgement, the Group evaluates by relying on past experience, industry practices and the work of specialists.

##### (ii) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

##### (iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis based on value-in-use to determine its recoverable amount. This requires an estimation of value-in-use of the cash-generating unit to which the goodwill is allocated. Estimating the value-in-use requires the Group to make estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in these estimates could significantly affect the recoverable amount at the end of each reporting period.

#### 2.3 Basis of consolidation

##### (i) Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Basis of consolidation (continued)

##### (i) Subsidiary companies (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

##### (ii) Joint arrangement

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. The classification either as joint operations or joint ventures depends upon on the contractual rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

A joint venture is accounted for in the financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and subsequently adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

In relation to the Group's interest in the joint operation, the Group recognises its assets plus its share of any assets held jointly, liabilities plus its share of any liabilities incurred jointly, revenue from the sale of its share of the output arising from the joint operation plus share of the revenue from the sale of the output by the joint operation and expenses plus its share of any expenses incurred jointly.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies

##### (a) Investment in subsidiaries and associates

In the Company's separate financial statements, investment in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

##### (b) Property, plant and equipment

###### (i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as net in the profit or loss.

###### (ii) Depreciation and impairment

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended to use. Other property, plant and equipment are depreciated on the straight line method to their residual values over their estimated useful lives as follows:

Freehold land and buildings	50 years
Furniture, fittings and equipment	5 - 10 years
Renovation	5 - 10 years
Motor vehicles	5 years
Research and development equipment	2 - 10 years
Content library	2 years
Plant and machinery	5 years
Cabin	5 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 2.4(c).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (c) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

##### (d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

##### (e) Foreign currencies

###### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (f) Financial assets

##### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### (ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (iii) Subsequent measurement

##### Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and amount owing by subsidiary companies.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

##### • Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (f) Financial assets (continued)

##### (iii) Subsequent measurement (continued)

##### Debt instruments (continued)

##### • FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

##### • FVTPL

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

##### Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and the Company's right to receive payments is established.

##### (iv) Impairment

The Group and the Company assesses expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (f) Financial assets (continued)

##### (iv) Impairment (continued)

In measuring expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company defines a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

##### (g) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Finance liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

##### (i) Leases

#### **(A) Accounting policies applied until 31 May 2019**

##### (i) Accounting by lessee

###### Finance leases

Leases of property, plant and equipment where the Group and the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lease commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group and the Company in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

###### Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

#### **(B) Accounting policies applied from 1 June 2019**

##### (i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (i) Leases (continued)

##### **(B) Accounting policies applied from 1 June 2019 (continued)**

##### (i) Accounting by lessee (continued)

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

##### (j) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (j) Current and deferred income tax (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### (k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

##### (l) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and its customer has approved the contract and intend to perform their respective obligations, the Group's and Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

##### (i) Construction activities

Revenue from construction activities is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance creates and enhances an asset that the customer controls as the Group and the Group and the Company performs.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

##### (l) Revenue from contracts with customers (continued)

###### (i) Construction activities (continued)

The progress towards complete satisfaction of the performance obligation is measured based on direct measurements of the value transferred by the Group and the Company to the customer (e.g. surveys or appraisals of performance completed to date).

Incremental costs of obtaining a contract, if recoverable, are capitalised as contract assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

###### (ii) Sale of building materials

Revenue from sale of building materials is recognised when the Company satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

###### (iii) Mobile content and data application services

Revenue represents sale of mobile contents and data application services through Mobile Operators or its appointed system providers. Revenue from sale of mobile contents and data application services is recognised when Mobile Operators or its appointed system providers satisfies a performance obligation of provision of contents to the subscribers.

###### (iv) Other revenue and income

Revenue and income from other sources are recognised as follows:

###### Dividend income

Dividend income is recognised when the right to receive payment is established.

###### Interest income

Interest income is recognised on an accrual basis using the effective interest method.

##### (m) Employee benefits

###### (i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period to which they relate.

(n) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

(p) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view for resale. Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land and buildings RM	Furniture, fittings and equipment RM	Renovation RM	Motor vehicles RM	Research and development equipment RM	Content library RM	Plant and machinery RM	Cabin RM	Total RM
<b>Cost</b>										
At 1.6.2019		6,437,325	1,798,003	968,154	1,182,783	2,867,409	5,059,499	3,322,627	34,700	21,670,500
Additions	31(a)	-	162,758	-	500,247	-	-	13,596,695	-	14,259,700
Acquisition of a subsidiary company	6(c)	-	178,558	11,564	341,637	-	-	4,904,021	-	5,435,780
Disposal of subsidiary companies	6(c)	(3,348,365)	(1,382,085)	(589,566)	(1,547,032)	(2,867,409)	(5,059,499)	-	-	(14,793,956)
At 31.5.2020		<b>3,088,960</b>	<b>757,234</b>	<b>390,152</b>	<b>477,635</b>	<b>-</b>	<b>-</b>	<b>21,823,343</b>	<b>34,700</b>	<b>26,572,024</b>
<b>Accumulated depreciation</b>										
At 1.6.2019		893,153	1,292,452	523,414	1,021,805	2,833,004	5,059,499	351,610	7,850	11,982,787
Charge for the financial year		112,004	180,204	90,037	141,846	25,193	-	2,563,535	6,940	3,119,759
Acquisition of a subsidiary company	6(c)	-	131,318	8,095	306,449	-	-	4,181,191	-	4,627,053
Disposal of subsidiary companies	6(c)	(738,886)	(1,169,305)	(303,809)	(1,096,808)	(2,858,197)	(5,059,499)	-	-	(11,226,504)
At 31.5.2020		<b>266,271</b>	<b>434,669</b>	<b>317,737</b>	<b>373,292</b>	<b>-</b>	<b>-</b>	<b>7,096,336</b>	<b>14,790</b>	<b>8,503,095</b>
<b>Carrying amount</b>										
At 31.5.2020		<b>2,822,689</b>	<b>322,565</b>	<b>72,415</b>	<b>104,343</b>	<b>-</b>	<b>-</b>	<b>14,727,007</b>	<b>19,910</b>	<b>18,068,929</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land and buildings RM	Furniture, fittings and equipment RM	Renovation RM	Motor vehicles RM	Research and development equipment RM	Content library RM	Plant and machinery RM	Cabin RM	Total RM
<b>Cost</b>									
At 1.6.2018	4,637,325	1,658,925	903,971	1,182,783	2,867,409	5,059,499	2,824	25,200	16,337,936
Additions	1,800,000	139,078	64,183	—	—	—	3,319,803	9,500	5,332,564
At 31.5.2019	6,437,325	1,798,003	968,154	1,182,783	2,867,409	5,059,499	3,322,627	34,700	21,670,500
<b>Accumulated depreciation</b>									
At 1.6.2018	791,407	1,109,862	429,584	924,281	2,685,721	5,054,863	376	1,330	10,997,424
Charge for the financial year	101,746	182,590	93,830	97,524	147,283	4,636	351,234	6,520	985,363
At 31.5.2019	893,153	1,292,452	523,414	1,021,805	2,833,004	5,059,499	351,610	7,850	11,982,787
<b>Carrying amount</b>									
At 31.5.2019	5,544,172	505,551	444,740	160,978	34,405	—	2,971,017	26,850	9,687,713

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land and building RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
<b>Cost</b>				
At 1.6.2019/31.5.2020	1,288,960	285,959	314,405	1,889,324
<b>Accumulated depreciation</b>				
At 1.6.2019	195,492	213,705	260,391	669,588
Charge for the financial year	25,779	22,708	31,441	79,928
At 31.5.2020	221,271	236,413	291,832	749,516
<b>Carrying amount</b>				
At 31.5.2020	<b>1,067,689</b>	<b>49,546</b>	<b>22,573</b>	<b>1,139,808</b>
<b>Cost</b>				
At 1.6.2018/31.5.2019	1,288,960	285,959	314,405	1,889,324
<b>Accumulated depreciation</b>				
At 1.6.2018	169,713	188,176	228,950	586,839
Charge for the financial year	25,779	25,529	31,441	82,749
At 31.5.2019	195,492	213,705	260,391	669,588
<b>Carrying amount</b>				
At 31.5.2019	<b>1,093,468</b>	<b>72,254</b>	<b>54,014</b>	<b>1,219,736</b>

The Group's freehold land and buildings with a carrying amount of RM1,755,000 (2019: RM1,791,000) are pledged to a licensed bank as security for borrowings as disclosed in Note 17 to the financial statements.

