

ECOBUILT HOLDINGS BERHAD
Registration No.: 200301033338 (635759-U)
(Incorporated in Malaysia)

**MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT
NO. 1A, JALAN AEROBIK 13, 43, PERSIARAN KAYANGAN, SEKSYEN 13, 40100 SHAH ALAM,
SELANGOR, MALAYSIA ON WEDNESDAY, 5 FEBRUARY 2025 AT 11.00 A.M.**

Present : Dato' Noordin Bin Sulaiman ("Chairman")
Datuk Ng Seing Liong PJN, JP
Dato' Mohd Ibrahim bin Nor
Ms. Loh Poh Im
Mr. Ng Choon Keith
Dato Indera Tun Putera Matin Ahmad Shah Bin Munir

Company : Ms. Wong Youn Kim
Secretary
Others as per Attendance List

1. CHAIRMAN

On behalf of the Board, Dato' Noordin bin Sulaiman, the Chairman of the meeting, welcomed all the members to the Twentieth Annual General Meeting ("AGM") of the Company.

The Chairman then introduced the Board members, Management team and Company Secretary to the shareholders.

2. QUORUM

Upon confirming a quorum pursuant to Clause 56(2) of the Company's Constitution, the Chairman called the meeting to order at 11.00 a.m.

3. NOTICE OF MEETING

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company and advertised in the newspaper within the statutory period, was taken as read.

4. PRESENTATION ON QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

At this point, the Chairman invited the management to address the overall status of the Company and, separately, the enquiries raised by MSWG in their letter dated 23 January 2025.

Mr Lim Chin Yen (“Mr Lim”) the General Manager of the Company updated the project highlight in 2024; “THE RIA” at Brickfield Kuala Lumpur, “SEIRING Phase 1A” at Shah Alam Selangor and “CANDERA, BENETON” at Cheras, Hulu Langat are ongoing projects. Meanwhile the project “DAHLIA DANIEL” at Taman Seri Residensi, Kapar and “DHL Warehouse” at Batu Maung, Pulau Pinang have been completed.

At this juncture, Ms Azeilynn, the Financial Controller of Ecobuilt Holdings also presented the Company’s response to the enquiries raised by MSWG.

(A) **Operational and Financial Matters**

Question 1 : The Auditors Issued a Qualified Opinion on the Group’s financial statements due to

- (i) Inability to obtain sufficient appropriate audit evidence on trade payables, and
 - (ii) Inability to obtain sufficient appropriate audit evidence on payments to suppliers and subcontractors.
- a) This raises concerns about potential control deficiencies in the Group’s procurement and payment processes. When was the last time the Internal Auditors assessed the effectiveness on internal control of the Group’s account payable? Has the group initiated an investigation or review of these processes? If YES, please provide updates on the findings and any progress made
- b) The CFO position has been vacant since Ms Woo resignation in Feb 2024. Ever since that, is the Company unable to expedite its effort looking for a new CFO to address these issues and strengthen financial oversight? How many potential candidates have the company interviewed for a new CFO?

Response of the Company:-

- a) The last time internal audit team undertaken a review of the internal control systems on “**Tender Contract Management, and Expenses Claim Processing**” was on 13th to 19th August 2024. The audit fieldwork covered for period of 1st August 2023 to 31st July 2024. Subsequently, the Group had review the findings and herewith are the summary of action taken.

No.	Finding	Risk Level	Management Action Plan	Action By	Implementation Date
1.0	Findings of Significant Importance				
	None noted				
2.0	Non Compliance				
2.1.1	Absence of Approved Supplier and Sub-Contractor Listing	Medium	To update ASCL on a quarterly basis.	Assistant Manager General	17 th September 2024
2.1.2	Non-compliance of Sub-Contractor Selection and Evaluation	Significant	To ensure the Evaluation Form is filled up by all sub-contractors and records are properly filed in.	Assistant Manager General	1 st October 2024
2.2.1	Absence of Supporting Documents in Expense Claims	Significant	To ensure all necessary supporting documents are attached before payments are made and to filed in properly.	Assistant Manager General	1 st October 2024
3.0	Areas For Improvement				
3.1.1	Weaknesses on the internal control design of SOPP	Low	To review and revise the existing SOPP.	Assistant Manager General	1 st October 2024

- b) Since Ms Woo (CFO) left the Company, immediately in Mac 2024 an interim finance consultant team had been appointed to assist the Group Finance. The team consist of 3 key persons which range from Lead Accountant to Executive. Additionally, on 15th January 2025, the Group has appointed Ms Azeilynn as the new Head of Finance to spearhead the whole finance and admin of the Group, in future.

