

**ECO WORLD INTERNATIONAL BERHAD**  
**(Company No: 1059850-A)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**  
**31 October 2017**

**ECO WORLD INTERNATIONAL BERHAD**  
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**Interim Financial Report - 31 October 2017**

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**ECO WORLD INTERNATIONAL BERHAD**

**(Company No: 1059850-A)**

**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2017**

*(The figures have not been audited)*

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 OCTOBER 2017 RM'000	31 OCTOBER 2016 RM'000	31 OCTOBER 2017 RM'000	31 OCTOBER 2016 <sup>(2)</sup> RM'000
Revenue	27	183	488	683
Direct expenses	(1,583)	(1,689)	(5,813)	(5,016)
<b>Gross loss</b>	<b>(1,556)</b>	<b>(1,506)</b>	<b>(5,325)</b>	<b>(4,333)</b>
Other income	8,798	33	27,569	5,629
Marketing expenses	(4,400)	(649)	(5,610)	(2,132)
Administrative and general expenses	(28,620)	(11,480)	(69,983)	(36,743)
Unrealised (loss)/gain on foreign exchange	(11,317)	(12,750)	34,527	(74,940)
Finance costs	-	(10,890)	(31,920)	(52,823)
Share of results in a joint venture	1,394	(18,379)	(36,509)	(53,927)
<b>Loss before tax</b>	<b>(35,701)</b>	<b>(55,621)</b>	<b>(87,251)</b>	<b>(219,269)</b>
Taxation	1,398	1,163	(223)	2,153
Loss for the period/year	(34,303)	(54,458)	(87,474)	(217,116)
<b>Other comprehensive (loss)/income, net of tax</b>				
<i>Item that may be reclassified to profit or loss subsequently:</i>				
Exchange differences on translation of foreign operations	(5,382)	8,532	(16,554)	33,866
<b>Total comprehensive loss for the period/year</b>	<b>(39,685)</b>	<b>(45,926)</b>	<b>(104,028)</b>	<b>(183,250)</b>
<b>(Loss)/Profit for the period/year attributable to:</b>				
Owners of the Company	(32,557)	(55,062)	(87,633)	(220,093)
Non-controlling interests	(1,746)	604	159	2,977
	<b>(34,303)</b>	<b>(54,458)</b>	<b>(87,474)</b>	<b>(217,116)</b>
<b>Total comprehensive (loss)/income for the period/year attributable to:</b>				
Owners of the Company	(37,953)	(46,306)	(104,687)	(185,395)
Non-controlling interests	(1,732)	380	659	2,145
	<b>(39,685)</b>	<b>(45,926)</b>	<b>(104,028)</b>	<b>(183,250)</b>
<b>Loss per share attributable to owners of the Company :</b>				
Basic loss per share (sen)	(1.36)	(22.33)	(5.76)	(98.62)
Diluted loss per share (sen)	(1.36) *	N/A	(5.76) *	N/A

\* *Anti-dilutive*

*N/A - Not applicable*

**ECO WORLD INTERNATIONAL BERHAD****(Company No: 1059850-A)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2017 (continued)***(The figures have not been audited)**Notes:*

- (1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

**ECO WORLD INTERNATIONAL BERHAD**

(Company No: 1059850-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2017**

	As At 31 OCTOBER 2017 (UNAUDITED) RM'000	As At 31 OCTOBER 2016 <sup>(2)</sup> (AUDITED) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	7,169	2,299
Goodwill	126,302	126,302
Investment in a joint venture	104,907	127,646
Amount owing by a joint venture	1,089,481	745,417
Deferred tax assets	19,316	12,757
	<u>1,347,175</u>	<u>1,014,421</u>
<b>Current assets</b>		
Properties under development for sale	366,717	174,040
Trade and other receivables	5,400	7,172
Deferred expenditure	-	10,638
Current tax assets	682	628
Cash, bank balances and deposits	992,388	18,573
	<u>1,365,187</u>	<u>211,051</u>
<b>TOTAL ASSETS</b>	<u>2,712,362</u>	<u>1,225,472</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,592,451	246,541
Share premium	-	49,158
Warrant reserve	276,418	-
Exchange translation reserve	17,644	34,698
Accumulated losses	(341,637)	(222,514)
<b>Equity attributable to owners of the Company</b>	<u>2,544,876</u>	<u>107,883</u>
Non-controlling interests	2,768	4,788
<b>Total equity</b>	<u>2,547,644</u>	<u>112,671</u>
<b>Non-current liabilities</b>		
Borrowings	48,684	-
Deferred tax liabilities	1,944	1,826
	<u>50,628</u>	<u>1,826</u>
<b>Current liabilities</b>		
Trade and other payables	16,067	16,340
Amounts owing to former holding companies	-	12,954
Amounts owing to a shareholder	-	144,234
Amount owing to a former shareholder of a subsidiary	-	10,660
Amount owing to a corporate shareholder of a subsidiary	16,340	-
Borrowings	79,913	923,867
Current tax liabilities	1,770	2,920
	<u>114,090</u>	<u>1,110,975</u>
<b>Total liabilities</b>	<u>164,718</u>	<u>1,112,801</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,712,362</u>	<u>1,225,472</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>1.06</u>	<u>0.44</u>