Included in the property, plant and equipment of the Group are motor vehicles and plant and machinery acquired under hire purchase financing with carrying amount as follows:

	Group	
	2020 RM	2019 RM
Motor vehicles	100,565	106,532
Plant and machinery	4,769,799	2,743,667
	<b>4,870,364</b>	<b>2,850,199</b>

### 4. INTANGIBLE ASSETS

Group	Note	Licence RM	Development costs RM	Total RM
<b>Cost</b>				
At 1.6.2019		320,375	11,195,911	11,516,286
Additions		9,317	10,590	19,907
Disposal of subsidiary companies	6(c)(ii)	(329,692)	(11,206,501)	(11,536,193)
At 31.5.2020		—	—	—

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4. INTANGIBLE ASSETS (CONTINUED)

Group	Note	Licence RM	Development costs RM	Total RM
<b>Accumulated amortisation</b>				
At 1.6.2019		320,375	6,659,855	6,980,230
Amortisation for the financial year		1,553	33,451	35,004
Disposal of subsidiary companies	6(c)(ii)	(321,928)	(6,693,306)	(7,015,234)
At 31.5.2020		—	—	—
<b>Accumulated impairment loss</b>				
At 1.6.2019		—	4,268,659	4,268,659
Disposal of subsidiary companies	6(c)(ii)	—	(4,268,659)	(4,268,659)
At 31.5.2020		—	—	—
<b>Carrying amount</b>				
At 31.5.2020		—	—	—
<b>Cost</b>				
At 1.6.2018		320,375	11,181,931	11,502,306
Additions		—	13,980	13,980
At 31.5.2019		320,375	11,195,911	11,516,286
<b>Accumulated amortisation</b>				
At 1.6.2018		320,375	6,608,211	6,928,586
Amortisation for the financial year		—	51,644	51,644
At 31.5.2019		320,375	6,659,855	6,980,230
<b>Accumulated impairment loss</b>				
At 1.6.2018/31.5.2019		—	4,268,659	4,268,659
<b>Carrying amount</b>				
At 31.5.2019		—	267,397	267,397

The Group capitalised costs on development works relating to the enhancement of its existing software and development of new software packages which management expects will contribute to the generation of additional future economic benefits.

## 5. GOODWILL ON CONSOLIDATION

	Note	Group 2020 RM	2019 RM
<b>Cost</b>			
At beginning of the financial year		—	—
Acquisition of subsidiary company	6(c)(i)	39,251,750	—
At end of the financial year		39,251,750	—

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5. GOODWILL ON CONSOLIDATION (CONTINUED)

	Group 2020 RM	2019 RM
<b>Accumulated impairment loss</b>		
At beginning of the financial year	–	–
Impairment for the financial year	<b>6,514,604</b>	–
At end of the financial year	<b>6,514,604</b>	–
<b>Carrying amount</b>	<b>32,737,146</b>	–

Impairment test for goodwill on consolidation

The Group undertakes an annual impairment assessment on its cash-generating unit (“CGU”) identified, Rexallent Construction Sdn. Bhd., being the lowest level of asset for which the management monitors the goodwill of the Group.

Arising from the challenging operating environment due to outbreak of COVID-19 as disclosed in Note 37 to the financial statements, based on the impairment assessment, the carrying amount exceeded the recoverable amount of the assessed CGU. Accordingly, the Group has recognised an impairment loss amounting to RM6,514,604 (2019: Nil) which has been charged to other operating expenses.

Key assumptions used to determine recoverable amount

The recoverable amount of the Group’s CGU has been determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates.

Management estimates the projected revenue based on awarded projects and future projects revenue which a percentage of estimated success rate is applied to the estimated contract sums. Other key assumptions used for the value-in-use calculation are as follows:

	Group 2020
Terminal growth rate	0%
Pre-tax discount rate	<b>9.3%</b>

Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

The Group’s review includes an impact assessment of changes in key assumptions. The following key assumptions are particularly sensitive:

- A 50 basis points (“bp”) increase in the pre-tax discount rate will increase the impairment loss recognised on the CGU by RM347,958; and
- A 50 basis points (“bp”) decrease in the pre-tax discount rate will decrease the impairment loss recognised on the CGU by RM376,228.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6. INVESTMENT IN SUBSIDIARY COMPANIES

## (a) Investment in subsidiary companies

	Company	
	2020 RM	2019 RM
Unquoted shares, at cost	47,500,000	8,600,002
Less: Impairment loss	(5,439,804)	(1,593,994)
	<b>42,060,196</b>	<b>7,006,008</b>

Movement on the provision of impairment loss on investment in subsidiary companies is as follows:

	Company	
	2020 RM	2019 RM
At beginning of the financial year	1,593,994	1,453,760
Add: Impairment loss during the financial year	5,439,804	1,264,230
Less: Disposal of subsidiary companies	(1,593,994)	(1,123,996)
At end of the financial year	<b>5,439,804</b>	<b>1,593,994</b>

## (b) The subsidiary companies and shareholding therein are as follows:

Name of company	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2020 %	2019 %	
Direct holding:				
M-Mode Mobile Sdn. Bhd.*	Malaysia	–	100	Provision of mobile contents and data application services
Mobile Multimedia Sdn. Bhd.*	Malaysia	–	100	Provision of mobile contents and data application services
Tameko Sdn. Bhd.*	Malaysia	–	100	Provision of mobile contents and data application services
E&J Builders Sdn. Bhd.	Malaysia	100	100	General contractors for construction work of a related activities
Rexallent Construction Sdn. Bhd.	Malaysia	100	–	General contractors for construction work of a related activities
Indirect holding:				
Subsidiary of E&J Builders Sdn. Bhd.				
Gabungan EJB Construkt Sdn. Bhd.	Malaysia	51	51	General contractors for construction work of a related activities

\* Subsidiary companies not audited by Messrs. Morison AAC PLT.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

#### (c) Transactions during the financial year

##### (i) Acquisition of Rexallent Construction Sdn. Bhd. ("Rexallent")

On 10 October 2019, the Company acquired 100% equity interest in Rexallent comprising of 750,000 ordinary shares from for a total consideration of RM45,000,000. The consideration of the acquisition was satisfied by a combination of cash payment of RM20,000,000 and the issuance of 102,040,816 new ordinary shares in the Company at the issue price of RM0.245 per share amounting to RM25,000,000.

Based on the share purchase agreement, the vendor guarantees that the aggregate profit after tax ("PAT") for the financial year ended 31 May 2020 and financial year ending 31 May 2021 shall not be less than RM7,500,000. As security for the profit guarantee, the vendor agrees that the Company shall issue and deposit 30,612,246 shares at the issue price of RM0.245 per share amounting to RM7,500,000 into a Stakeholding Securities Account. In the event the aggregated PAT is equivalent to or more than the profit guarantee amount, the Security Stakeholder shall release all security interest over all Stakeholding Securities. However, in the event there is a shortfall, the vendor shall be liable to pay the Company in cash up to RM7,500,000.

The following summarises the consideration paid, fair value of assets acquired and liabilities assumed at the acquisition date:

	<b>Group RM</b>
Property, plant and equipment	808,727
Deferred tax assets	246,877
Other investments	14,993,000
Trade receivables	33,115,075
Contract assets	5,107,520
Other receivables	11,195,824
Cash and cash equivalents	1,147,829
Trade payables	(36,610,346)
Other payables	(24,170,015)
Lease liabilities	(86,241)
<b>Total net assets acquired</b>	<b>5,748,250</b>
<b>Goodwill on acquisition</b>	<b>39,251,750</b>
<b>Purchase consideration</b>	<b>45,000,000</b>
Less: Consideration satisfied by issuance of shares	(25,000,000)
Less: Cash and cash equivalents acquired	(1,147,829)
<b>Cash outflow on acquisition, net of cash acquired</b>	<b>18,852,171</b>

The initial accounting for the above business combination is currently determined provisionally. The fair value of the identifiable assets, liabilities and contingent liabilities will only be determined via a purchase price allocation exercise which is expected to be completed on or before 9 October 2020.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

#### (c) Transactions during the financial year (continued)

##### (i) Acquisition of Rexallent Construction Sdn. Bhd. ("Rexallent") (continued)

Acquisition related costs of RM409,866 (2019: Nil) have been charged to other operating expenses during the financial year.

##### (ii) Disposal of subsidiary companies

On 29 July 2019, the Company entered into a Shares Sale Agreement with Dato' Lim Thean Keong (the "Purchaser") for the disposals of three wholly-owned subsidiaries, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. for a total cash consideration of RM12,000,000.

On 28 February 2020, the Company entered into a Supplemental Shares Sale Agreement with Dato' Lim Thean Keong to vary and amend certain salient terms of the Shares Sale Agreement and consequently, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. ceased to be subsidiaries of the Group. The share disposal was completed on 6 April 2020.

The aggregate cash outflows arising from the above disposals are as follows:

	<b>Group 2020 RM</b>
Property, plant and equipment	3,567,452
Intangible assets	252,300
Trade receivables	2,621,612
Other receivables	2,686,924
Tax recoverable	321,019
Cash and cash equivalents	12,895,882
Trade payables	(836,988)
Other payables	(8,276,838)
	<hr/>
Net assets disposed	13,231,363
Loss on disposal of subsidiary companies (Note 29)	(1,231,363)
Consideration receivable	(6,000,000)
	<hr/>
Cash proceeds from disposal	6,000,000
Less: Cash and cash equivalents in subsidiary companies disposed	(12,895,882)
	<hr/>
Net cash outflow on disposal	<b>(6,895,882)</b>

Pursuant to the Supplemental Shares Sale Agreement, the consideration receivable shall be paid by the Purchaser to the Company within a period of five years from the date of the Supplemental Agreement, with minimum payment of RM1,200,000 upon the expiry of each year on or before 28 February. The outstanding sum for each period of the five years bear an interest rate of 4.5% per annum.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Transactions during the financial year (continued)

(ii) Disposal of subsidiary companies (continued)

The aggregate cash outflows arising from the above disposals are as follows (continued):

	<b>Company 2020 RM</b>
Investment in subsidiary companies, net	4,506,008
Add: Gain on disposal of subsidiary companies (Note 24)	7,493,992
	<hr/>
Total sales consideration	12,000,000
Consideration receivable	(6,000,000)
	<hr/>
Cash proceeds from disposal	<b>6,000,000</b>