Question 2 : On 10th September 2024, the Group accepted a Letter of Award for the construction of a 50th floor service apartment project with contract sum of RM190million. The contract is expected to be completed by September 2027

- a) What is the estimate profit margin range of this project?
- b) Does the abovementioned contract include price adjustment clause, if key construction materials such as cement and sand prices continue to increase?

Response of the Company:-

- a) The estimate profit margin rate will be around 7.7% which equivalent to around RM14.6million.
- b) As per the allowance of the contract, a fluctuation claim for steel reinforcement bars and BRC can be exercised if the rate varies by more than 5% from capped rate. Additionally, a fluctuation claim for ready mixed concrete can be exercised if the rate varies by more than 4% from the capped rate.

Question 3 : The group has recorded a total revenue of RM197.5million for FPE 31 August 2024. The revenue was primarily contributed by the progression of ongoing contracts, including the completion of 6 projects during the financial period.

- a) Please name the 6 projects
- b) How many ongoing projects does the Group currently have, and what is the latest outstanding order book value?
- c) Has the group established and order book replenishment target for FYE 2025? If so what is the target?
- d) Considering the most construction projects were completed during FPE 2024, does the management anticipate a lower revenue level of FYE2025

Response of the Company:-

- a) The 6 projects are :-
- FASA 3A - 58 UNIT RUMAH BERKEMBAR (RB1) 2 TINGKAT, MUKIM KAPAR, SELANGOR (KAPAR 3A)
 - SEBUAH KOMPLEKS PERNIAGAAN LOGISTIK (DHL WAREHOUSE), BATU MAUNG, PENANG (DHL)
 - FASA 3B - 52 UNIT RUMAH BERKEMBAR (RB1) 2 TINGKAT, MUKIM KAPAR, SELANGOR (KAPAR 3B)
 - PEMBANGUNAN BERCAMPUR - FASA 1 - MANARA 1, SEKSYEN 69, BRICKFIELD, KUALA LUMPUR (RIVERIA)
 - TNB SUB-STATIONS, MUKIM BANDAR, DAERAH KUALA LANGAT, SELANGOR DARUL EHSAN (TNB SUBSTATION)
 - 25 UNIT RUMAH TERES DUA TINGKAT, MUKIM HULU LANGAT, SELANGOR (BENETON)
- b) Currently the Group has 2 ongoing projects as stipulated below :-

Project Name	Latest outstanding order book value
(SEIRING) PEMBANGUNAN PANGSAPURI PERKHIDMATAN BAGI FASA 1A , SEKSYEN U6, SHAH ALAM	RM28.7 million
(RIA) PEMBANGUNAN BERCAMPUR - FASA 2 - PANGSAPURI 63 TINGKAT, SEKSYEN 69, BRICKFIELD K LUMPUR	RM187.03 million

- c) Currently, the Group is tendering for 2 residential projects with an anticipated contract sum of RM90million and scheduled launch date in 2nd and 3rd quarter 2025, if the Group being awarded with the said projects.
- d) Yes we anticipated a lower revenue for FYE 2025 compared to FPE 2024 due to completion of major project and realignment/re engineering of Group structure.

Question 4 : The group recorded a gross loss of RM26.6million , primarily due to RM15.8million provision for LAD and rising construction costs.

- Which of the Group's construction projects were associated with LAD provision? What's the reason for LAD?
- Is the RM15.8 million provision for LAD a full and final amount? Does the Group expect further provision for LAD in the financial year ending 2025?
- Is the group solely responsible for the LAD? Are there any opportunities to claim or recover a portion of these cost?
- Do contract with the customers include a price variation clause that allows the Group to claim for material price fluctuations

Response of the Company:-

- The said project with LAD exposure is PEMBINAAN SEBUAH KOMPLEKS PERNIAGAAN LOGISTIK(DHL WAREHOUSE), BATU MAUNG, PENANG. The project was overrun by 15 months. In view that Application for Appeal of Extension of Time submitted by the Group was yet to approved by architect as the date of the financial statement, a full provision for LAD was made
- The provision of RM15.8mil represent the full provision, calculated up to the actual completion date or the latest estimated completion date as of the financial statement date. As the Group's Application for Extension of Time still pending architect evaluation and approval, no further LAD provision is expected.
- In order to minimize the LAD provision, the Group has taken a proactive action by submitting an extension of the time claim, which currently under architect evaluation.
- There is no price valuation clause anticipated in the contract, however we have submitted the Variation Order based on current market rates which pending evaluation and approval.

Question 5 : The Group's trade receivable turnover increased from 188 days to 227 days due to pending finalization of accounts for completed projects.