**ECO WORLD INTERNATIONAL BERHAD**  
**(Company No: 1059850-A)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2017 (continued)**

*Notes:*

- (1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

**ECO WORLD INTERNATIONAL BERHAD**  
**(Company No: 1059850-A)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 OCTOBER 2017**  
*(The figures have not been audited)*

	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000			
<b>At 1 November 2016</b>	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671
Total other comprehensive (loss)/income for the year	-	-	-	(17,054)	-	(17,054)	500	(16,554)
(Loss)/Profit for the year	-	-	-	-	(87,633)	(87,633)	159	(87,474)
Total comprehensive (loss)/income for the year	-	-	-	(17,054)	(87,633)	(104,687)	659	(104,028)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares								
- Share subscription	2,584,151	-	-	-	-	2,584,151	-	2,584,151
- Warrants	(276,418)	-	276,418	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	(1,282)	(1,282)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,397)	(1,397)
Effects from adoption of Companies Act 2016	49,158	(49,158)	-	-	-	-	-	-
Share issue expenses	(10,981)	-	-	-	(31,490)	(42,471)	-	(42,471)
<b>At 31 OCTOBER 2017</b>	2,592,451	-	276,418	17,644	(341,637)	2,544,876	2,768	2,547,644
<b>At 1 November 2015</b>	750	-	-	-	(2,421)	(1,671)	-	(1,671)
Total other comprehensive income/(loss) for the year	-	-	-	34,698	-	34,698	(832)	33,866
(Loss)/Profit for the year	-	-	-	-	(220,093)	(220,093)	2,977	(217,116)
Total comprehensive income/(loss) for the year	-	-	-	34,698	(220,093)	(185,395)	2,145	(183,250)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares	245,791	49,158	-	-	-	294,949	-	294,949
Acquisition of a subsidiary	-	-	-	-	-	-	2,643	2,643
<b>At 31 OCTOBER 2016 <sup>(2)</sup></b>	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671

**ECO WORLD INTERNATIONAL BERHAD****(Company No: 1059850-A)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 OCTOBER 2017 (continued)***(The figures have not been audited)**Notes:*

- (1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*



**ECO WORLD INTERNATIONAL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017**

*(The figures have not been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31 OCTOBER 2017</b>	<b>31 OCTOBER 2016 <sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(87,251)	(219,269)
Adjustments for :		
Non-cash items	1,465	124,458
Non-operating items	22,850	61,718
Operating loss before working capital changes	(62,936)	(33,093)
Changes in properties under development for sale	(36,371)	(8,251)
Changes in receivables	4,095	(137)
Changes in payables	9,125	4,353
Cash used in operations	(86,087)	(37,128)
Interest received	972	47
Net tax paid	(5,323)	(2,078)
<b>Net cash used in operating activities</b>	<b>(90,438)</b>	<b>(39,159)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(6,344)	(711)
Proceeds from disposal of plant and equipment	27	6
Advances to a joint venture	(274,865)	(244,662)
Acquisition of subsidiaries	150	6,517
Withdrawal/(Placements) of deposits, debt service reserve and interest service reserve accounts	6,579	(965)
Landholder duty	(12,249)	(8,691)
Interest received	21,369	39
<b>Net cash used in investing activities</b>	<b>(265,333)</b>	<b>(248,467)</b>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	279,942	330,547
Repayment of borrowings	(1,211,264)	-
Proceeds from issuance of ordinary shares	2,584,151	119,249
(Repayment to)/Advances from a shareholder	(153,622)	21,457
Repayment to a former shareholder of a subsidiary	(11,546)	-
Repayment to former holding company	(630)	(4)
Repayment to former holding company of a subsidiary	(13,144)	(113,548)
Repayment to a corporate shareholder of a subsidiary	(58,270)	-
Finance costs	(36,092)	(51,170)
Listing expenses	(44,413)	(7,762)
Dividend paid to non-controlling interests of a subsidiary	(1,397)	-
<b>Net cash generated from financing activities</b>	<b>1,333,715</b>	<b>298,769</b>
<b>Net changes in cash and cash equivalents</b>	<b>977,944</b>	<b>11,143</b>
<b>Cash and cash equivalents at 1 November 2016/ 2015</b>	<b>7,719</b>	<b>164</b>
<b>Effect of exchange rate changes</b>	<b>1,017</b>	<b>(3,588)</b>
<b>Cash and cash equivalents at 31 October 2017/ 2016</b>	<b>986,680</b>	<b>7,719</b>

**ECO WORLD INTERNATIONAL BERHAD**  
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**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017 (continued)**

*(The figures have not been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31 OCTOBER 2017</b>	<b>31 OCTOBER 2016 <sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprise the following:</b>		
Deposits	962,205	3,942
Cash and bank balances	30,183	14,631
	<u>992,388</u>	<u>18,573</u>
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(5,708)	(10,854)
	<u>986,680</u>	<u>7,719</u>

*Notes:*

- (1) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 9 March 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2016 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 9 March 2017, except as follows:

- (i) Adoption of the following Amendments to MFRSs, which are relevant and effective for annual periods beginning on or after 1 January 2016:

Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle
Amendments to MFRS 101	Disclosure Initiative

The adoption of the above Amendments to MFRSs does not have a material impact on the Interim Financial Statements of the Group.

- (ii) Adoption of the Companies Act 2016 (“CA 2016”)

The Minister of Domestic Trade, Co-operatives and Consumerism has set 31 January 2017 as the date on which CA 2016 comes into operation except Section 241 and Division 8 of Part III.

Pursuant to the circular issued by Malaysian Institute of Accountants on 2 February 2017, the Companies Commission of Malaysia has clarified that the CA 2016 should be complied with for the preparation of financial statements and the directors’ report and the auditors’ report thereon commencing from the financial year/period ended 31 January 2017.

Following the requirements of the CA 2016, the credit balance in the share premium account had been reclassified to the share capital account as at 31 January 2017. Such credit balances may be utilised for purposes set out in transitional provisions of the CA 2016, within 24 months from 31 January 2017.

**A2. Auditors' Report**

The preceding audited financial statements for the financial year ended 31 October 2016 were unqualified with emphasis of matter on the Group's ability to continue as a going concern.

The uncertainty of the Group's ability to continue as a going concern has been addressed as the Company has completed its Initial Public Offering ("IPO") on 3 April 2017 with total cash funding raised of RM2,584,151,040 ("IPO Proceeds"). The Board believes that the IPO Proceeds raised are sufficient to meet the working capital requirements of the Group in the foreseeable future. Following the IPO, the Group has reported net assets of RM2,547.64 million as at 31 October 2017.

**A3. Seasonal or Cyclical Factors**

The business operations of the Group for the financial year ended 31 October 2017 have not been materially affected by any seasonal or cyclical factors.

**A4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the financial year ended 31 October 2017 other than the IPO as disclosed in Note A6.

**A5. Changes in Estimates**

There were no material changes in estimates for the financial year ended 31 October 2017.

**A6. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 31 October 2017 except for the Company completing the IPO which saw the issuance of 2,153,459,200 new ordinary shares ("Shares") at the issue price of RM1.20 each, together with bonus issue of 960,000,000 Warrants on the basis of two (2) Warrants for every five (5) Shares held immediately after the IPO but prior to the listing on Bursa Malaysia.

The total IPO Proceeds was RM2,584,151,040. The Shares and Warrants were listed on the Main Market of Bursa Malaysia on 3 April 2017.

**A7. Dividends Paid**

There was no payment of dividend during the financial year ended 31 October 2017.

**A8. Segmental Reporting**

The Group's operating and reportable segments are business units operating in different geographical locations:

- (i) United Kingdom - the areas of operation are principally property development activities and provision of advisory and project monitoring services;
- (ii) Australia - the area of operation is principally property development activities; and
- (iii) Malaysia - the areas of operation are investment holding and promotional and marketing services.

