ECOBUILT

EcoBuilt Holdings Bhd

Registration No. 200301033338 (635759-U)

EXTRAORDINARY GENERAL MEETING

TUESDAY, 14 JULY 2026
10:00 A.M.

1 MINORITY SHAREHOLDERS WATCH GROUP (MSWG) RESPONSE

2 Q&A SESSION

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MINORITY SHAREHOLDERS WATCH GROUP (MSWG)
RESPONSE

Responses to MSWG queries on the Circular to Shareholders dated 23 June 2026 and the EGM on 14 July 2026

PROPOSED DIVERSIFICATION – JV FUNDING & REXALLENT'S SCHEME OF ARRANGEMENT

Question 1 :

"The Company states that it will focus on an 'asset-light' joint development model with landowners to minimise upfront land acquisition costs. It highlights two potential projects: a mixed development in Penang (indicative GDV of RM196 million) and a serviced apartment development in the Klang Valley (indicative GDV of RM364 million).

Given the Company's constrained cash position and negative earnings profile, how much upfront cash or security is required to execute these two proposed JVs, and how does the Company intend to pay these fees without breaching existing creditor obligations under Rexallent's Scheme of Arrangement?"

Our Response

The Board of Directors of Ecobuilt Holdings Berhad ("Ecobuilt" or the "Company") wishes to thank MSWG for its question and provides the following response.

Upfront Cash or Security Required for the Two Proposed JVs

The Board wishes to clarify that, as at the Last Practicable Date ("LPD"), the Company has not entered into any definitive agreement in relation to either of the two potential development projects — the mixed development in Penang (indicative GDV of RM196.0 million) and the serviced apartment development in the Klang Valley (indicative GDV of RM364.0 million). Accordingly, the specific upfront cash outlay, earnest deposits or security commitments required to formalise these joint development arrangements have not been determined at this stage, as the terms of the respective joint development agreements (including any upfront consideration payable to landowners) are subject to negotiation and have yet to be agreed upon.

The Board wishes to emphasise that the indicative GDVs of RM196.0 million and RM364.0 million represent the estimated gross development value of the proposed developments in their entirety, and do not reflect the Group's upfront funding obligations. Under the asset-light joint development model, the Group intends to structure arrangements whereby land cost is payable progressively in accordance with agreed development milestones over the development period, thereby substantially reducing the upfront capital outlay required by the Group compared to a conventional outright land acquisition model. The scale and quantum of any upfront commitment — whether by way of an earnest deposit, option fee, or other security — will be determined on a case-by-case basis upon finalisation of each joint development agreement, taking into account the terms negotiated with the respective landowners, the prevailing market, and the Group's financial position and funding capacity at the relevant time. For the avoidance of doubt, no upfront payment has been made or committed by the Group in relation to either proposed project as at the LPD.

PROPOSED DIVERSIFICATION – JV FUNDING & REXALLENT'S SCHEME OF ARRANGEMENT

Question 1 (cont'd) :

"The Company states that it will focus on an 'asset-light' joint development model with landowners to minimise upfront land acquisition costs. It highlights two potential projects: a mixed development in Penang (indicative GDV of RM196 million) and a serviced apartment development in the Klang Valley (indicative GDV of RM364 million).

Given the Company's constrained cash position and negative earnings profile, how much upfront cash or security is required to execute these two proposed JVs, and how does the Company intend to pay these fees without breaching existing creditor obligations under Rexallent's Scheme of Arrangement?"

Our Response

The Board intends to update shareholders and make the appropriate announcements and disclosures, as and when required, accordingly upon the execution of any definitive agreement in relation to these projects.

Segregation from Rexallent's Scheme of Arrangement

The Board wishes to draw shareholders' attention to an important structural distinction. The Property Development Business will be undertaken through a newly incorporated subsidiary of Ecobuilt, which is a separate legal entity distinct from Rexallent Construction Sdn Bhd ("Rexallent"). Rexallent's Scheme of Arrangement under Section 366(1) of the Companies Act 2016 pertains solely to Rexallent's existing creditor obligations and has no bearing on the obligations or activities of any newly incorporated subsidiary established to undertake the Property Development Business. While the Property Development Business will be undertaken through a separate legal entity, the Board will ensure that any funding commitments undertaken by the Group are made having regard to the Group's existing obligations and overall financial position. The funding for the Property Development Business will be channelled through the new property development subsidiary, and is intended to be sourced through a combination of shareholders' loans, future equity fund raising exercises at the Company level (which may include private placements and/or rights issues), and project-level bank borrowings where appropriate, subject to the funding requirements of the relevant projects and the Group's financial position at the relevant time. These funding sources are independent of Rexallent and will not involve any assets or cash flows that are subject to Rexallent's creditor arrangement.

PROPOSED DIVERSIFICATION – JV FUNDING & REXALLENT'S SCHEME OF ARRANGEMENT

Question 1 (cont'd) :

"The Company states that it will focus on an 'asset-light' joint development model with landowners to minimise upfront land acquisition costs. It highlights two potential projects: a mixed development in Penang (indicative GDV of RM196 million) and a serviced apartment development in the Klang Valley (indicative GDV of RM364 million).

Given the Company's constrained cash position and negative earnings profile, how much upfront cash or security is required to execute these two proposed JVs, and how does the Company intend to pay these fees without breaching existing creditor obligations under Rexallent's Scheme of Arrangement?"

Our Response

The Board is satisfied that the proposed funding structure does not give rise to any breach of, or conflict with, the existing obligations of Rexallent under its Scheme of Arrangement, as the property development activities will be legally and operationally ring-fenced within the newly incorporated subsidiary. The Board will continue to exercise prudence in managing the Group's financial resources and will ensure that any commitment entered into in connection with the Property Development Business is commensurate with the Group's capacity to fund the same without prejudicing existing Group obligations. The Group will continue to comply with Rexallent's obligations under the Scheme of Arrangement.

PROPOSED DIVERSIFICATION – SUPPLIER CREDIT TERMS FOR THE NEW TRADING SUBSIDIARY

Question 2 :

"Why would cement, steel and brick manufacturers grant competitive credit lines or bulk discount pricing to a newly incorporated Ecobuilt trading subsidiary when the existing, core construction subsidiaries are defaulting on payments to equipment and concrete suppliers (such as Poh Seng Transport and Evermix Concrete)? Without established credit terms, how can this trading unit compete on price or protect its margins from severe compression?"

Our Response

Basis on which the New Trading Subsidiary is Expected to Secure Credit Terms and Pricing

The Board wishes to clarify that the Trading of Building Materials Business will, from the outset, be anchored by transactions with the Sevenco Group pursuant to the Proposed New Shareholders' Mandate II, which contemplates an estimated aggregate transaction value of RM10.0 million during the validity period of the mandate. This provides the New Trading Subsidiary with a committed source of business from the outset, in addition to the Group's own internal requirements for its Construction Business and, where applicable, the Property Development Business. The New Trading Subsidiary is therefore not solely reliant on securing credit lines from external manufacturers in order to commence and sustain its operations.

The Board also wishes to highlight that the Group intends to adopt a direct-delivery model, whereby building materials will be dispatched directly from suppliers to customers, with no immediate plans to establish warehousing or transportation infrastructure. This operating model is expected to reduce the working capital and inventory financing requirements of the New Trading Subsidiary, and correspondingly its reliance on extended supplier credit terms, as compared to a conventional trading model that carries inventory.

The Board is of the view that the Group's long-standing presence in the construction industry, its existing business relationships with suppliers, contractors and other industry participants, and the appointment of key management personnel with relevant procurement and supply chain experience, will support the New Trading Subsidiary in progressively establishing sound commercial relationships with suppliers. As with any new business venture, the credit terms and pricing initially offered by suppliers will be established through commercial negotiation and are expected to improve as the New Trading Subsidiary builds its transaction and payment track record.

PROPOSED DIVERSIFICATION – SUPPLIER CREDIT TERMS FOR THE NEW TRADING SUBSIDIARY

Question 2 (cont'd) :

"Why would cement, steel and brick manufacturers grant competitive credit lines or bulk discount pricing to a newly incorporated Ecobuilt trading subsidiary when the existing, core construction subsidiaries are defaulting on payments to equipment and concrete suppliers (such as Poh Seng Transport and Evermix Concrete)? Without established credit terms, how can this trading unit compete on price or protect its margins from severe compression?"

Our Response

Addressing Supplier Perception of the Group's Credit Standing

The Board wishes to be candid that, notwithstanding the New Trading Subsidiary being a separate legal entity from Rexallent Construction Sdn Bhd ("Rexallent"), suppliers are likely, in practice, to have regard to the financial standing and payment record of the Ecobuilt Group as a whole, rather than assessing the New Trading Subsidiary in complete isolation, when extending credit. The Board does not seek to suggest that the claims by Poh Seng Transport Sdn Bhd and Evermix Concrete Sdn Bhd, which relate to historical transactions entered into by Rexallent in the ordinary course of its Construction Business, are without commercial relevance to how prospective suppliers may initially perceive the New Trading Subsidiary.

Accordingly, rather than relying on legal separation alone, the Board intends to manage this perception through concrete measures. First, the New Trading Subsidiary's initial trading volume is anchored by committed related party transactions with the Sevenco Group under the Proposed New Shareholders' Mandate II, which does not depend on the extension of credit by external manufacturers. Second, where credit terms with external suppliers are sought, the Group is prepared, in the early stages, to transact on a cash-on-delivery, prepayment or shorter-tenure credit basis, and to progressively negotiate longer credit terms as a payment track record is established. Third, the Board continues to prioritise the resolution of Rexallent's outstanding creditor claims through its proposed Scheme of Arrangement, which is intended to bring finality to those legacy disputes and support the Group's broader credit standing with suppliers over time. Separately, all related party transactions to be entered into by the New Trading Subsidiary, including those with the Sevenco Group, will be conducted on an arm's length basis, subject to quarterly review by the Audit Committee.

The Board wishes to reiterate that, notwithstanding the above measures, the trading of building materials business remains subject to inherent risks of pricing pressure, margin compression and competition, as disclosed under the Risk Factors section of the Circular. The Board and management will continue to monitor the performance of the New Trading Subsidiary closely and will adopt prudent commercial practices, including selective customer and supplier engagement and disciplined cost control, to safeguard the Group's margins as the business develops.

RESOLUTION OF REXALLENT'S CONSTRUCTION DUES – EPOCH PROPERTY SETTLEMENT

Question 3 :

"The Appendix I reveals that Rexallent entered into a settlement agreement with Epoch Property, accepting an 'in-kind contra of properties' valued at RM3.69 million from the H2O Residences project in Ara Damansara to resolve outstanding construction dues.

At a time when the Company's subsidiaries are facing liquidation threats and requiring immediate cash to settle operational lawsuits, why did the Company agree to accept illiquid, residential property units instead of demanding cash from Epoch Property? What is the Board's specific liquidation or disposal timeline for these H2O Residences units, and what write-downs must the Company absorb if they are sold below the agreed contra value in the secondary market?"

Our Response

The settlement arrangement with Epoch Property was entered into in October 2024 as a commercial solution to resolve the outstanding construction dues owed by Epoch Property to Rexallent.

The decision to proceed with the in-kind settlement arrangement was made after considering the commercial circumstances at the time, including the feasibility and timing of cash recovery and the need to resolve outstanding obligations with creditors. The arrangement provided a practical avenue to facilitate recovery of the outstanding receivable and settlement with creditors without requiring additional cash outflow from the Group.

The Company wishes to clarify that the property units under the in-kind contra arrangement were not transferred to the Group as assets. Instead, pursuant to the settlement arrangement, the property units were transferred directly by Epoch Property to the respective creditors of Rexallent and Eko Bina as settlement consideration against the outstanding amounts due to such creditors.

Accordingly, the arrangement did not result in the Group holding residential property units requiring subsequent disposal or liquidation. There is therefore no disposal timeline or potential write-down exposure arising from the sale of such property units by the Group.

The Board considered this arrangement to be a commercially viable settlement mechanism that facilitated the resolution of outstanding obligations between the relevant parties, while reducing the cash flow burden on the Group.

GOING CONCERN QUALIFICATION & RATIONALE FOR PROPERTY DEVELOPMENT

Question 4 :

"The external auditors issued a qualified audit opinion indicating that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern (Announcement dated 30 June 2026). Premised on the above, how does the Board justify pivoting into property development – an illiquid sector characterised by long gestation period?"

Our Response

Diversification as a Response to, Not a Distraction from, the Group's Financial Position

The Board acknowledges the auditors' qualified opinion and the related material uncertainty on going concern announced on 30 June 2026. The Board wishes to clarify that the Group's losses over the financial years/ periods under review – LAT of RM12.1 million (FYE 31 May 2022), RM30.5 million (FYE 31 May 2023), RM44.5 million (15-month FPE 31 August 2024) and RM7.6 million (18-month FPE 28 February 2026) – are attributable solely to the Group's existing Construction Business, which remains its sole revenue-generating segment. As set out in the Circular, the Board's assessment is that the Group's continued reliance on a single, project-based and cyclical revenue stream is itself a contributing factor to the going concern uncertainty. The Proposed Diversification, including the Property Development Business, is accordingly intended to broaden the Group's income streams and reduce this concentration risk over the longer term, in support of the Group's return to sustainable profitability, rather than to divert resources away from addressing the Group's immediate financial position.

A Risk-Contained Structure to Address the Illiquidity and Long Gestation Period of Property Development

The Board is cognisant that property development is capital-intensive and characterised by a long gestation period relative to the Group's current funding capacity, and that this must be weighed carefully against the going concern uncertainty. For this reason, the Group's initial participation in the Property Development Business is structured through joint development arrangements with landowners rather than outright land acquisition, with land cost payable progressively against development milestones, thereby limiting the Group's capital exposure at the outset. As at the LPD, no definitive agreement has been entered into for either the Penang or the Klang Valley project, and the Board does not intend to commit the Group to any project beyond its financial and operational capabilities. The Board will only proceed to sign a definitive agreement where it is satisfied that adequate funding – by way of shareholders' loans, equity fund-raising and/or bank borrowings – can be secured on terms that do not compromise the Group's financial position or its ability to continue as a going concern. The Group's complementary Trading of Building Materials Business, which is substantially less capital-intensive and has a shorter working capital cycle than property development, is also intended to contribute more immediate revenue and cash flow, which may help support the Group's overall financial position while the Property Development Business is progressively built up.

GOING CONCERN QUALIFICATION & RATIONALE FOR PROPERTY DEVELOPMENT

Question 4 (cont'd) :

"The external auditors issued a qualified audit opinion indicating that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern (Announcement dated 30 June 2026). Premised on the above, how does the Board justify pivoting into property development – an illiquid sector characterised by long gestation period?"

Our Response

The Group will continue to prioritise its core Construction Business, which remains its primary revenue-generating activity. Diversification into property development will proceed gradually, commencing only upon the Group's entry into a definitive joint development agreement for a specific project; until then, no property development activities or associated capital commitment will arise.

The Circular also notes that Malaysia's property market is expected to remain resilient in 2026, supported by sustained affordable housing demand under Budget 2026. Selangor (Central Region) led national property transactions by volume and value in 2025, and Pulau Pinang (Northern Region) led all regions in transaction value, with residential remaining the dominant sub-sector in both. These fundamentals support the two projects identified, though the Board will continue to weigh this against the property overhang and competitive conditions also flagged in the Circular before entering into any definitive agreement.

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Q&A SESSION

Thank you