(d) Non-controlling interests ("NCI") in a subsidiary company

	<b>Gabungan EJB Konstrukt Sdn. Bhd. 2020 RM</b>	<b>2019 RM</b>
Non-current assets	<b>1,569,470</b>	276,356
Current assets	<b>11,509,698</b>	10,542,377
Non-current liabilities	<b>(183,766)</b>	–
Current liabilities	<b>(9,222,429)</b>	(8,350,667)
	<hr/>	<hr/>
Net assets	<b>3,672,973</b>	2,468,066
	<hr/>	<hr/>
Carrying amount of NCI as at 31 May	<b>1,799,757</b>	1,209,353
	<hr/>	<hr/>
Revenue	<b>30,472,446</b>	34,474,705
Profit/Total comprehensive income for the year	<b>1,204,906</b>	1,468,066
Profit/Total comprehensive income allocated to NCI during the year	<b>590,404</b>	719,353
	<hr/>	<hr/>
Cash flows from operating activities	<b>2,366,124</b>	(507,812)
Cash flows from investing activities	<b>(254,028)</b>	(319,746)
Cash flows from financing activities	<b>(998,284)</b>	999,900
	<hr/>	<hr/>
Net increase in cash and cash equivalents	<b>1,113,812</b>	172,342
	<hr/>	<hr/>
Ownership interest and voting rights percentage held by NCI	<b>49%</b>	49%

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares, at cost	–	961,250	–	961,250
Share of post-acquisition reserves	–	(180,262)	–	–
	–	780,988	–	961,250
Accumulated impairment loss	–	(780,988)	–	(961,250)
	–	–	–	–

Represented by:

Share of net assets	–	–
---------------------	---	---

The associate is Say Me Commerce Sdn. Bhd., a company incorporated in Malaysia, in which the Group holds Nil (2019: 38.75%) equity interest. The associate is principally engaged in e-commerce businesses.

On 13 June 2019, the Company had entered into a Shares Sale Agreement with Dato' Tung Wai Fun for the disposal of an associate company. The equity interest in Say Me Commerce Sdn. Bhd., comprising of 310,000 ordinary shares is disposed for a cash consideration of RM6,700. The share disposal was completed on 8 July 2019.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group 2019 RM
Non-current assets	1,328
Current assets	21,456
Current liabilities	(4,288)
Net assets	18,496
<b>Results</b>	
Revenue	–
Loss/Total comprehensive loss for the financial year	(26,856)

## 8. OTHER INVESTMENTS

	Group	
	2020 RM	2019 RM
<b>Financial assets at fair value through other comprehensive income</b>		
Quoted shares in Malaysia	13,700,500	–

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. RIGHT-OF-USE ASSETS

Group	Accommodation RM
<b>Cost</b>	
At 1.6.2018/1.6.2019 (As previously stated)	—
Effect of adoption of MFRS 16 (Note 2.1)	509,349
At 1.6.2019 (Restated)	509,349
Additions	57,689
At 31.5.2020	567,038
<b>Accumulated depreciation</b>	
At 1.6.2018/1.6.2019	—
Charge for the financial year	229,582
At 31.5.2020	229,582
<b>Carrying amount</b>	
At 31.5.2020	<b>337,456</b>

### 10. AMOUNT OWING BY SUBSIDIARY COMPANIES

	Company	
	2020 RM	2019 RM
Current	—	12,476,144
Non-current	<b>32,673,470</b>	31,480,892
	<b>32,673,470</b>	43,957,036

The amount owing by subsidiary companies are non-trade in nature, unsecured, interest-free and are repayable on demand.

### 11. TRADE RECEIVABLES

	Group	
	2020 RM	2019 RM
Trade receivables	<b>57,023,455</b>	25,342,371
Less: Accumulated expected credit loss allowance	<b>(1,072,134)</b>	—
	<b>55,951,321</b>	25,342,371

Included in trade receivables of the Group is retention sum amounting to RM26,854,009 (2019: RM4,131,266).

At the reporting date, the Group's concentration of the top 3 (2019: 1) trade customers of the Group represents 69% (2019: 41%) of the total trade receivables.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. TRADE RECEIVABLES (CONTINUED)

The movement in accumulated expected credit loss allowance on trade receivables are as follows:

	Group 2020 RM	2019 RM
At beginning of the financial year	–	–
Acquisition of subsidiary	419,842	–
Allowance during the financial year	792,036	–
Reversal during the financial year	(139,744)	–
	<hr/>	
At end of the financial year	1,072,134	–

The Group's normal trade credit terms range from 30 to 120 days (2019: 30 to 120 days).

The ageing analysis is as follows:

	Group 2020 RM	2019 RM
Neither past due nor individually impaired	38,154,586	21,992,851
Past due 1 - 90 days but not individually impaired	11,205,440	1,776,324
Past due 91 - 180 days but not individually impaired	1,339,770	575,210
Past due more than 180 days but not individually impaired	5,531,623	997,986
	<hr/>	
Individually impaired	18,076,833	3,349,520
	792,036	–
	<hr/>	
	57,023,455	25,342,371

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group's trade receivables that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters and are periodically monitored.

The Group's trade receivables of RM792,036 (2019: Nil) were individually impaired. The individually impaired receivables relate to back-charge to a sub-contractor which had been wound up as disclosed in Note 38 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020 RM	2019 RM
Cost incurred to date	806,470,914	102,329,045
Add: Attributable profits	56,629,406	9,478,366
	863,100,320	111,807,411
Less: Progress billings	(850,452,057)	(105,929,790)
	12,648,263	5,877,621
<b>Represented by:</b>		
Construction activities:		
- contract assets	12,970,044	6,458,984
- contract liabilities	(321,781)	(581,363)
	12,648,263	5,877,621

Contract costs incurred during the financial year is derived after charging:

	Group	
Note	2020 RM	2019 RM
Rental expense	–	1,496,592
Short-term leases	7,069,252	–
Depreciation of right-of-use assets	215,160	–
Employee benefits expense	25 5,319,686	2,580,270

#### Unsatisfied long-term contracts

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date of the Company was RM583,608,642 (2019: RM429,898,895) of which the Company expects to be recognised as revenue over the next 4 to 26 months (2019: 28 to 36 months).

### 13. OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other receivables	10,030,819	15,369,855	9,487,617	76,901
Less: Accumulated impairment loss	(21,949)	(21,949)	(21,949)	(21,949)
	10,008,870	15,347,906	9,465,668	54,952
Prepayments	266,707	10,275,050	2,030	480
Deposits	1,873,258	9,416,299	13,372	13,372
	12,148,835	35,039,255	9,481,070	68,804
<b>Analysed as:</b>				
Current	7,348,835	35,039,255	4,681,070	68,804
Non-current	4,800,000	–	4,800,000	–
	12,148,835	35,039,255	9,481,070	68,804

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. OTHER RECEIVABLES (CONTINUED)

Movement on the impairment loss during the financial year as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At beginning/end of the financial year	<b>21,949</b>	21,949	<b>21,949</b>	21,949

Included in other receivables of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Consideration receivable on disposal of subsidiary companies	<b>6,000,000</b>	–	<b>6,000,000</b>	–
Advance paid to a sub-contractor for commencement of a construction project	–	14,200,000	–	–

Pursuant to the Supplemental Shares Sale Agreement, the consideration receivable on disposal of subsidiary companies bear an interest rate of 4.5% (2019: Nil) per annum as disclosed in Note 6(c)(ii) to the financial statements.

Included in prepayments of the Group is an amount of RM Nil (2019: RM10,017,488) paid to a supplier for equipment used for the Group's construction projects.

Included in deposits of the Group is an amount of RM Nil (2019: RM9,000,000) paid to the joint arrangement partner pursuant to the Joint Venture Agreement.

### 14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term deposits with licensed banks	–	8,212,582	–	8,208,457
Short-term deposits with fund management companies	<b>10,947,577</b>	8,811,340	<b>10,947,577</b>	1,008,280
Cash and bank balances	<b>6,071,663</b>	1,759,971	<b>3,295,886</b>	103,834
	<b>17,019,240</b>	18,783,893	<b>14,243,463</b>	9,320,571

The interest rates per annum of the short-term deposits that were effective as at the reporting date are as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Short-term deposits with licensed banks	–	2.95 - 3.95	–	2.95 - 3.95
Short-term deposits with fund management companies	<b>2.40 - 3.54</b>	3.22 - 3.73	<b>2.40 - 3.54</b>	3.60 - 3.73

Deposits of the Group and the Company have an average maturity period of 30 days (2019: 30 days). Bank balances and short term deposits with licensed banks are deposits held at call with banks.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. SHARE CAPITAL

	Group/Company		Amount	
	Number of shares 2020 Units	2019 Units	2020 RM	2019 RM
<b>Issued and fully paid</b>				
At beginning of the financial year	162,709,500	162,709,500	17,525,258	17,525,258
Issuance of share capital	150,853,666	–	36,959,148	–
At end of the financial year	<b>313,563,166</b>	162,709,500	<b>54,484,406</b>	17,525,258

During the financial year, the Company increased its issued and fully paid-up capital from RM17,525,258 comprising of 162,709,500 ordinary shares to RM54,484,406 comprising of 313,563,166 ordinary shares through the following:

- issuance of 48,812,850 new ordinary shares pursuant to private placement at an exercise price of RM0.245 per share on 29 August 2019 for a cash consideration of RM11,959,148 to partially satisfy the purchase consideration for Rexallent Construction Sdn. Bhd.; and
- issuance of 102,040,816 new ordinary shares as consideration pursuant to the acquisition of Rexallent Construction Sdn. Bhd. amounting to RM25,000,000 on 23 September 2019.

The newly issued ordinary shares ranked pari passu in all respect with the existing ordinary shares.

### 16. RESERVES

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>Non-Distributable:</b>					
Fair value reserve	(a)	(1,292,500)	–	–	–
<b>Distributable:</b>					
Retained profits		51,333,924	54,180,825	44,896,788	43,640,479
		<b>50,041,424</b>	54,180,825	<b>44,896,788</b>	43,640,479

- Fair value reserve

Fair value reserve represents the cumulative fair value changes of financial assets through other comprehensive income until they are disposed.

### 17. BORROWINGS

	Group	
	2020 RM	2019 RM
<b>Current</b>		
Secured:		
Term loans	62,800	49,353
Finance lease liabilities	–	765,580
	<b>62,800</b>	814,933

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 17. BORROWINGS (CONTINUED)

	2020 RM	Group 2019 RM
<b>Non-current</b>		
Secured:		
Term loans	1,419,452	1,475,809
Finance lease liabilities	–	328,466
	<b>1,419,452</b>	<b>1,804,275</b>
<b>Secured:</b>		
Term loans	1,482,252	1,525,162
Finance lease liabilities	–	1,094,046
	<b>1,482,252</b>	<b>2,619,208</b>

The above term loans obtained from a licensed bank are secured by the following:

- (a) The principal instrument, a facilities agreement for the sum of RM1,540,250 (2019: RM1,540,250);
- (b) A registered open all monies 1st party charge created over the property as disclosed in Note 3 to the financial statements;
- (c) Guaranteed by the Company; and
- (d) A legal charge over the freehold building of the Company as disclosed in Note 3 to the financial statements.

The term loans bears an interest rate of 2.30% (2019: 2.57%) per year below the bank's base lending rate.

The maturity profile of the term loan is as follows:

	2020 RM	Group 2019 RM
Repayable within one year	62,800	49,471
Repayable between one to five years	300,176	218,924
Repayable more than five years	1,119,276	1,256,767
	<b>1,482,252</b>	<b>1,525,162</b>

Finance lease liabilities are effectively secured as right to the leased asset will return to the lessor in the event of default. Finance lease liabilities payable are as follows:

	2020 RM	Group 2019 RM
<b>Gross minimum lease payments</b>		
Payable within one year	–	813,060
Payable between one to five years	–	333,490
	–	1,146,550
Less: Future finance charges	–	(52,504)
	–	1,094,046

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17. BORROWINGS (CONTINUED)

	Group 2020 RM	2019 RM
<b>Present value of finance lease liabilities</b>		
Repayable within one year	–	765,580
Repayable between one and five years	–	328,466
	–	1,094,046

### 18. LEASE LIABILITIES

	Group 2020 RM	2019 RM
Repayable within twelve months	1,580,986	–
Repayable after twelve months	2,622,874	–
	4,203,860	–

The lease liabilities of the Group bear interest at rate of 2.55% - 4.31% (2019: 2.59% - 3.46%) per annum.

In the previous financial year, the Group recognised lease liabilities that were classified as finance leases under MFRS 117 “Leases” and presented under borrowings (Note 17). Please refer to Note 2.1 for more information on the adoption of MFRS 16 “Leases”.

The lease liabilities obtained are secured by corporate guarantee by the Company as disclosed in Note 35 to the financial statements.

### 19. DEFERRED TAXATION

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Group 2020 RM	2019 RM
Deferred tax assets	300,837	–
Deferred tax liabilities	(544,278)	(207,052)
	(243,441)	(207,052)

The movements on the net deferred tax liabilities are as follows:

	Group 2020 RM	2019 RM
At beginning of the financial year	(207,052)	(109,188)
Acquisition of a subsidiary company (Note 6(c)(i))	246,877	–
Recognised in profit or loss (Note 28):		
- property, plant and equipment	(257,007)	(237,258)
- provision	(29,447)	–
- right-of-use assets	3,188	–
- unabsorbed capital allowance	–	139,394
	(283,266)	(97,864)
At end of the financial year	(243,441)	(207,052)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. DEFERRED TAXATION (CONTINUED)

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	<b>Group</b>	
	<b>2020 RM</b>	<b>2019 RM</b>
Deferred tax assets:		
- property, plant and equipment	233,613	—
- provision	67,224	—
- right-of-use assets	3,188	—
	<b>304,025</b>	—
Offsetting	(3,188)	—
Net deferred tax assets	<b>300,837</b>	—
Deferred tax liabilities:		
- property, plant and equipment	(547,466)	(207,052)
Offsetting	3,188	—
Net deferred tax liabilities	<b>(544,278)</b>	(207,052)

The deductible temporary difference and unutilised tax losses of the Group and of the Company for which no deferred tax assets were recognised in the statements of financial position are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020 RM</b>	<b>2019 RM</b>	<b>2020 RM</b>	<b>2019 RM</b>
Unutilised tax losses	4,572,744	7,638,481	4,572,744	4,731,513
Unabsorbed capital allowance	416,161	291,087	416,161	405,389
	<b>4,988,905</b>	7,929,568	<b>4,988,905</b>	5,136,902
Deferred taxation not recognised at 24% (2019: 24%)	<b>1,197,337</b>	1,903,096	<b>1,197,337</b>	1,232,856

### 20. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2019: 30 to 90 days).

Included in trade payables of the Group is an amount of RM731,268 (2019: RM706,262) payable to a related company with common Director.

Included in trade payables of the Group is retention sum amounting to RM15,732,937 (2019: RM3,454,330).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 21. OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	1,509,755	623,593	234,608	288,318
Accrued expenses	340,784	1,566,208	36,400	26,100
	<b>1,850,539</b>	<b>2,189,801</b>	<b>271,008</b>	<b>314,418</b>

### 22. REVENUE

Revenue for continuing operations comprise of the following:

	2020 RM	Group 2019 RM Restated
Revenue recognised from contracts with customers:		
Sales of building materials	4,368,561	2,660,706
Construction activities	110,867,403	47,132,387
	<b>115,235,964</b>	<b>49,793,093</b>

Breakdown of revenue recognised from contracts with customers is as follows:

	2020 RM	Group 2019 RM Restated
<b>Geographical market</b>		
Malaysia	115,235,964	49,793,093
<b>Timing of revenue recognition</b>		
At a point in time	4,368,561	2,660,706
Over time	110,867,403	47,132,387
	<b>115,235,964</b>	<b>49,793,093</b>

### 23. PURCHASES AND OTHER DIRECT COSTS

	2020 RM	Group 2019 RM Restated
Construction works	107,027,499	45,070,780

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 24. OTHER OPERATING EXPENSES/(INCOME)

Included in other operating expenses/(income) for continuing operations are the following charges/(credits):

	Group		Company	
	2020 RM	2019 RM Restated	2020 RM	2019 RM
Auditors' remuneration				
- current year	126,000	71,500	—	20,000
- overprovision in prior year	(2,500)	—	—	—
- non-audit services	3,000	3,000	3,000	3,000
Bad debt written off	—	11,832	—	11,832
Depreciation of property, plant and equipment	2,793,591	488,999	79,928	82,749
Depreciation of right-of-use assets	14,422	—	—	—
Impairment loss on goodwill	6,514,604	—	—	—
Impairment loss on investment in an associate	—	—	—	180,262
Impairment loss on investment in subsidiary companies	—	—	5,439,804	1,264,230
Loss on disposal of other investment	—	518,362	—	518,362
(Gain)/Loss on disposal of subsidiary companies	—	(11,834)	(7,493,992)	1,930,996
Net expected credit loss allowance	652,292	—	—	—
Rental of storage space	—	31	—	31
Rental of premises	—	46,078	—	1,800
Short term lease of equipment	29,692	16,683	—	—
Interest income	(166,629)	(459,838)	(161,650)	(459,838)
Dividend income	(77,509)	(7,650)	—	(7,650)
Gain on disposal of an associate	(6,700)	—	(6,700)	—

### 25. EMPLOYEE BENEFITS EXPENSE

The employee benefits expense for continuing operations are as follows:

	Group	
	2019 RM	2018 RM
Employee benefits expense (excluding Directors) comprise:		
Charged to profit or loss	384,956	311,637
Recognised in contract costs (Note 12)	5,319,686	2,580,270
	<b>5,704,642</b>	<b>2,891,907</b>

Included in the total employee benefits expense above are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM545,329 (2019: RM290,677).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 26. DIRECTORS' REMUNERATION

The Directors' remuneration for continuing operations are as follows:

	Group		Company	
	2020 RM	2019 RM Restated	2020 RM	2019 RM
Executive Directors:				
- Salary and other emoluments	506,540	460,304	–	–
- Defined contribution plan	34,944	28,120	–	–
	541,484	488,424	–	–
Non-executive directors:				
- Fees	124,500	144,000	124,500	144,000
	665,984	632,424	124,500	144,000
			Number of Directors	
Executive Directors:				
Below RM200,000			2	3
Non-executive Directors:				
Below RM50,000			5	6

### 27. FINANCE COSTS

	Group	
	2020 RM	2019 RM
Interest expense on:		
- Term loans	61,714	32,590
- Finance lease liabilities	–	56,796
- Lease liabilities	215,096	–
	276,810	89,386
Interest expense charged to:		
- Purchases and other direct costs	13,764	–
- Finance costs	263,046	89,386
	276,810	89,386

### 28. TAXATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current taxation:				
- Current year provision	968,151	652,445	–	92,000
- Under/(Over) provision in prior year	136,192	(117,893)	(37,865)	25,143
	1,104,343	534,552	(37,865)	117,143

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 28. TAXATION (CONTINUED)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current taxation:	<b>1,104,343</b>	534,552	<b>(37,865)</b>	117,143
Deferred taxation:				
- Original and reversal of temporary differences	<b>283,266</b>	97,864	–	–
Taxation for the financial year	<b>1,387,609</b>	632,416	<b>(37,865)</b>	117,143
Taxation for the financial year attributable to:				
- Continuing operations	<b>1,387,547</b>	891,696	<b>(37,865)</b>	117,143
- Discontinued operations	<b>62</b>	(259,280)	–	–
	<b>1,387,609</b>	632,416	<b>(37,865)</b>	117,143

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable (loss)/profit for the financial year.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
(Loss)/Profit before taxation from continuing operations	<b>(2,740,894)</b>	2,064,134	<b>1,218,444</b>	(4,196,502)
Profit before taxation from discontinued operations	<b>1,872,006</b>	1,849,607	–	–
(Loss)/Profit before taxation	<b>(868,888)</b>	3,913,741	<b>1,218,444</b>	(4,196,502)
Taxation at statutory tax rate of 24% (2019: 24%)	<b>(208,533)</b>	939,298	<b>292,427</b>	(1,007,160)
Expenses not deductible for tax purposes	<b>2,983,012</b>	3,816,392	<b>1,495,299</b>	1,125,575
Income not subject to tax	<b>(1,857,564)</b>	(4,333,229)	<b>(1,838,962)</b>	(112,197)
Change in unrecognised temporarily differences	<b>334,502</b>	327,848	<b>51,236</b>	85,782
Under/(Over) provision of current taxation in prior year	<b>136,192</b>	(117,893)	<b>(37,865)</b>	25,143
Taxation for the financial year	<b>1,387,609</b>	632,416	<b>(37,865)</b>	117,143

## 29. DISCONTINUED OPERATIONS

On 29 July 2019, the Company entered into a Shares Sale Agreement with Dato' Lim Thean Keong for the disposals of three wholly-owned subsidiaries as below for a total cash consideration of RM12,000,000:

- (i) the entire equity interest in M-Mode Mobile Sdn. Bhd., comprising 250,000 ordinary shares;



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 29. DISCONTINUED OPERATIONS (CONTINUED)

(ii) the entire equity interest in Mobile Multimedia Sdn. Bhd., comprising 100,000 ordinary shares; and

(iii) the entire equity interest in Tameko Sdn. Bhd., comprising 2 ordinary shares.

M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. are involved in the content and value added service business segment of the Group.

On 28 February 2020, the Company entered into a Supplemental Shares Sale Agreement with Dato' Lim Thean Keong to vary and amend certain salient terms of the Shares Sale Agreement and consequently, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd. ceased to be subsidiaries of the Group.

(a) An analysis of the results of the discontinued operations are as follows:

	<b>Group</b>	
	<b>1.6.2019</b>	<b>1.6.2018</b>
	<b>to</b>	<b>to</b>
	<b>29.2.2020</b>	<b>31.5.2019</b>
	<b>RM</b>	<b>RM</b>
Revenue	8,673,440	12,412,320
Purchases and other direct costs	(880,084)	(973,204)
Other operating income	240,423	241,355
Employee benefits expense	(979,929)	(2,146,757)
Directors' remuneration	(313,563)	(2,846,497)
Loss on disposal of discontinued operations	(1,231,363)	–
Other operating expenses	(3,636,918)	(4,837,610)
Profit before taxation from discontinued operation	1,872,006	1,849,607
Taxation (Note 28)	(62)	259,280
Profit for the financial year	1,871,944	2,108,887
Other comprehensive income	–	518
Total comprehensive income	1,871,944	2,109,405

(b) Other operating expenses/(income) from discontinued operation are the following charges/(credits):

	<b>Group</b>	
	<b>1.6.2019</b>	<b>1.6.2018</b>
	<b>to</b>	<b>to</b>
	<b>29.2.2020</b>	<b>31.5.2019</b>
	<b>RM</b>	<b>RM</b>
Amortisation of intangible assets	35,004	51,644
Auditors' remuneration		
- current year	25,575	34,000
- non-audit services	6,000	6,000
Depreciation of property, plant and equipment	326,168	496,364
Deposits written off	–	1,554
Rental of equipment	6,011	7,356
Rental of storage space	1,326	970
Rental of premises	22,950	30,000
Foreign exchange (gain)/loss		
- realised	–	123
- unrealised	(189)	(16,452)
Interest income	(239,684)	(223,143)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 29. DISCONTINUED OPERATIONS (CONTINUED)

- (c) The net cash flows generated from discontinued operation:

	<b>Group</b>	
	<b>1.6.2019 to 29.2.2020 RM</b>	<b>1.6.2018 to 31.5.2019 RM</b>
Net cash generated from operating activities	4,946,191	4,104,955
Net cash (used in)/generated from investing activities	(280,470)	194,592
Net increase in cash and cash equivalents	<u>4,665,721</u>	<u>4,299,547</u>

### 30. (LOSS)/EARNINGS PER SHARE

- (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group 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 financial year.

	<b>Group</b>	
	<b>2020 RM</b>	<b>2019 RM</b>
(Loss)/Profit for the financial year attributable to the owners of the Company		
- Continuing operations	<b>(4,718,845)</b>	453,085
- Discontinued operations	<b>1,871,944</b>	2,108,887
	<u><b>(2,846,901)</b></u>	<u>2,561,972</u>
Weighted average number of ordinary shares issued	<u><b>269,910,170</b></u>	<u>162,709,500</u>
Basic (loss)/earnings per share (sen)		
- Continuing operations	<b>(1.75)</b>	0.28
- Discontinued operations	<b>0.69</b>	1.30
	<u><b>(1.06)</b></u>	<u>1.58</u>

- (b) Diluted (loss)/earnings per share

There is no diluted (loss)/earnings per share as the Group does not have any dilutive potential ordinary of shares during the financial year.

### 31. CASH FLOW INFORMATION

- (a) Purchase of property, plant and equipment

	<b>Group</b>	
	<b>2020 RM</b>	<b>2019 RM</b>
Cost of property, plant and equipment purchased	<b>14,259,700</b>	5,332,564
Less: Hire purchase financing	<b>(3,274,393)</b>	(1,422,000)
Less: Term loan financing	–	(1,540,250)
Cash payment	<u><b>10,985,307</b></u>	<u>2,370,314</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 31. CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

Group	Term loans RM	Finance lease liabilities RM	Lease liabilities RM	Total RM
At 1.6.2019 (As previously stated)	1,525,162	1,094,046	–	2,619,208
Effect of adoption of MFRS 16 (Note 2.1)	–	(1,094,046)	1,603,395	509,349
At 1 June 2019 (Restated)	1,525,162	–	1,603,395	3,128,557
Cash flow	(42,910)	–	(1,587,858)	(1,630,768)
Lease financing for additions of property, plant and equipment	–	–	4,044,393	4,044,393
Acquisition of a subsidiary company	–	–	86,241	86,241
Acquisition of right-of-use assets	–	–	57,689	57,689
Total non-cash changes	–	–	4,188,323	4,188,323
At 31.5.2020	<b>1,482,252</b>	<b>–</b>	<b>4,203,860</b>	<b>5,686,112</b>
At 1.6.2018	–	143,216	–	143,216
Cash flow	(15,088)	(471,170)	–	(486,258)
Finance lease financing for additions of property, plant and equipment	–	1,422,000	–	1,422,000
Term loans financing for additions of property, plant and equipment	1,540,250	–	–	1,540,250
Total non-cash changes	1,540,250	1,422,000	–	2,962,250
At 31.5.2019	1,525,162	1,094,046	–	2,619,208

## 32. SEGMENTAL INFORMATION

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:

Investment holding : Investment

Contents and value added services : Mobile content and data application services

Construction : Construction works

Segment revenue, results and assets include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 32. SEGMENTAL INFORMATION (CONTINUED)

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

#### (a) Business segments

	← Continuing Operations →				Discontinued Operations Contents and value added services	
	Construction RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
<b>2020</b>						
<b>REVENUE</b>						
External revenue	115,235,964	–	–	115,235,964	8,673,440	123,909,404
Intersegment revenue	26,477,734	–	(26,477,734)	–	–	–
	<b>141,713,698</b>	<b>–</b>	<b>(26,477,734)</b>	<b>115,235,964</b>	<b>8,673,440</b>	<b>123,909,404</b>
<b>RESULTS</b>						
Profit/(Loss)						
from operations	3,694,704	1,218,444	(7,390,996)	(2,477,848)	1,872,006	(605,842)
Finance costs	(265,051)	–	2,005	(263,046)	–	(263,046)
Taxation	(1,324,650)	37,865	(100,762)	(1,387,547)	(62)	(1,387,609)
Profit/(Loss) for the year	<b>2,105,003</b>	<b>1,256,309</b>	<b>(7,489,753)</b>	<b>(4,128,441)</b>	<b>1,871,944</b>	<b>(2,256,497)</b>
<b>OTHER INFORMATION</b>						
Segment assets	133,789,699	99,652,202	(69,449,050)	163,992,851	–	163,992,851
Segment liabilities	117,523,948	271,008	(60,127,692)	57,667,264	–	57,667,264
Capital expenditure	13,759,453	–	–	13,759,453	520,154	14,279,607
Depreciation of property, plant and equipment	2,713,663	79,928	–	2,793,591	326,168	3,119,759
Amortisation of intangible assets	–	–	–	–	35,004	35,004
<b>2019</b>						
<b>REVENUE</b>						
External revenue	49,793,093	–	–	49,793,093	12,412,320	62,205,413
Intersegment revenue	34,474,705	–	(34,474,705)	–	–	–
	<b>84,267,798</b>	<b>–</b>	<b>(34,474,705)</b>	<b>49,793,093</b>	<b>12,412,320</b>	<b>62,205,413</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 32. SEGMENTAL INFORMATION (CONTINUED)

## (a) Business segments (continued)

	Continuing Operations				Discontinued Operations Contents and value added services	
	Construction RM	Investment holding RM	Elimination RM	Total RM	RM	Total RM
<b>2019</b>						
<b>RESULTS</b>						
Profit/(Loss) from operations	2,965,798	(4,199,600)	3,387,322	2,153,520	1,849,607	4,003,127
Finance costs	(89,386)	—	—	(89,386)	—	(89,386)
Taxation	(774,419)	(117,277)	—	(891,696)	259,280	(632,416)
Profit/(Loss) for the year	2,101,993	(4,316,877)	3,387,322	1,172,438	2,108,887	3,281,325
<b>OTHER INFORMATION</b>						
Segment assets	69,431,707	61,572,155	(52,512,095)	78,491,767	17,509,033	96,000,800
Segment liabilities	60,805,748	406,418	(45,519,607)	15,692,559	7,392,805	23,085,364
Capital expenditure	5,317,987	—	—	5,317,987	28,557	5,346,544
Depreciation of property, plant and equipment	406,250	82,749	—	488,999	496,364	985,363
Amortisation of intangible assets	—	—	—	—	51,644	51,644

## (b) Information about major customers

The following are the major customers individually accounting for 10% or more of Group's revenue for current period and prior year:

	2020 RM	Group 2019 RM
Customer A	—	8,248,584
Customer B	—	3,056,544
Customer C	—	36,112,067
Customer D	—	6,351,320
Customer E	39,225,423	—
Customer F	41,649,495	—
	<b>80,874,918</b>	<b>53,768,515</b>

## 33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to owners of the Company. The Group's policy is to keep the gearing ratio within reasonable levels.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 33. CAPITAL MANAGEMENT (CONTINUED)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Interest bearing liabilities</b>				
Borrowings	1,482,252	2,619,208	–	–
Lease liabilities	4,203,860	–	–	–
	5,686,112	2,619,208	–	–
Less: Cash and cash equivalents	(17,019,240)	(18,783,893)	(14,243,463)	(9,320,571)
Net liquidity	(11,333,128)	(16,164,685)	(14,243,463)	(9,320,571)
Equity attributable to owners of the Company	104,525,830	71,706,083	99,381,194	61,165,737
Gearing ratio	N/A	N/A	N/A	N/A

### 34. FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments and their categories:

	Financial assets at fair value through other comprehensive income RM	Financial assets and liabilities at amortised cost RM	Total RM
<b>2020</b>			
<b>Group</b>			
<b>Financial assets</b>			
Other investments	13,700,500	–	13,700,500
Trade receivables	–	55,951,321	55,951,321
Other receivables	–	11,882,128	11,882,128
Cash and cash equivalents	–	17,019,240	17,019,240
	13,700,500	84,852,689	98,553,189
<b>Financial liabilities</b>			
Trade payables	–	49,083,927	49,083,927
Other payables	–	1,850,539	1,850,539
Borrowings	–	1,482,252	1,482,252
Lease liabilities	–	4,203,860	4,203,860
	–	56,620,578	56,620,578

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

The table below provides an analysis of financial instruments and their categories (continued):

	Financial assets at fair value through other comprehensive income RM	Financial assets and liabilities at amortised cost RM	Total RM
<b>2020</b>			
<b>Company</b>			
<b>Financial assets</b>			
Other receivables	–	9,479,040	9,479,040
Amount owing by subsidiary companies	–	32,673,470	32,673,470
Cash and cash equivalents	–	14,243,463	14,243,463
	–	<b>56,395,973</b>	<b>56,395,973</b>
<b>Financial liabilities</b>			
Other payables	–	<b>217,008</b>	<b>217,008</b>
			<b>Financial assets and liabilities at amortised cost RM</b>
<b>2019</b>			
<b>Group</b>			
<b>Financial assets</b>			
Trade receivables			25,342,371
Other receivables			24,764,205
Cash and cash equivalents			18,783,893
			<b>68,890,469</b>
<b>Financial liabilities</b>			
Trade payables			17,094,611
Other payables			2,189,801
Borrowings			2,619,208
			<b>21,903,620</b>
<b>Company</b>			
<b>Financial assets</b>			
Other receivables			68,324
Amount owing by subsidiary companies			43,957,036
Cash and cash equivalents			9,320,571
			<b>53,345,931</b>
<b>Financial liabilities</b>			
Other payables			<b>314,418</b>

**Financial risk management objectives and policies**

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of receivables ageing. At reporting date, there were no significant concentrations of credit risk other than as disclosed in Note 11. The Group monitors the results of the related parties regularly to safeguard credit risk on balances from intercompany receivables.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, borrowings and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	On demand or within one year RM	One to five years RM	More than five years RM
<b>2020</b>						
<b>Group</b>						
Trade payables	49,083,927	—	49,083,927	49,083,927	—	—
Other payables	1,850,539	—	1,850,539	1,850,539	—	—
Borrowings	1,482,252	BLR - 2.30	1,931,062	112,610	474,720	1,343,732
Lease liabilities	4,203,860	2.55 - 4.31	4,672,327	1,813,891	2,858,436	—
	<b>56,620,578</b>		<b>57,537,855</b>	<b>52,860,967</b>	<b>3,333,156</b>	<b>1,343,732</b>
<b>Company</b>						
Other payables	<b>217,008</b>	—	<b>217,008</b>	<b>217,008</b>	—	—
<b>2019</b>						
<b>Group</b>						
Trade payables	17,094,611	—	17,094,611	17,094,611	—	—
Other payables	2,189,801	—	2,189,801	2,189,801	—	—
Borrowings	1,525,162	BLR - 2.57	2,330,348	117,140	593,400	1,619,808
Lease liabilities	1,094,046	2.59 - 3.46	1,146,550	813,060	333,490	—
	<b>21,903,620</b>		<b>22,761,310</b>	<b>20,214,612</b>	<b>926,890</b>	<b>1,619,808</b>
<b>Company</b>						
Other payables	<b>314,418</b>	—	<b>314,418</b>	<b>314,418</b>	—	—



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

#### (a) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's deposits and borrowings.

#### Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Fixed rate instruments</b>				
Short-term deposits with licensed banks	–	8,212,582	–	8,208,457
Short-term deposits with licensed fund management companies	<b>10,947,577</b>	8,811,340	<b>10,947,577</b>	1,008,280
Lease liabilities	<b>(3,861,173)</b>	(1,094,046)	–	–
	<b>7,086,404</b>	15,929,876	<b>10,947,577</b>	9,216,737
<b>Floating rate instruments</b>				
Term loans	<b>(1,482,252)</b>	(1,525,162)	–	–

Since the Group's and the Company's fixed rate financial assets and liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's and the Company's profit or loss.

As at 31 May 2020, if interest rates of floating rate instruments had been lower by 25 basis points ("bp") with all other variables held constant, this will result in post-tax increases of the Group of RM2,816 (2019: RM2,898) in profit or loss.

#### Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of long term borrowings carried on the statement of financial position reasonably approximate fair value as it is a floating rate instrument that is re-priced to market interest rates on or near the reporting date.

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 asset or liability that is not based on observable market data.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statement of financial position:

Group	2020 Level 1 Fair Value RM	2019 Level 1 Fair Value RM
<b>Financial assets</b>		
Financial assets at fair value through other comprehensive income	<b>13,700,500</b>	—

The following table analyses the fair values of financial instruments not carried at fair value, together with their carrying amounts in the statement of financial position:

	2020 Carrying amount RM	2020 Fair value RM	2019 Carrying amount RM	2019 Fair value RM
<b>Financial liabilities</b>				
Lease liabilities	<b>4,203,860</b>	<b>4,193,403</b>	1,094,046	1,010,281

### 35. CONTINGENT LIABILITIES

Group	2020 RM	2019 RM
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.	<b>10,533,000</b>	10,533,000
<b>Company</b>		
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.	<b>10,533,000</b>	10,533,000
Corporate guarantee 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.	<b>8,000,000</b>	8,000,000
- 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.	<b>520,000</b>	520,000
- trade finance facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance certified amount of the invoice/payment certificate/ progress claim for contracts certified by the customer.	—	25,000,000
- hire purchase facilities granted to its indirect subsidiary, Gabungan EJB Construkt Sdn. Bhd. to part finance the purchase of two units of passenger hoist.	<b>435,069</b>	435,069
- 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	<b>1,520,496</b>	1,520,496
- term loan facility granted to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance the purchase of properties	<b>1,540,250</b>	1,540,250
- domestic recourse factoring facility to its wholly owned subsidiary, E&J Builders Sdn. Bhd. to finance approved certified progress claims by the customer.	<b>35,000,000</b>	35,000,000
Corporate guarantees in favour of suppliers of its indirect subsidiary, Gabungan EJB Construkt Sdn. Bhd. for the supply of goods.	<b>7,274,160</b>	7,274,160
Corporate guarantees in favour of suppliers of its wholly owned subsidiary, Rexallent Construction Sdn. Bhd. for the supply of goods.	<b>1,600,000</b>	—
	<b>66,422,975</b>	89,822,975

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

- (a) The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Purchase of materials from a related company with common Director	<b>503,439</b>	1,283,501
Rental of machinery and labour cost in operating the machineries charged by a related company with common Director	<b>229,743</b>	—

- (b) The remuneration of directors and other member of key management during the financial year is disclosed in Note 26 to the financial statements.

### 37. SIGNIFICANT EVENT

With the development from COVID-19 outbreak, the Malaysian Government imposed the Movement Control Order (“MCO”) from 18 March 2020 and subsequently implemented the Conditional Movement Control Order (“CMCO”) from 4 May 2020, and the Recovery Movement Control Order (“RMCO”) from 10 June 2020 to 31 December 2020 to curb the spread of the COVID-19 outbreak in Malaysia.

The imposition of the MCO has resulted in disruptions to the Group’s and the Company’s business operations. The Group and the Company reopened by phases and stages to resume its operation with proper Standard Operating Procedures (“SOPs”) put in place on 4 May 2020.

The continuous spread of the COVID-19 may continue to affect the Group’s and the Company’s operation and those of third parties of which they rely. The ultimate impact of the COVID-19 is highly uncertain and subject to change. The Group and the Company will continuously monitor the impact of COVID-19 on their operation and financial performances.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 38. MATERIAL LITIGATIONS

#### Rexallent Construction Sdn. Bhd. vs HS Plumbing Sdn. Bhd. (formerly known as Asia Plumtech Sdn. Bhd.)

The arbitration proceeding between Rexallent Construction Sdn. Bhd. ("Rexallent") and HS Plumbing Sdn. Bhd. ("HS Plumbing") arose from dispute on the total value of work carried out by HS Plumbing. Based on a joint final inspection carried out by both parties, the agreed total value of work amounting to RM1,027,622.

HS Plumbing subsequently initiated an adjudication proceeding against Rexallent and obtained an adjudication decision in its favour for an adjudicated sum of RM1,643,610 plus interest and costs. Pursuant to the High Court Order dated 31 May 2018, Rexallent had paid RM1,577,358 to HS Plumbing. On 21 November 2019, Rexallent served its Statement of Claim for over payment amounting to RM549,735.

The hearing was fixed on 11 August 2020. However, HS Plumbing was wound up prior to the hearing date. As at 31 May 2020, the amount due from HS Plumbing has been fully impaired.

#### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 39. COMPARATIVE FIGURES

During the year, the Company entered into a Shares Sale Agreement with Dato' Lim Thean Keong for the disposals of three wholly-owned subsidiaries, M-Mode Mobile Sdn. Bhd., Mobile Multimedia Sdn. Bhd. and Tameko Sdn. Bhd.. The disposal was not a discontinued operation or classified as held for sale as at 31 May 2019 and hence the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

	<b>1.6.2018 to 31.5.2019</b>	
	<b>As restated RM</b>	<b>As previously stated RM</b>
Revenue	49,793,093	62,205,413
Purchases and other direct costs	(45,070,780)	(46,043,984)
Other operating income	524,626	765,981
Employee benefits expense	(311,637)	(2,458,394)
Directors' remuneration	(632,424)	(3,478,921)
Other operating expenses	(2,149,358)	(6,986,968)
Profit from operations	2,153,520	4,003,127
Finance costs	(89,386)	(89,386)
Profit before taxation	2,064,134	3,913,741
Taxation	(891,696)	(632,416)
Profit for the financial year	1,172,438	3,281,325

### 40. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 May 2020 were authorised for issue in accordance with a resolution of the Board of Directors dated 28 September 2020.

# LIST OF PROPERTIES AT 31 MAY 2020

No	Proprietor	Title/ Location	Description/ Existing Use	Tenure	Approximate Age of Offices	Built-Up Area (sq. ft.)	Net Book Value (RM)	Date of Acquisition
1	Ecobuilt Holdings Berhad	Geran 37731/M1B/13/260, No. Petak 260, Tingkat 13, Bangunan M1B for Lot No. 144, Seksyen 44, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan.	A Parcel of Office/ Office	Freehold	27 Years	2,432	1,067,689	29-Jul-2011
2	E&J Builders Sdn Bhd	D-G-11, Medan Connaught, No 1, Jalan 3/l44A, 56000 Kuala Lumpur. Title: HS(D) I20458, PT 15682, Mukim Petaling, Daerah Kuala Lumpur & Negeri Wilayah Persekutuan Kuala Lumpur	A Parcel of Office/ Office	Freehold	3 Year	922	1,072,500	06-Jun-2018
3	E&J Builders Sdn Bhd	D-1-11, Medan Connaught, No 1, Jalan 3/l44A, 56000 Kuala Lumpur. Title: HS(D) I 20458, PT 15682, Mukim Petaling, Daerah Kuala Lumpur & Negeri Wilayah Persekutuan Kuala Lumpur	A Parcel of Office/ Office	Freehold	3 Year	1109	682,500	06-Jun-2018

# SHAREHOLDING STATISTICS

## 15 SEPTEMBER 2020

### SHARE CAPITAL

Issued and Paid-Up Share Capital: RM54,484,406.17 comprising 313,563,166 Ordinary Shares

Class of Shares : Ordinary Shares

Voting Rights : One Vote per Ordinary Share

### ANALYSIS OF SHAREHOLDERS BY RANGE GROUP

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	52	2.435	2,411	0.000
100 – 1,000	168	7.868	69,020	0.022
1,001 – 10,000	827	38.735	5,383,011	1.716
10,001 – 100,000	917	42.950	34,225,708	10.915
100,001 – 15,678,157 (*)	168	7.868	153,647,800	49.000
15,678,158 And Above (**)	3	0.140	120,235,216	38.344
Total	2,135	100.000	313,563,166	100.000

Remarks : \* - Less than 5% of issued shares

\*\* - 5% and above of issued shares

### SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders' Shareholdings)

No.	Name of Shareholders	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Kilau Makmur Sdn Bhd	102,040,816	32.542	0	0.000
2.	Ecobuilt (M) Sdn Bhd	18,194,400	5.802	0	0.000
3.	Tan Chuan Cheong	0	0.000	102,040,816 <sup>(a)</sup>	32.542
4.	Chan Moy	0	0.000	102,040,816 <sup>(a)</sup>	32.542
5.	Datuk Ong Chee Koen	300,000	0.095	18,194,400 <sup>(b)</sup>	5.802
				14,600,000 <sup>(c)</sup>	4.655
				756,000 <sup>(d)</sup>	0.241
6.	Yap Nam Fee	1,642,700	0.523	18,194,400 <sup>(b)</sup>	5.802
7.	Siow Lee Fah	756,000	0.241	18,194,400 <sup>(b)</sup>	5.802

### DIRECTORS' SHAREHOLDING

(As per the Register of Directors' Shareholdings)

No.	Name of Directors	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Dato' Noordin Bin Sulaiman	0	0.000	0	0.000
2.	Datuk Ong Chee Koen	300,000	0.095	18,194,400 <sup>(b)</sup>	5.802
				14,600,000 <sup>(c)</sup>	4.655
				756,000 <sup>(d)</sup>	0.241
3.	Datuk Ng Seing Liong PJN, JP	100,000	0.031	0	0.000
4.	Wong Wen Miin	0	0.000	0	0.000

## SHAREHOLDING STATISTICS (CONTINUED)

### Notes:

- (a) Deemed Interest through the shares held by Kilau Makmur Sdn Bhd pursuant to Section 8 of the Companies Act, 2016
- (b) Deemed Interest through the shares held by Ecobuilt (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.
- (c) Deemed Interest through the shares held by E&J Venture Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.
- (d) Deemed Interest through the shares held by spouse, Siow Lee Fah pursuant to Section 8 of the Companies Act, 2016.

### THIRTY LARGEST SHAREHOLDERS

No.	Name of Investors	No. of Shares	%
1.	Kilau Makmur Sdn Bhd	71,428,570	22.779
2.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>UOB Kay Hian Securities (M) Sdn Bhd For Kilau Makmur Sdn Bhd (Ecobuilt)</i>	30,612,246	9.762
3.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ecobuilt (M) Sdn Bhd</i>	18,194,400	5.802
4.	Tumpat Delima Sdn Bhd	15,500,000	4.943
5.	LWY Holding Sdn Bhd	11,005,000	3.509
6.	LEW Assets Sdn Bhd	9,773,600	3.116
7.	E&J Venture Sdn Bhd	9,763,000	3.113
8.	Indra Tropika Sdn Bhd	8,362,000	2.666
9.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeap Weng Hong</i>	7,900,000	2.519
10.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Soon Peng</i>	7,100,000	2.264
11.	AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kong Kok Choy (8092812)</i>	6,200,000	1.977
12.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Exempt An For KGI Securities (Singapore) Pte.Ltd (66581 T CL)</i>	5,353,600	1.707
13.	Lim A Heng @ Lim Kok Cheong	5,010,200	1.597
14.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For E&amp;J Venture Sdn Bhd</i>	4,837,000	1.542
15.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Hew Yoon Hsia</i>	4,532,600	1.445
16.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ang Lin Chu</i>	2,950,000	0.940
17.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ong Choo Meng</i>	2,912,850	0.928
18.	Chua Shok Tim @ Chua Siok Hoon	2,430,000	0.774
19.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kong Kok Choy (SRB/PMS)</i>	2,200,000	0.701
20.	Tung Wai Fun	2,052,000	0.654
21.	Yap Nam Fee	1,642,700	0.523
22.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Solomon Tan Yiin Yuh</i>	1,489,200	0.474
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chan Kok Keong (Bdr Utama-CL)</i>	1,314,600	0.419
24.	Chan Chon Foo	1,109,400	0.353
25.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kor Sow Kuen (E-KPG)</i>	1,099,500	0.350
26.	Lim Shen Maw	1,000,000	0.318
27.	Yap Kon Hing	789,200	0.251
28.	Siow Lee Fah	756,000	0.241
29.	AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Siau Men (8080599)</i>	749,600	0.239
30.	RBH Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ooi Kim Sew</i>	685,600	0.218



# NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Sixteenth Annual General Meeting of the Company will be held at Cheras 1 Meeting Room, UG Floor, Silka Cheras Hotel Kuala Lumpur, KM10, Jalan Cheras, 56000 Kuala Lumpur on Thursday, 12 November 2020 at 10.00 a.m. to transact the following businesses:-

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2020 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To re-elect Datuk Ong Chee Koen who retires pursuant to Clause 76(3) of the Company's Constitution. **(Resolution 1)**
3. To re-elect Datuk Ng Seing Liong PJN, JP who retires pursuant to Clause 78 of the Company's Constitution. **(Resolution 2)**
4. To approve the payment of Directors' fees of up to RM108,000.00 for the financial year ending 31 May 2021. **(Resolution 3)**
5. To approve the payment of Directors' benefits of up to RM12,000.00 for the period from 13 November 2020 until the next Annual General Meeting of the Company. **(Resolution 4)**
6. To re-appoint Messrs Morison AAC PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

### Special Business

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolution:-

7. **ORDINARY RESOLUTION**  
**Authority To Allot And Issue Shares** **(Resolution 6)**  
  
"THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 20% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

**JOANNE TOH JOO ANN**  
**SSM PC NO. 202008001119 (LS 0008574)**

**SIA EE CHIN**  
**SSM PC NO. 202008001676 (MAICSA 7062413)**

Company Secretaries  
Kuala Lumpur  
30 September 2020

## NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONTINUED)

### **NOTES:-**

#### ***i) Notes on Appointment of Proxy***

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 November 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
5. *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment made via TIIH Online, the proxy form must be deposited at <https://tiih.online>. Please refer to the Administrative Guide for further information on submission via TIIH Online. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*

## NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONTINUED)

11. Last date and time for lodging the proxy form is Tuesday, 10 November 2020 at 10.00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - (a) Identity card (NRIC) (Malaysian), or
  - (b) Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
  - (c) Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

### ii) Explanatory Notes

#### Ordinary Business

#### 1. **Item 1 of the Agenda – Ordinary Business** **Audited Financial Statements For The Financial Year Ended 31 May 2020**

*This item is meant for discussion only as the provision of Section 340(1) Act, does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.*

#### 2. **Items 2 and 3 of the Agenda – Ordinary Business** **Re-election of Directors**

*Datuk Ong Chee Koen is standing for re-election as Director of the Company pursuant to Clause 76(3) of the Company's Constitution and being eligible, has offered himself for re-election at the Sixteenth Annual General Meeting.*

*Datuk Ng Seing Liong PJN, JP is standing for re-election as Director of the Company pursuant to Clause 78 of the Company's Constitution and being eligible, has offered himself for re-election at the Sixteenth Annual General Meeting.*

*The Nomination Committee and the Board had undertaken an annual assessment on the independence of Datuk Ng Seing Liong PJN, JP who is seeking for re-election at the forthcoming Sixteenth Annual General Meeting. The annual assessment had been disclosed in the Corporate Governance Overview Statement of the Company's 2020 Annual Report.*

#### 3. **Items 4 and 5 of the Agenda – Ordinary Business** **Payment of Directors' Fees and Benefits**

*Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.*

*The Proposed Resolution 3 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.*

*The Directors' benefits proposed under Resolution 4 are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period commencing from the date immediately after this AGM up to the date of the next AGM. In the event the proposed amount is insufficient (due to enlarged Board size or more meetings), approval will be sought at the next AGM for the shortfall.*

## NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONTINUED)

### 4. **Item 7 of the Agenda – Special Business**

#### **Ordinary Resolution: Authority to Allot and Issue Shares**

##### **a. Requirements under Paragraph 6.03(1) of the Listing Requirements**

Pursuant to Paragraph 6.03(1) of the Listing Requirements, listed issuers must not issue any new shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such ordinary shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding any treasury shares) of the listed issuer for the time being (“10% General Mandate”), except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

##### **b. Relief measures granted by Bursa Securities**

In view of the Corona Virus Disease 2019 (“COVID-19”) pandemic outbreak, the Government of Malaysia had on 18 March 2020 implemented the Movement Control Order (“MCO”) nationwide to curb the spread of the COVID-19 infection in Malaysia.

Bursa Securities recognised the needs for listed issuers to raise funds quickly and efficiently during the challenging time to ensure the long-term sustainability and interest of the listed issuers and their shareholders. Therefore, an additional relief measure has been granted by Bursa Securities vide its letter dated 16 April 2020 which allows a listed issuer to seek its shareholders’ approval at a general meeting to issue new securities for a higher general mandate under Paragraph 6.03 of the Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) (“20% General Mandate”).

##### **c. Rationale for Proposed Resolution 6**

The Company proposes to seek new shareholders’ mandate to enable the Directors to issue and allot up to a maximum of 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to the 20% General Mandate under Resolution 6.

The proposed Resolution 6, if passed, will provide additional flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purposes of funding the Company’s future investment project(s), working capital, operational expenditure and/or acquisition(s) at any time as the Directors may deem fit without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will be expired at the next Annual General Meeting.

##### **d. 10% General Mandate**

As at the date of this Notice, the Company did not allot any shares pursuant to the 10% General Mandate granted to the Directors at the previous Fifteenth AGM held on 8 November 2019.

##### **e. Statement by the Directors for the 20% General Mandate**

The Board of Directors is of the view that the proposed Resolution 6 is in the best interest of the Company and the shareholders of the Company as the 20% General Mandate will give the Directors the flexibility and cost effectively to raise funds quickly and efficiently during this challenging time to ensure the long term sustainability of the Company and safeguard the interest of the Company and the shareholders.



## EcoBuilt Holdings Bhd

Registration No. 200301033338 ( 635759-U )

(Incorporated in Malaysia)

## PROXY FORM

CDS Account No.	
No. of shares held:	

\* I/We, \_\_\_\_\_ Tel: \_\_\_\_\_  
(FULL NAME IN BLOCK, NRIC/PASSPORT/COMPANY NO.)

of \_\_\_\_\_  
(FULL ADDRESS)

being member(s) of **ECOBUILT HOLDINGS BERHAD**, hereby appoint:-

Full Name (in Capital Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Capital Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Cheras 1 Meeting Room, UG Floor, Silka Cheras Hotel Kuala Lumpur, KM10, Jalan Cheras, 56000 Kuala Lumpur on Thursday, 12 November 2020 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

Item	Agenda	Resolution	FOR	AGAINST
1.	Re-election of Datuk Ong Chee Koen.	Ordinary		
2.	Re-election of Datuk Ng Seing Liong PJN, JP.	Ordinary		
3.	Payment of Directors' fees for the financial year ending 31 May 2021.	Ordinary		
4.	Payment of Directors' benefits from 13 November 2020 until the next Annual General Meeting of the Company.	Ordinary		
5.	Re-appointment of Messrs Morison AAC PLT as Auditors of the Company and authorise the Directors to fix their remuneration.	Ordinary		
6.	Authority to the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Ordinary		

\* Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

\_\_\_\_\_  
\*Signature of Shareholder/ Common Seal

Contact Details:

Dated this \_\_\_\_ day of \_\_\_\_\_ 2020

\* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - at least two (2) authorised officers, of whom one shall be a director; or
  - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



NOTES:-

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 November 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively,

Fold along this line (1)

Affix  
Stamp  
Here

The Company Secretaries  
**EcoBuilt Holdings Bhd**

Registration No. 200301033338 ( 635759-U )

Unit 30-01, Level 30, Tower A, Vertical  
Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

Fold along this line (2)

the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment made via TIH Online, this proxy form must be deposited at <https://tiih.online>. Please refer to Administrative Guide for further information on submission via TIH Online. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Tuesday, 10 November 2020 at 10.00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - (a) Identity card (NRIC) (Malaysian), or
  - (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - (c) Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.





**EcoBuilt Holdings Bhd**

Registration No. 200301033338 (635759-U)

D-G-11 & D-1-11, Medan Connaught

No.1, Jalan 3/144A, 56000 Kuala Lumpur

t : +603-9108 2802 f : +603-9107 6884



[www.eco-built.com.my](http://www.eco-built.com.my)