**A8. Segmental Reporting (continued)**

The segmental analysis for the financial year ended 31 October 2017 is as follows:

	<b>United Kingdom RM'000</b>	<b>Australia RM'000</b>	<b>Malaysia RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<u>Revenue</u>					
External revenue	-	-	488	-	488
Inter-segment revenue	22,543	-	963	(23,506)	-
Total revenue	<u>22,543</u>	<u>-</u>	<u>1,451</u>	<u>(23,506)</u>	<u>488</u>
Segment results	(11,295)	(26,904)	(39,751)	-	(77,950)
Share of results in a joint venture	(36,509)	-	-	-	(36,509)
Depreciation	(64)	(275)	(2,629)	-	(2,968)
Unrealised (loss)/gain on foreign exchange	(1)	(2,913)	37,441	-	34,527
Other income	40	256	27,273	-	27,569
Finance costs	(18,163)	(9)	(13,748)	-	(31,920)
(Loss)/Profit before tax	<u>(65,992)</u>	<u>(29,845)</u>	<u>8,586</u>	<u>-</u>	<u>(87,251)</u>
Taxation	(2,323)	3,283	(1,183)	-	(223)
(Loss)/Profit for the year	<u>(68,315)</u>	<u>(26,562)</u>	<u>7,403</u>	<u>-</u>	<u>(87,474)</u>

<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>
<i>Exchange ratio of 1 unit of foreign currency to RM<sup>(1)</sup></i>	5.5556	3.3172	1.0000

	<b>United Kingdom RM'000</b>	<b>Australia RM'000</b>	<b>Malaysia RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
Segment assets	<u>1,401,599</u>	<u>419,030</u>	<u>891,733</u>	<u>-</u>	<u>2,712,362</u>
Segment liabilities	<u>3,646</u>	<u>151,424</u>	<u>9,648</u>	<u>-</u>	<u>164,718</u>

  

<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>
<i>Exchange ratio of 1 unit of foreign currency to RM<sup>(2)</sup></i>	5.5870	3.2456	1.0000

*Note:*

<sup>(1)</sup> Average rates for the financial year ended 31 October 2017.

<sup>(2)</sup> Closing rates as at 31 October 2017.

**A9. Significant Events after the End of the Interim Financial Period**

There were no significant events after 31 October 2017 till 8 December 2017, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6(a).

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial year ended 31 October 2017 except as follows:

- (i) Acquisition by Fortune Quest Group Ltd, a wholly-owned subsidiary of the Company, of 80 ordinary shares in Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development (Australia) Pty Ltd) (“EW-Salcon”) on 11 September 2017. As a result, EW-Salcon became an 80% owned subsidiary of the Company.

**A11. Fair Value of Financial Instruments**

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the financial year ended 31 October 2017.

**A12. Commitments and Contingencies**

	<b>As at 31/10/2017 RM'000</b>
Approved and contracted for:	
- Commitment to acquire plant and equipment	905
- Commitment to fund a joint venture, Eco World-Ballymore Holding Company Limited (“EW-Ballymore Holding”) by way of share subscription and shareholder’s loans ( <i>Note a</i> )	
	<u>571,876</u>

*Note a*

The Company and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event that EW-Ballymore Holding is unable, on its own, to repay its banking facilities when due (“Increased Commitments”). The Increased Commitments shall be in the ratio of 75:25 based on the current proportion of the joint venture partners’ existing equity interests in EWI-Ballymore Holding.

The Company’s share of the Increased Commitments is GBP90 million (equivalent to approximately RM502.83 million based on the exchange rate of GBP1.00 : RM5.5870 as at 31 October 2017). If funding in excess of the Increased Commitments is required to satisfy any claims from the banking facilities, the Company shall have the obligation to fund the excess amount should the other joint venture partner not fund its proportionate share. Any funding provided in excess of the Increased Commitments by one partner will result in a corresponding adjustment to the equity interest in the joint venture.

**A13. Significant Related Party Transactions**

	<b>12 MONTHS ENDED 31/10/2017 RM'000</b>
(i) Transactions with a joint venture	
- Revenue	488
- Advances to joint venture	274,865
- Interest receivable	39,567
(ii) Transactions with a shareholder	
- Advances received	19,500
- Interest charged	2,892
(iii) Transaction of a subsidiary with its former holding company	
- Interest charged	220
(iv) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad where a shareholder of the Company is a director	
- Agent fees paid or payable	325
- Support service fees paid or payable	81
- Purchase of plant and equipment	649
(v) Transaction with a joint venture of Eco World Development Group Berhad where a shareholder of the Company is a director	
- Rental paid or payable	330
(vi) Transaction with a company where a director has interest	
- Rental paid or payable	165
(vii) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	278
(viii) Transaction with a corporate shareholder of a subsidiary company	
- Advances received	1,709
(ix) Transactions with related companies of GLL EWI (HK) Limited, a major shareholder of the Company	
- Corporate advisory and placement fee payable	5,556
- Insurance fee payable	39
- Interest charged	1,073
- Interest received	126