What is the total amount of trade receivable pending finalization of accounts as of the end of FPE 2024, and how much has been collected to-date.

Response of the Company:-

As end of FPE 2024 there were 2 completed projects pending finalization of accounts with total amount of RM9.2mil. Currently the Group Finance team has actively reconciled all relevant information for further recoverable steps to be taken.

Question 6 : The Group recorded an impairment loss of RM11.6million on trade receivables and accrued billings due to long outstanding balances owing by project owners/developers. Additionally, RM3.2 million in trade and other receivables was written off.

- How long have these impaired trade receivables been overdue? Are the customers still in operation?
- Has the Group initiated any legal action against these customers.? What is the Management's assessment of the likelihood of recovering these amounts?
- What are the reasons for trade and other receivables written off?

Response of the Company:-

- a) The specific provision mainly arises from the amount owing from a trade receivables, namely Golden Wave Sdn Bhd, which was outstanding for more than 2 years.
- b) The Group has initiated legal actions since 8 August 2023 (as disclosed in Note 31(c) of the Financial Statements) and Golden Wave is currently under receivership, appointed by a financial institution. The Group will continue to pursue its winding up petition against the said trade receivable.
- c) As at 31 August 2024, the Group recorded advance payment to suppliers and sub-contractors at a gross amount of RM4.6 million, intended to offset against the suppliers' subsequent invoices or sub-contractors' claims. However, due to weaknesses in records keeping, the offsetting was yet to complete as at the date of the financial statements. Additionally, given the uncertainty of recovery, a full impairment provision has been recognized.

(B) Sustainability Matters

Question 1 : Despite the Group's best effort, there were three fatalities during FPE 2024, and the Group has taken the appropriate remedial actions to avoid recurrence in future work.

What are the causes to these fatalities and what remedial actions had been taken? What was the financial impact of these three fatalities on the Group?

Response of the Company:-

The frequent occurrence of injuries and fatalities associated in construction industry is mainly related to the unique nature of the industry itself. Major causes constitute of unsafe acts and unsafe conditions while contributing causes include safety management performance and mental and physical condition of the workers.

The financial impact of these fatalities were delayed in completion which led to LAD provision as mentioned above.

(C) Corporate Governance Matters

Question 1 :

While Practise 13.6 of the MCG specified the minutes of the general meeting should be distributed to shareholders no later than 30 business days after the general meeting, Chapter 9, Paragraph 9.21(b) of the Main Market Listing Requirement requires companies to publish summary of the Key Matters Discussed at the previous AGM onto the companies website, as soon as practicable after the conclusion of the annual general meeting.

Ecobuilt has stated it did not adopt Practice 13.6 of the MCGG with the explanation that the minutes of the 19th AGM held on 7th November 2023 were not circulated by way of posting on the Company's website due to technical errors encountered on the website.

As of 22 January 2025, the Company has not published the summary of Key Matters Discussed at its 19th AGM held on 7th November 2023 on its website. This is breach of the Main Market Listing Requirement.

Response of the Company:-

We apologize on the abovementioned matters. Currently the Group IT personnel is revamping the website to ensure all the relevant information will be updated and published soonest.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

The Audited Financial Statements for the financial year ended 31 August 2024, together with the reports of the Directors and Auditors, having been circulated to all the members of the Company within the statutory period, were tabled before the meeting.

The Chairman then invited questions from the floor. Encik Rien Hashim, a proxy appointed by the shareholder, raised enquiries which was responded accordingly as follows:-

Question 1: Cause of delay for Seiring Phase 1A and Candra, Beneton

Mr Lim replied that the delay in the projects is primarily due to the changes in product design requested by the Client and delays caused by the utility agencies. These factors are beyond our control and have directly impacted the project timeline. We remain committed to completing the work efficiently.

Question 2: Whether there will be a declaration of dividend

Cik Nor Azeilynn binti Mohamad Zulkipli, the financial controller, replied in the negative.

Question 3: What are the Board Composition requirements?

The Company Secretary replied that pursuant to 15.02 of the Bursa Malaysia Main Market Listing Requirements, the Company must ensure 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors and 1 director of the Company is a woman.

There being no further questions raised from the floor, the Audited Financial Statements for the financial year ended 31 August 2024, together with the reports of the Directors and Auditors thereon, were received and noted by the meeting.

6. RESOLUTION 1: TO RE-ELECT DATO INDERA TUN PUTERA MATIN AHMAD SHAH BIN MUNIR WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

The Chairman informed during the meeting that Dato Indera Tun Putera Matin Ahmad Shah Bin Munir is not seeking re-election, thereby withdrawing this resolution.