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Group Performance**

	3 MONTHS ENDED			12 MONTHS ENDED		
	31/10/2017 RM'000	31/10/2016 RM'000	CHANGES RM'000	31/10/2017 RM'000	31/10/2016 RM'000	CHANGES RM'000
Revenue	27	183	(156)	488	683	(195)
Gross loss	(1,556)	(1,506)	(50)	(5,325)	(4,333)	(992)
Loss before interest and tax	(35,701)	(44,731)	9,030	(55,331)	(166,446)	111,115
Loss before tax	(35,701)	(55,621)	19,920	(87,251)	(219,269)	132,018
Loss for the period/year	(34,303)	(54,458)	20,155	(87,474)	(217,116)	129,642
Loss for the period/year attributable to owners of the Company	<u>(32,557)</u>	<u>(55,062)</u>	22,505	<u>(87,633)</u>	<u>(220,093)</u>	132,460

**(a) Performance of the current quarter against the same quarter in the preceding year (4Q 2017 vs. 4Q 2016)**

Revenue for the Group for 4Q 2017 was RM0.03 million, which was lower than the RM0.18 million reported in 4Q 2016. Gross loss for 4Q 2017 was RM1.56 million. The Group recorded a loss before tax ("LBT") of RM35.70 million for 4Q 2017, which was lower than the RM55.62 million reported for 4Q 2016.

The Group's revenue for 4Q 2017 arose from fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the United Kingdom.

Revenue and profits associated with the Group's property development activities will be recognised by its subsidiary and joint venture when the construction of the relevant units are completed and delivered in the first half of 2018.

The lower LBT incurred for 4Q 2017 was mainly due to savings on finance cost following full settlement of group borrowings upon receipt of IPO Proceeds in April 2017.

**(b) Performance of the current year to-date against the same year in the preceding year (4Q YTD 2017 vs. 4Q YTD 2016)**

During the current financial year ended 31 October 2017, the Group recorded revenue of RM0.49 million, which was slightly below the RM0.68 million reported for the financial year ended 31 October 2016. Gross loss for the current financial year was RM5.33 million. The Group recorded a lower LBT of RM87.25 million in the current financial year as compared to the RM219.27 million reported for the financial year ended 31 October 2016.

The lower LBT incurred in the current financial year was mainly due to savings on finance cost following full settlement of group borrowings upon receipt of IPO Proceeds in April 2017, as well as unrealised foreign exchange differences as a result of an appreciation in the exchange rate of the British Pound ("GBP") in the current financial year.



**B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

	<b>3 MONTHS ENDED</b>		<b>CHANGES</b>
	<b>31/10/2017</b>	<b>31/07/2017</b>	
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	27	97	(70)
Gross loss	(1,556)	(1,456)	(100)
Loss before interest and tax	(35,701)	(22,232)	(13,469)
Loss before tax	(35,701)	(22,232)	(13,469)
Loss for the period	(34,303)	(23,547)	(10,756)
Loss for the period attributable to owners of the Company	<u>(32,557)</u>	<u>(24,197)</u>	(8,360)

The Group's current quarter revenue was RM0.03 million, which was RM0.07 million lower than the preceding quarter ended 31 July 2017. The Group's current quarter LBT was RM35.70 million, which was RM13.47 million higher than the preceding quarter ended 31 July 2017.

The higher LBT incurred in the current quarter was mainly due to unrealised foreign exchange loss recorded as a result of the slight depreciation of the GBP in the current quarter from the previous quarter as well as payment of landholder duty arising from the acquisition of an 80% equity interest in EW-Salcon by Fortune Quest Group Ltd as disclosed in Note A10(i).

**B3. Sales achieved in Financial Year 2017 and Prospects for the Next Financial Year**

<b>PROJECTS</b>	<b>LANDBANK AS AT 31/10/2017</b>	<b>12 MONTHS ENDED 31/10/2017</b>			<b>CUMULATIVE SALES</b>	<b>UNBILLED SALES</b>
	<b>Total (Acres)</b>	<b>Units launched</b>	<b>Units sold</b>	<b>Sales value RM'mil<sup>(1)</sup></b>	<b>Total achieved RM'mil<sup>(2)</sup></b>	<b>Effective stake RM'mil<sup>(3)</sup></b>
London	13.01	-	302	1,687	6,582	4,793
Sydney	1.18	-	19	65	883	868
Melbourne	0.53	256	93	250	247	188
<b>Total</b>	<b>14.72</b>	<b>256</b>	<b>414</b>	<b>2,002</b>	<b>7,712</b>	<b>5,849</b>

The Board is pleased to announce that the Group's cumulative sales achieved as at 31 Oct 2017<sup>(2)</sup> stands at RM7.71 billion. This is RM2.42 billion higher than the cumulative sales as at 31 Oct 2016<sup>(4)</sup> of RM5.29 billion. The Group's share of unbilled sales has also increased by RM1.68 billion to RM5.85 billion as at 31 October 2017.

During the financial year under review, the Group achieved RM2 billion sales with its projects in London contributing RM1.69 billion while those in Australia generated RM315 million.

Sales in the UK have been steady with continuing interest in all three ongoing projects despite Brexit uncertainties. The Group's various local and international roadshows to promote these projects enabled sales of RM309 million to be achieved in Q42017 which is indicative of the underlying strength of the London residential market.

In Australia, sales were lower than expected which contributed towards the Group's Financial Year ("FY") 2017 sales falling below the target of RM2.5 billion. This is largely because local Australian home buyers, who are the main target customers for the Yarra One project, tend to buy closer to Melbourne's most sought-after suburbs, management remains completion. Nevertheless, given the positive response the development has received and its location in one of confident that sales will pick-up as construction works progress. The attractive stamp duty incentives recently introduced by the state government to assist local home buyers, which took effect from 1 July 2017, will also help boost local sales.

### **B3. Sales achieved in FY2017 and Prospects for the Next Financial Year (continued)**

On the corporate front, the Group had a busy year in 2017. Apart from successfully completing the Initial Public Offering in April, the Group also completed the acquisition of an 80% stake in EW-Salcon in September. Concurrently, management has been actively scouting for new development opportunities in the UK and Australia to build up a well-diversified property portfolio at various stages of development and price points for business sustainability and broader market appeal.

These efforts came to fruition on 8 November 2017 when the Group entered into a Heads of Agreement (HoA) to partner Be Living (the development arm of Willmott Dixon, a prominent UK construction and development company), to jointly develop 12 sites in Greater London and the South East of England. The HoA is very significant as it potentially enables the Group to expand its presence in the UK to four times its current size. More importantly, through this joint venture, the Group will gain its own development management team along with a substantial local market share in the UK. This is due to the nature, location and affordable price points of the developments proposed that will enable the Group to address the strong demand in the London mainstream market.

The joint venture with Be Living contemplates the acquisition of 12 sites with an estimated GDV of GBP2.6 billion. Stage 1 comprising 6 sites, nearly all of which are at various stages of securing planning consent whilst Stage 2 comprising another 6 sites, mostly without planning consent. Definitive agreements have been signed to acquire the Stage 1 sites and negotiations with Be Living for the acquisition of Stage 2 sites are at an advanced phase. The Group targets to complete the acquisition of Stage 1 sites by the first quarter of FY2018. Negotiations and documentations for Stage 2 sites are expected to conclude shortly after. Please refer to the separate announcement to be released on the transaction for further details.

In Australia, the Group recently signed a call and put option agreement to buy 25 apartment units (out of 30 units) in a strata scheme that sits in Macquarie Park, Sydney which it targets to complete by late-2018. Macquarie Park is Sydney's second largest business district and one of the largest employment business and technology precincts in the Southern Hemisphere. The proposed acquisition is therefore consistent with the Group's ambition to build a strong local presence and customer following in both the UK and Australia by positioning itself to be able to serve the needs of domestic homebuyers.

Going forward, the Group is on track to achieve its maiden handover of two blocks within its London City Island project and one block of Embassy Gardens in FY2018.

Underlying demand for residential units in London remains strong fuelled by the economic strength of the UK and high employment rates. In addition, supply side constraints coupled with strong local occupier demand bodes well for the long-term growth of the residential property market. In Australia, demand from locals also remain very healthy where the Group's projects are located in both Sydney and Melbourne.

For FY2018, the Group targets to achieve RM2 billion sales (excluding sales from its new joint venture with Be Living). Upon completion of the acquisition of its 70% equity stake in Be Living's residential development business and the new project in Macquarie Park, the Group will have 9 projects in the UK (with the possibility of adding on another 6 sites from the Be Living Stage 2 acquisitions) and three projects in Australia. This augurs well for its future growth prospects and the long-term viability of its business model as an international developer with a strong local presence in each of its target markets.

#### *Notes:*

<sup>(1)</sup> *Based on the exchange rate of GBP1.00 : RM5.5870 and AUD1.00 : RM3.2456 as at 31 October 2017.*

<sup>(2)</sup> *Cumulative sales as at 31 Oct 2017 represent contracts exchanged of RM7.57 billion and reserved units of RM147 million as at 31 Oct 2017.*

<sup>(3)</sup> *Share of unbilled sales based on effective stake in joint venture and subsidiaries as at 31 October 2017 and exclude reserved units.*

<sup>(4)</sup> *Based on the exchange rate of GBP1.00 : RM5.1097 and AUD1.00 : RM3.1929 as at 31 October 2016.*

**B4. Variance of Actual Profit from Forecast Profit**

There was no profit forecast published as at 31 October 2017.

**B5. Taxation**

Taxation comprises:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter/year	206	-	1,620	-
- in respect of prior years	-	1	1	(174)
Foreign tax				
- current quarter/year	416	605	2,265	2,998
- in respect of prior years	-	-	(30)	54
Deferred tax				
Malaysian tax				
- current quarter/year	(162)	(416)	(688)	(1,195)
- in respect of prior years	-	-	250	1
Foreign tax				
- current quarter/year	(1,842)	(1,353)	(3,206)	(3,841)
- in respect of prior year	(16)	-	11	4
	<u>(1,398)</u>	<u>(1,163)</u>	<u>223</u>	<u>(2,153)</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to the inclusion of certain non-taxable items in the income statement. Correspondingly, expenditure which relates to the derivation of non-taxable income by the Group has been treated as permanent losses for tax purposes.

**B6. Status of Corporate Proposals**

- (a) Save and except for the following corporate proposal, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 8 December 2017:
- (i) On 8 November 2017, our Company entered into Heads of Agreement with Be Living Holdings Limited to acquire a 70% equity interest in 12 sites in Greater London and the South East of England and a development management entity. Please refer to the separate announcement to be released on the transaction for further details.
  - (ii) On 24 November 2017, Eco World (Macquarie) Pty Ltd ("EcoWorld Macquarie"), a company incorporated on 8 November 2017 and wholly-owned by Fortune Quest Group Ltd, entered into a put and call option agreement ("Option Agreement") with the owners of 25 apartment units ("Vendors") in respect of the acquisition of such units in the strata scheme comprised by Strata Plan 6481 ("Strata Scheme"), located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia ("Properties") for a purchase consideration of AUD33.8 million (equivalent to RM105.86 million<sup>^</sup>).

**B6. Status of Corporate Proposals (continued)**

Upon the exercise of the call or put option under the Option Agreement, EcoWorld Macquarie will enter into a definitive sale and purchase agreement with each of the Vendors to purchase the Properties (“SPA”). The agreed form of the SPA is attached to the Option Agreement.

EcoWorld Macquarie intends to acquire all apartment units either through negotiation with the owners of the remaining five (5) apartment units to reach an agreement or via the strata renewal process. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million<sup>^</sup>).

EcoWorld Macquarie will commence the strata renewal process as soon as possible and run this process in tandem with negotiation with the owners of the remaining five (5) apartment units to facilitate completion of the SPAs by the earlier of 9 November 2018 or a date that is three (3) months after the date of notice by EcoWorld Macquarie to the Vendors requiring early settlement.

*Note:*

<sup>^</sup> *Based on the exchange rate of AUD1.00 : RM3.1320 as at 23 November 2017, being the last full market day prior to the announcement dated 24 November 2017.*

(b) Utilisation of IPO Proceeds as at 31 October 2017 are as follows:

Gross proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. The status of the utilisation of these proceeds is as set out below:

<b>Purpose</b>	<b>Proposed utilisation RM'mil</b>	<b>Actual utilisation RM'mil</b>	<b>Re-allocation RM'mil</b>	<b>Balance unutilised RM'mil</b>	<b>Intended timeframe for utilisation from completed date</b>
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
<b>Subtotal</b>	<b>1,367</b>	<b>(1,302)</b>	<b>(65)</b>	<b>-</b>	
Settlement of the acquisition of EW Investment	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(279)	76	923	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
<b>Total</b>	<b>2,584</b>	<b>(1,661)</b>	<b>-</b>	<b>923</b>	

**B7. Group Borrowings and Debt Securities**

The total group borrowings and debt securities as at 31 October 2017 were as follows:

	As at 31/10/2017			As at 31/10/2016	
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	AUD	24,622	79,913	57,461
	Secured	GBP	-	-	606,870
	Secured	RM	-	-	259,536
				79,913	923,867
Long term borrowings	Secured	AUD	15,000	48,684	-
				48,684	-
Total borrowings	Secured	AUD	39,622	128,597	57,461
		GBP	-	-	606,870
		RM	-	-	259,536
					128,597

Total borrowings of RM1,159 million were repaid in April 2017 upon receipt of IPO Proceeds as disclosed in Note B6(b).

As at 31 October 2017, the Group's term loans comprise facilities based on floating rates to finance projects in Australia and are denominated in AUD.

**B8. Material Litigation**

The Group was not engaged in any material litigation as at 8 December 2017, being the latest practicable date from the date of issue of this interim financial report.

**B9. Dividends Declared**

No dividend has been declared or recommended for payment by the Company for the financial year ended 31 October 2017.

**B10. Loss Per Share Attributable to Owners of the Company**

## (a) Basic loss per share attributable to owners of the Company

Loss per share has been calculated by dividing the Group's loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares in issue is calculated as follows:

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>31/10/2017</b>	<b>31/10/2016</b>	<b>31/10/2017</b>	<b>31/10/2016</b>
Loss for the period/year attributable to owners of the Company (RM'000)	<u>(32,557)</u>	<u>(55,062)</u>	<u>(87,633)</u>	<u>(220,093)</u>
Number of ordinary shares at beginning of the period/year ('000)	2,400,000	246,541	246,541	750
Effect of share issued pursuant to:				
- Issuance of ordinary shares ('000)	<u>-</u>	<u>-</u>	<u>1,274,376</u>	<u>222,429</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>246,541</u>	<u>1,520,917</u>	<u>223,179</u>
Basic Loss Per Ordinary Share (sen)	<u>(1.36)</u>	<u>(22.33)</u>	<u>(5.76)</u>	<u>(98.62)</u>

## (b) Diluted loss per share attributable to owners of the Company

Diluted earnings per share has been calculated by dividing the Group's loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value.

However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

**B10. Loss Per Share Attributable to Owners of the Company (continued)**

(b) Diluted loss per share attributable to owners of the Company (continued)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
Loss for the period/year attributable to owners of the Company (RM'000)	<u>(32,557)</u>	<u>(55,062)</u>	<u>(87,633)</u>	<u>(220,093)</u>
Weighted average number of ordinary shares for Basic Loss Per Ordinary Share ('000)	2,400,000	246,541	1,520,917	223,179
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>N/A</u>	<u>#</u>	<u>N/A</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>246,541</u>	<u>1,520,917</u>	<u>223,179</u>
Diluted Loss Per Ordinary Share (sen)	<u>(1.36)*</u>	<u>N/A</u>	<u>(5.76)*</u>	<u>N/A</u>

*Notes:*# *The calculation of diluted loss per ordinary share does not assume the potential exercise of Warrants as the effect on loss per ordinary share is anti-dilutive*\* *Anti-dilutive**N/A - Not applicable***B11. Realised and Unrealised Profits or Losses**

The breakdown of the Group's accumulated losses as at 31 October 2017 into realised and unrealised profits or losses pursuant to Bursa Malaysia's directive, is as follows:

	As at 31/10/2017 RM'000	As at 31/10/2016 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(339,344)	(222,799)
- Unrealised	<u>(20,693)</u>	<u>(61,692)</u>
	(360,037)	(284,491)
Total share of accumulated (losses)/profits from a joint venture:		
- Realised	(107,007)	(64,185)
- Unrealised	<u>16,572</u>	<u>10,258</u>
	(90,435)	(53,927)
Consolidation adjustments	<u>108,835</u>	<u>115,904</u>
Total Group accumulated losses as per consolidated accounts	<u>(341,637)</u>	<u>(222,514)</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in Bursa Malaysia's directive and should not be applied for any other purposes.

**B12. Notes to the Statement of Comprehensive Income**

Comprehensive Loss has been arrived at after crediting/(charging):

	<b>3 MONTHS ENDED 31/10/2017 RM'000</b>	<b>12 MONTHS ENDED 31/10/2017 RM'000</b>
Interest income	8,772	22,341
Other income including investment income	28	42
Interest expense	-	(31,920)
Depreciation and amortisation	(1,275)	(2,968)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange (loss) or gain	(11,319)	39,713
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

*Notes:*

*N/A - Not applicable*

By order of the Board

Tan Ai Ning  
Company Secretary  
15 December 2017