The Board had also recorded a note of thanks and appreciation for his invaluable contributions and services to the Company during his tenure in office as a Director of the Company.

7. RESOLUTION 2: TO RE-ELECT DATO' NOORDIN BIN SULAIMAN WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

As the motion concerns the Chairman, the Company secretary put forth the following motion for the meeting to consider and vote on:-

"TO RE-ELECT DATO' NOORDIN BIN SULAIMAN WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION"

The above motion, having been seconded by Dato' Mohd Ibrahim bin Nor ("Dato' Ibrahim"), is hereby put forth for consideration and poll voting.

8. RESOLUTION 3: TO RE-ELECT DATO' MOHD IBRAHIM BIN MOHD NOR WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The Chairman informed the meeting that Dato' Ibrahim had offered himself for re-election and put forth the following motion to consider and vote on:-

"TO RE-ELECT DATO' MOHD IBRAHIM BIN MOHD NOR WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION"

The above motion, having been seconded by Mr Ng Choon Keith, is hereby put forth for consideration and poll voting.

9. RESOLUTION 4: TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE TO THE DIRECTORS OF UP TO AN AGGREGATE AMOUNT OF RM304,400.00 FOR THE PERIOD FROM 1 JUNE 2024 TO THE NEXT ANNUAL GENERAL MEETING

The Chairman informed that the Board had proposed the payment of Directors' fees and benefits payable to the Directors of up to an aggregate amount of RM304,400.00 for the period from 1 June 2024 to the next Annual General Meeting and put forth the following motion to consider and vote on:-

"TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS PAYABLE TO THE DIRECTORS OF UP TO AN AGGREGATE AMOUNT OF RM304,400.00 FOR THE PERIOD FROM 1 JUNE 2024 TO THE NEXT ANNUAL GENERAL MEETING"

The above motion, having been seconded by Encik Rien Hashim, is hereby put forth for consideration and poll voting.

10. RESOLUTION 5: TO RE-APPOINT HLB LER LUM CHEW PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed the meeting that the External Auditor HLB LER LUM CHEW PLT has decided not to seek reappointment. As a result, the resolution related to their reappointment is being withdrawn.

11. RESOLUTION 6: AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The Chairman put forth the following motion to consider and vote on:-

"AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016"

The above motion, having been seconded by Dato' Ibrahim, is hereby put forth for consideration and poll voting.

12. CONDUCT OF POLL

Having dealt with all the items on the agenda, the Chairman invited the Company Secretary to brief the meeting on the polling procedures. It was informed that Synergy Professionals Group Sdn Bhd had been appointed as the poll administrator for the polling process and USearch Corporate Services Sdn Bhd had been appointed as the independent Scrutineer to validate the votes cast. The Company Secretary informed the members that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at the AGM were to be voted by poll. The meeting was adjourned at 11:30 a.m. for poll voting to commence immediately.

Upon notification by the Scrutineer on the completion of verification of votes, the Chairman called the meeting to order at 11:45 a.m. and announced the poll results (enclosed hereto as "Appendix A").

13. ANY OTHER BUSINESS

The Chairman informed the meeting that no notice for other business has been received.

14. CLOSURE

There being no further business, the meeting concluded at 11.50 a.m. with a vote of thanks to the Chair.

CHAIRMAN

Date:

Kuala Lumpur

Appendix A

ECOBUILT HOLDINGS BERHAD

Registration No. 200301033338 (635759-U)
(Incorporated in Malaysia)

TWENTIETH ANNUAL GENERAL MEETING ("20TH AGM")

The 20th AGM was conducted at No. 1A, Jalan Aerobik 13, 43, Persiaran Kayangan, Seksyen 13, 40100 Shah Alam, Selangor on Wednesday, 5 February 2025 at 11.00 a.m

VOTING REPORT - SUMMARY

Resolution	Voted For			Voted Against			Total Votes		Results
	No. of Units	%	No. of Records	No. of Units	%	No. of Records	No. of Units	%	
Ordinary Resolution 1	WITHDRAWN								
Ordinary Resolution 2	173,966,444	99.9999%	14	100	0.0001%	1	173,966,544	100.0000%	Carried
Ordinary Resolution 3	173,966,444	99.9999%	14	100	0.0001%	1	173,966,544	100.0000%	Carried
Ordinary Resolution 4	173,866,244	99.9998%	11	300	0.0002%	3	173,866,544	100.0000%	Carried
Ordinary Resolution 5	WITHDRAWN								
Ordinary Resolution 6	173,966,444	99.9999%	14	100	0.0001%	1	173,966,544	100.0000%	Carried

Verified by:

