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

Interim Financial Report
31 July 2019

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Interim Financial Report - 31 July 2019

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2019
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	31 JULY 2019	31 JULY 2018 (RESTATED)	31 JULY 2019	31 JULY 2018 (RESTATED)
	RM'000	RM'000	RM'000	RM'000
Revenue	224	-	224	-
Direct expenses	(868)	(1,068)	(2,451)	(3,582)
Gross loss	(644)	(1,068)	(2,227)	(3,582)
Other income	4,588	1,412	10,407	11,283
Marketing expenses	(608)	(1,366)	(2,305)	(4,702)
Administrative and general expenses	(15,076)	(18,969)	(40,733)	(53,195)
Unrealised gain/(loss) on foreign exchange	8,819	(2,850)	8,890	(4,855)
Finance costs	(15,976)	(4,383)	(41,283)	(4,481)
Share of results in joint ventures	76,494	37,710	136,973	30,318
Profit/(Loss) before tax	57,597	10,486	69,722	(29,214)
Taxation	1,132	2,550	1,757	5,995
Profit/(Loss) for the period	58,729	13,036	71,479	(23,219)
Other comprehensive (loss)/income, net of tax				
Items that may be reclassified to profit or loss subsequently:				
Fair value adjustment on cash flow hedge	14,025	-	12,239	-
Exchange differences on translation of foreign operations	(173,427)	(4,404)	(166,707)	(82,371)
Total comprehensive (loss)/income for the period	(100,673)	8,632	(82,989)	(105,590)
Profit/(Loss) for the period attributable to:				
Owners of the Company	57,936	12,853	68,713	(23,779)
Non-controlling interests	793	183	2,766	560
	58,729	13,036	71,479	(23,219)
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	(100,960)	8,686	(85,243)	(105,531)
Non-controlling interests	287	(54)	2,254	(59)
	(100,673)	8,632	(82,989)	(105,590)
Earnings/(Loss) per share attributable to owners of the Company:				
Basic earnings/(loss) per share (sen)	2.41	0.54	2.86	(0.99)
Diluted earnings/(loss) per share (sen) *	2.41	0.54	2.86	(0.99)

* *Anti-dilutive*

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019
(The figures have not been audited)

	As At 31 JULY 2019 RM'000	As At 31 OCTOBER 2018 (RESTATED) RM'000	As At 1 NOVEMBER 2017 (RESTATED) RM'000
ASSETS			
Non-current assets			
Plant and equipment	4,689	6,366	7,169
Goodwill	105,198	105,198	105,198
Investment in joint ventures	267,279	192,850	140,665
Amounts owing by joint ventures	1,966,484	2,116,983	1,089,481
Deferred tax assets	27,907	25,787	19,316
	2,371,557	2,447,184	1,361,829
Current assets			
Inventories - property development costs	825,780	460,331	365,138
Trade and other receivables	32,972	43,549	25,031
Current tax assets	1,597	1,188	682
Derivative financial assets	22,166	2,004	-
Cash, bank balances and deposits	619,483	436,960	992,388
	1,501,998	944,032	1,383,239
TOTAL ASSETS	3,873,555	3,391,216	2,745,068
EQUITY AND LIABILITIES			
Equity			
Share capital	2,592,451	2,592,451	2,592,451
Warrant reserve	276,418	276,418	276,418
Cash flow hedge reserve	12,229	(10)	-
Exchange translation reserve	(240,201)	(72,995)	16,681
Accumulated losses	(252,859)	(319,775)	(308,596)
Equity attributable to owners of the Company	2,388,038	2,476,089	2,576,954
Non-controlling interests	7,772	17,199	3,396
Total equity	2,395,810	2,493,288	2,580,350
Non-current liabilities			
Borrowings	1,202,528	605,440	48,684
Hire purchase liability	128	134	-
Deferred tax liabilities	1,776	1,883	1,944
	1,204,432	607,457	50,628
Current liabilities			
Trade and other payables	49,456	43,473	16,067
Amount owing to a corporate shareholder of a subsidiary	-	15,465	16,340
Borrowings	223,018	230,638	79,913
Derivative financial liabilities	-	-	-
Hire purchase liability	12	48	-
Current tax liabilities	827	847	1,770
	273,313	290,471	114,090
Total liabilities	1,477,745	897,928	164,718
TOTAL EQUITY AND LIABILITIES	3,873,555	3,391,216	2,745,068

ECO WORLD INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019 (continued)
(The figures have not been audited)

	As At 31 JULY 2019 RM'000	As At 31 OCTOBER 2018 (RESTATED) RM'000	As At 1 NOVEMBER 2017 (RESTATED) RM'000
Net assets per share attributable to owners of the Company (RM)	1.00	1.03	1.07

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2019
(The figures have not been audited)

	Attributable to owners of the Company							
	Non-distributable				*Distributable*			
	Share capital RM'000	Warrant reserve RM'000	Cash flow hedge reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 November 2018 (as previously reported)	2,592,451	276,418	(10)	(68,851)	(306,399)	2,493,609	15,873	2,509,482
Effects of MFRS 15 adoption	-	-	-	(4,144)	(13,376)	(17,520)	1,326	(16,194)
At 1 November 2018 (restated)	2,592,451	276,418	(10)	(72,995)	(319,775)	2,476,089	17,199	2,493,288
Other comprehensive (loss)/income for the period:								
- Net change in fair value of cash flow hedge	-	-	12,239	-	-	12,239	-	12,239
- Exchange differences on translation of foreign operations	-	-	-	(166,195)	-	(166,195)	(512)	(166,707)
Profit for the period	-	-	-	-	68,713	68,713	2,766	71,479
Total comprehensive (loss)/income for the period	-	-	12,239	(166,195)	68,713	(85,243)	2,254	(82,989)
Transactions with owners of the Company:								
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,333)	(1,333)
Acquisition of non-controlling interests in a subsidiary	-	-	-	(1,011)	(1,797)	(2,808)	(10,348)	(13,156)
At 31 JULY 2019	2,592,451	276,418	12,229	(240,201)	(252,859)	2,388,038	7,772	2,395,810
At 1 November 2017 (as previously reported)	2,592,451	276,418	-	17,644	(341,637)	2,544,876	2,768	2,547,644
Effects of MFRS 15 adoption	-	-	-	(963)	33,041	32,078	628	32,706
At 1 November 2017 (restated)	2,592,451	276,418	-	16,681	(308,596)	2,576,954	3,396	2,580,350
Other comprehensive (loss)/income for the period:								
- Exchange differences on translation of foreign operations	-	-	-	(81,752)	-	(81,752)	(619)	(82,371)
Loss for the period	-	-	-	-	(23,779)	(23,779)	560	(23,219)
Total comprehensive (loss)/income for the period	-	-	-	(81,752)	(23,779)	(105,531)	(59)	(105,590)
Issuance of preference shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	13,885	13,885
At 31 JULY 2018 (RESTATED)	2,592,451	276,418	-	(65,071)	(332,375)	2,471,423	17,222	2,488,645

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2019
(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2019	31 JULY 2018 (RESTATED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax	69,722	(29,214)
Adjustments for:		
Non-cash items	(144,239)	(23,736)
Non-operating items	30,988	(6,530)
Operating loss before working capital changes	(43,529)	(59,480)
Changes in inventories - property development costs	(379,074)	(60,194)
Changes in receivables	(2,431)	(8,758)
Changes in payables	(1,503)	5,253
Cash used in operations	(426,537)	(123,179)
Interest received	4,515	36
Tax paid	(1,787)	(2,455)
Net cash used in operating activities	(423,809)	(125,598)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(50)	(1,578)
Proceeds from disposal of plant and equipment	-	4
Repayment by/(Advances to) joint ventures	77,616	(715,150)
Investment in joint ventures	(611)	(99,951)
Acquisition of a subsidiary	(13,156)	-
Placements of deposits, debt service reserve and interest service reserve accounts	(7,876)	(5,764)
Landholder duty	-	(269)
Interest received	5,779	11,245
Net cash generated from/(used in) investing activities	61,702	(811,463)
Cash Flows From Financing Activities		
Drawdown of borrowings	612,274	317,560
Repayment of borrowings	-	(73,818)
(Repayment to)/Advances from a corporate shareholder of a subsidiary	(15,826)	13,235
Finance costs	(38,900)	(14,773)
Dividend paid to non-controlling interests of a subsidiary	(1,333)	-
Repayment of hire purchase	(35)	-
Net cash generated from financing activities	556,180	242,204

ECO WORLD INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2019 (continued)
(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2019	31 JULY 2018 (RESTATED)
	RM'000	RM'000
Net changes in cash and cash equivalents	194,073	(694,857)
Cash and cash equivalents at 1 November 2018/ 2017	427,597	986,680
Effect of exchange rate changes	(19,426)	(8,397)
Cash and cash equivalents at 31 July 2019/ 2018	602,244	283,426
Cash and cash equivalents comprise the following:		
Deposits	528,716	110,197
Cash and bank balances	90,767	184,701
	619,483	294,898
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(17,239)	(11,472)
	602,244	283,426

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes)

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 audited financial statements of the Group for the financial year ended 31 October 2018.

The interim financial report does not include all of the information required for a complete set of MFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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 2018, except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee Interpretations ("IC Interpretations"), which are relevant to the Group and effective for annual periods beginning on or after 1 November 2018:

Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014–2016 Cycle
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations is not expected to have a material impact to the Interim Financial Statements of the Group except for MFRS 9 and MFRS 15, discussed as follows:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities as well as general hedge accounting. It replaces MFRS 139 Financial Instruments: Recognition and Measurement and IC Interpretation 9 Reassessment of Embedded Derivatives.

MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group has assessed the effects of adopting MFRS 9 on their financial assets and financial liabilities and concluded that the adoption does not have significant impact to the financial performance or position upon their initial application.

A1. Basis of Preparation (continued)

MFRS 15 Revenue from Contract with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 replaces MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transactions Involving Advertising Services. The application of MFRS 15 will result in difference in amount and timing of revenue recognition as compared with current accounting policies.

The Group has conducted an assessment on the existing contracts with customers and identified, among others, the following changes to the existing accounting principles:

(i) Timing of recognition for the sales of properties

The Group's existing accounting policy is to recognise revenue on the basis of fair value of consideration received or receivable from the sale of properties when the significant risks and rewards of development units are transferred to purchasers. Upon adoption of MFRS 15, revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time.

(ii) Accounting for incremental costs of obtaining a contract

The Group's existing accounting policy is to expense off incremental costs, such as referral fees and sales commissions, in obtaining a customer contract. Upon adoption of MFRS 15, these costs are qualified to be recognised as an asset and subsequently amortised to profit or loss progressively over the period during which the property sold is transferred to the customer as the Group expects to recover these costs.

A1. Basis of Preparation (continued)

The financial impacts to the Interim Financial Statements of the Group arising from the adoption of MFRS 15 are disclosed as follows:

Condensed Consolidated Statement of Financial Position
As at 1 November 2017

	As previously reported RM'000	Effect of MFRS 15 RM'000	As restated RM'000
ASSETS			
Non-current assets			
Plant and equipment	7,169	-	7,169
Goodwill	126,302	(21,104)	105,198
Investment in a joint venture	104,907	35,758	140,665
Amount owing by a joint venture	1,089,481	-	1,089,481
Deferred tax assets	19,316	-	19,316
	1,347,175	14,654	1,361,829
Current assets			
Inventories - properties development costs	366,717	(1,579)	365,138
Trade and other receivables	5,400	19,631	25,031
Current tax assets	682	-	682
Cash, bank balances and deposits	992,388	-	992,388
	1,365,187	18,052	1,383,239
TOTAL ASSETS	**2,712,362**	**32,706**	**2,745,068**
EQUITY AND LIABILITIES			
Equity			
Share capital	2,592,451	-	2,592,451
Warrant reserve	276,418	-	276,418
Exchange translation reserve	17,644	(963)	16,681
Accumulated losses	(341,637)	33,041	(308,596)
Equity attributable to owners of the Company	**2,544,876**	**32,078**	**2,576,954**
Non-controlling interests	2,768	628	3,396
Total equity	**2,547,644**	**32,706**	**2,580,350**
Non-current liabilities			
Borrowings	48,684	-	48,684
Deferred tax liabilities	1,944	-	1,944
	50,628	-	50,628
Current liabilities			
Trade and other payables	16,067	-	16,067
Amount owing to a corporate shareholder of a subsidiary	16,340	-	16,340
Borrowings	79,913	-	79,913
Current tax liabilities	1,770	-	1,770
	114,090	-	114,090
Total liabilities	**164,718**	**-**	**164,718**
TOTAL EQUITY AND LIABILITIES	**2,712,362**	**32,706**	**2,745,068**

A1. Basis of Preparation (continued)

Condensed Consolidated Statement of Financial Position
As at 31 October 2018

	As previously reported RM'000	Effect of MFRS 15 RM'000	As restated RM'000
ASSETS			
Non-current assets			
Plant and equipment	6,366	-	6,366
Goodwill	126,302	(21,104)	105,198
Investment in joint ventures	209,012	(16,162)	192,850
Amounts owing by joint ventures	2,116,983	-	2,116,983
Deferred tax assets	25,787	-	25,787
	2,484,450	(37,266)	2,447,184
Current assets			
Inventories - properties development costs	461,836	(1,505)	460,331
Trade and other receivables	20,972	22,577	43,549
Current tax assets	1,188	-	1,188
Derivative financial assets	2,004	-	2,004
Cash, bank balances and deposits	436,960	-	436,960
	922,960	21,072	944,032
TOTAL ASSETS	**3,407,410**	**(16,194)**	**3,391,216**
EQUITY AND LIABILITIES			
Equity			
Share capital	2,592,451	-	2,592,451
Warrant reserve	276,418	-	276,418
Cash flow hedge reserve	(10)	-	(10)
Exchange translation reserve	(68,851)	(4,144)	(72,995)
Accumulated losses	(306,399)	(13,376)	(319,775)
Equity attributable to owners of the Company	**2,493,609**	**(17,520)**	**2,476,089**
Non-controlling interests	15,873	1,326	17,199
Total equity	**2,509,482**	**(16,194)**	**2,493,288**
Non-current liabilities			
Borrowings	605,440	-	605,440
Hire purchase liability	134	-	134
Deferred tax liabilities	1,883	-	1,883
	607,457	-	607,457
Current liabilities			
Trade and other payables	43,473	-	43,473
Amount owing to a corporate shareholder of a subsidiary	15,465	-	15,465
Borrowings	230,638	-	230,638
Hire purchase liability	48	-	48
Current tax liabilities	847	-	847
	290,471	-	290,471
Total liabilities	**897,928**	**-**	**897,928**
TOTAL EQUITY AND LIABILITIES	**3,407,410**	**(16,194)**	**3,391,216**

A1. Basis of Preparation (continued)

Condensed Consolidated Statement of Comprehensive Income
For the 9 months ended 31 July 2018

	As previously reported RM'000	Effect of MFRS 15 RM'000	As restated RM'000
Revenue	18	(18)	-
Direct expenses	(3,582)	-	(3,582)
Gross loss	(3,564)	(18)	(3,582)
Other income	11,283	-	11,283
Marketing expenses	(8,928)	4,226	(4,702)
Administrative and general expenses	(53,195)	-	(53,195)
Unrealised loss on foreign exchange	(4,855)	-	(4,855)
Finance costs	(4,481)	-	(4,481)
Share of results in joint ventures	22,831	7,487	30,318
Loss before tax	**(40,909)**	**11,695**	**(29,214)**
Taxation	5,995	-	5,995
Loss for the period	(34,914)	11,695	(23,219)
Other comprehensive loss, net of tax			
Item that may be reclassified to profit or loss subsequently:			
Exchange differences on translation of foreign operations	(79,290)	(3,081)	(82,371)
Total comprehensive loss for the period	**(114,204)**	**8,614**	**(105,590)**
Loss for the period attributable to:			
Owners of the Company	(34,837)	11,058	(23,779)
Non-controlling interests	(77)	637	560
	(34,914)	**11,695**	**(23,219)**
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company	(113,545)	8,014	(105,531)
Non-controlling interests	(659)	600	(59)
	(114,204)	**8,614**	**(105,590)**
Loss per share attributable to owners of the Company:			
Basic loss per share (sen)	(1.45)	0.46	(0.99)
Diluted loss per share (sen)	(1.45)	0.46	(0.99)

A1. Basis of Preparation (continued)

Condensed Consolidated Statement of Cash Flows
For the 9 months ended 31 July 2018

	As previously reported RM'000	Effect of MFRS 15 RM'000	As restated RM'000
Net cash used in operating activities	(125,598)	-	(125,598)
Net cash used in investing activities	(811,463)	-	(811,463)
Net cash generated from financing activities	242,204	-	242,204

A2. Seasonal or Cyclical Factors

The business operations of the Group during the 9 months ended 31 July 2019 have not been materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the 9 months ended 31 July 2019.

A4. Changes in Estimates

There were no material changes in estimates during the 9 months ended 31 July 2019.

A5. Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the 9 months ended 31 July 2019.

A6. Dividends Paid

There was no payment of dividend during the 9 months ended 31 July 2019.

A7. 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.

The segmental analysis for the 9 months ended 31 July 2019 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	-	224	-	224
Inter-segment revenue	15,919	-	891	(16,810)	-
Total revenue	15,919	-	1,115	(16,810)	224
Segment results	(11,348)	(9,994)	(22,300)	-	(43,642)
Share of results in joint ventures	136,973	-	-	-	136,973
Depreciation	(209)	(503)	(911)	-	(1,623)
Unrealised gain/(loss) on foreign exchange	1	456	8,433	-	8,890
Other income	211	281	9,915	-	10,407
Finance costs	-	(7)	(41,276)	-	(41,283)
Profit/(Loss) before tax	125,628	(9,767)	(46,139)	-	69,722
Taxation	(1,377)	2,747	387	-	1,757
Profit/(Loss) for the period	124,251	(7,020)	(45,752)	-	71,479
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.2941*	*2.9245*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	2,426,375	903,344	543,836	-	3,873,555
Segment liabilities	3,012	351,953	1,122,780	-	1,477,745
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*5.0219*	*2.8476*	*1.0000*		

Note:
[(1)] *Average rates for the 9 months ended 31 July 2019.*
[(2)] *Closing rates as at 31 July 2019.*

A8. Significant Events after the End of the Interim Financial Period

There were no significant events after 31 July 2019 until 10 September 2019, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6(a).

A9. Changes in the Composition of the Group

(a) There were no changes in the composition of the Group during the 9 months ended 31 July 2019, except as follows:

(i) Acquisition by Fortune Quest Group Ltd, a wholly-owned subsidiary of the Company, of the remaining 20% equity interest in Eco World Yarra One Pty Ltd (formerly known as Eco World-Salcon Y1 Pty Ltd) ("EcoWorld Yarra One") from Salcon Development Sdn Bhd, a wholly-owned subsidiary of Salcon Berhad for a total purchase consideration of AUD4,519,569 (equivalent to approximately of RM13.15 million) on 24 April 2019. As a result, EcoWorld Yarra One became an indirect wholly-owned subsidiary of the Company.

(ii) Incorporation of Eco World Barking (Phase 2) LLP on 23 July 2019 as an indirect wholly-owned subsidiary of Eco World London Holdings Limited. As a result, Eco World Barking (Phase 2) LLP is a 70%-owned joint venture of the Group.

(b) There were no changes in the composition of the Group during the period between 1 August 2019 until 10 September 2019, being the latest practicable date from the date of issue of this interim financial report.

A10. Fair Value of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 31 July 2019 are as follows:

	Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
Cross currency swaps		
- Less than 1 year	123,915	7,689
- Between 1 to 5 years	288,964	14,477
	412,879	22,166

(b) Fair value of financial liabilities

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

A11. Commitments and Contingencies

	As at 31/07/2019 RM'000
Approved and contracted for:	
- Commitment to purchase development land/ properties	3,560
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("EW-Ballymore Holding") by way of share subscription and shareholder's loans (*Note a*)	143,203
(ii) EcoWorld London by way of shareholder's loan *(Note b)*	423,175
(iii) EcoWorld London DMCo by way of shareholder's loan *(Note b)*	1,652

Note a

The Group 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 EW-Ballymore Holding.

The Group's share of the Increased Commitments is GBP90 million (equivalent to approximately RM451.97 million based on the exchange rate of GBP1.00 : RM5.0219 as at 31 July 2019). 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.

Note b

The Group and the other joint venture partner are jointly committed to provide additional funding into EcoWorld London or EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies or EcoWorld London DMCo under any 3rd party finance agreement ("Additional Funding"). Any Additional Funding shall be in the ratio of 70:30 based on the current proportion of the joint venture partners' existing equity interests in EcoWorld London and EcoWorld London DMCo.

If a joint venture partner ("Funding Shareholder") funds the other partner's ("Non-Funding Shareholder") share of the Additional Funding ("Shortfall") and the Non-Funding Shareholder does not fund the Shortfall within the stipulated timeframe, the Funding Shareholder has an option to acquire all of the shares held by the Non-Defaulting Shareholder in EcoWorld London group of companies or EcoWorld London DMCo, as the case may be, at a discount or a portion of such shares at a nominal price.

A12. Significant Related Party Transactions

		9 MONTHS ENDED 31/07/2019 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	154,224
	- Repayment of advances by joint ventures	(232,074)
	- Interest receivable	46,575
	- Sales commission	1,841
(ii)	Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad ("EW Berhad") where certain directors of the Company are also the directors of EW Berhad	
	- Agent fees paid or payable	575
	- Support service fees paid or payable	80
(iii)	Transaction with a joint venture of EW Berhad where certain directors of the Company are also the directors of EW Berhad	
	- Rental paid or payable	812
(iv)	Transaction with a company where a director has interest	
	- Rental paid or payable	135
(v)	Transaction with a company where a subsidiary director has interest	
	- Consultancy fee paid or payable	874
(vi)	Transaction with a corporate shareholder of a subsidiary	
	- Repayment of advances to corporate shareholders	(15,826)
	- Interest receivable	691

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

B1. Review of Group Performance

	3 MONTHS ENDED			9 MONTHS ENDED		
	31/07/2019	31/07/2018 (RESTATED)	CHANGES	31/07/2019	31/07/2018 (RESTATED)	CHANGES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross loss	(644)	(1,068)	424	(2,227)	(3,582)	1,355
Share of results in joint ventures	76,494	37,710	38,784	136,973	30,318	106,655
Profit/(Loss) before interest and tax	73,573	14,869	58,704	111,005	(24,733)	135,738
Profit/(Loss) before tax	57,597	10,486	47,111	69,722	(29,214)	98,936
Profit/(Loss) for the period	58,729	13,036	45,693	71,479	(23,219)	94,698
Profit/(Loss) for the period attributable to owners of the Company	57,936	12,853	45,083	68,713	(23,779)	92,492

(a) 3Q 2019 vs. 3Q 2018

Gross loss for 3Q 2019 was RM0.64 million which was lower than RM1.07 million reported in 3Q 2018. The Group recorded a profit before tax ("PBT") of RM57.60 million for 3Q 2019, as compared to PBT of RM10.49 million reported for 3Q 2018.

The higher PBT reported in 3Q 2019 as compared to 3Q 2018 was mainly due to higher recognition of revenue and profit by its joint venture projects in the United Kingdom following completion and commencement of handover of units sold to customers, commencement of revenue and profit recognition of EcoWorld London's Built-to-Rent ("BtR") sales and unrealised foreign exchange gain reported in current quarter as opposed to unrealised foreign exchange loss reported in previous corresponding quarter, partly offset by higher finance cost.

Revenue recorded by the Group's joint-ventures totalled to RM892.85 million, of which the Group's effective share (unconsolidated) amounted to RM629.33 million.

(b) 3Q YTD 2019 vs. 3Q YTD 2018

The Group recorded a PBT of RM69.72 million in the current financial period compared to the loss before tax ("LBT") of RM29.21 million reported for 3Q YTD 2018.

The PBT reported in the current financial period was mainly due to higher recognition of revenue and profit by its joint venture projects in the United Kingdom following completion and commencement of handover of units sold to customers as well as the commencement of revenue and profit recognition on BtR sales. This enabled the Group to recognise RM136.97 million as its attributable share of profit from its joint ventures in the current financial period.

Revenue recorded by the Group's joint-ventures totalled to RM2,091.55 million, of which the Group's effective share (unconsolidated) amounted to RM1,456.29 million.

B1. Review of Group Performance (continued)

(b) 3Q YTD 2019 vs. 3Q YTD 2018 (continued)

In addition, PBT in the current financial period was due to an unrealised gain on foreign exchange of RM8.89 million recorded for the 9 months ended 31 July 2019, as opposed to an unrealised loss on foreign exchange of RM4.85 million recorded in 3Q YTD 2018.

However, PBT in the current financial period was partly reduced by higher finance cost of RM41.28 million recorded in 3Q YTD 2019 as compared to RM4.48 million recorded in 3Q YTD 2018.

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

	3 MONTHS ENDED		
	31/07/2019 RM'000	**30/04/2019 RM'000**	**CHANGES RM'000**
Gross loss	(644)	(705)	61
Share of results in joint ventures	76,494	13,825	62,669
Profit before interest and tax	73,573	458	73,115
Profit/(Loss) before tax	57,597	(11,994)	69,591
Profit/(Loss) for the period	58,729	(11,594)	70,323
Profit/(Loss) for the period attributable to owners of the Company	57,936	(11,981)	69,917

The Group's current quarter PBT was RM57.60 million, as opposed to LBT recorded of RM11.99 million in preceding quarter ended 30 April 2019.

The PBT recorded in the current quarter was mainly due to higher share of results in joint venture projects in the United Kingdom due to the higher number of handovers of units sold to customers during the current quarter.

B3. Sales Achieved and Prospects for the Current Financial Year

PROJECTS	LANDBANK AS AT 31/08/2019	10 MONTHS ENDED 31/08/2019			CUMULATIVE SALES	FUTURE REVENUE[(1)]
	Total (Acres)	Units launched	Units sold	Sales value RM'mil[(2)]	Total achieved RM'mil[(3)]	Effective stake RM'mil[(4)]
London	49.2	337	230	686	9,660	4,498
Sydney	1.9	-	1	2	821	820
Melbourne	0.5	-	31	85	457	445
Total	**51.6**	**337**	**262**	**773**	**10,938**	**5,763**

EcoWorld International recorded RM773 million sales in the first ten months of FY2019. The Group's projects in the UK generated RM686 million sales while those in Australia generated RM87 million.

Mid-mainstream products for the London market priced from GBP500 psf to GBP800 psf continued to account for more than half of the sales achieved in this period, reflecting the resilient demand for homes in this segment which is largely unaffected by uncertainties surrounding the UK's withdrawal from the European Union (Brexit). In this regard, the Board is pleased to share that EcoWorld London has launched the second residential block (Jasmine House) in Verdo@Kew Bridge in August 2019, riding on the strong take-up of its first residential block that was launched in early 2019. EcoWorld London is also working on multiple planning applications for projects that target the mid-mainstream segment of London residential property market.

While the current sales rates of the Group's higher-end products have slowed in the lead-up to the Brexit deadline, management is confident of the strong underlying demand for these products as evidenced by the close to 90% occupancy rate achieved by the units in London City Island ("LCI") and Embassy Gardens ("EG") that have been handed over to purchasers [(5)]. London's status as the premier global real estate destination, particularly for high-quality residential property investment remains compelling and its appeal to global high net-worth investors is second to none. Accordingly, management is confident that sales of the remaining units of LCI, EG and Wardian will experience an uptick once the outcome of Brexit is settled.

Sales in Australia have picked up significantly with RM87 million recorded in the ten-month period, a marked improvement from the first seven months' RM38 million. Property market sentiment in Australia improved following its Federal Election in May 2019. The market further received a boost in July 2019 when Australian Prudential Regulation Authority, the financial sector regulator, relaxed mortgage lending guidelines which increased the mortgage capacity of homebuyers. There are signs that the Australian market has bottomed as mortgage lending in July 2019 rose 15% compared to the preceding month [(6)].

With regard to construction progress, the Group achieved an important milestone in the quarter as the BtR blocks in Kew Bridge have achieved Golden Brick. This enabled the project to start recognising revenue and profits. On top of that, two additional residential blocks in LCI have commenced handover in the third quarter of FY2019, bringing the number of completed blocks in LCI to four. These milestones were the key drivers for the stronger share of profits from joint ventures reported for the quarter. Construction works of other projects are also progressing well with another two residential blocks in LCI and Embassy Gardens expected to commence delivery to purchasers in the fourth quarter of FY2019.

Beyond the current financial year, the Group expects to hand over Wardian, West Village and Yarra One in the next financial year. A significant portion of the Group's effective stake in the future revenue of properties sold amounting to RM5.8 billion as at 31 August 2019 is therefore anticipated to be translated into revenue and share of profits from joint ventures in FY2019 and FY2020.

B3. Sales Achieved and Prospects for the Current Financial Year (continued)

The Group is maintaining the sales target of RM6 billion to be achieved over FY2019 and FY2020. Potential BtR deals in the UK that are being pursued are expected to be the key sales driver in these two financial years. The 2-year sales target is to allow management the requisite time to negotiate the best possible terms on potential en-bloc BtR sales to institutional investors.

Notes:
(1) *Based on sales achieved.*
(2) *Based on the exchange rate of GBP1.00 : RM5.0219 and AUD1.00 : RM2.8476 as at 31 July 2019.*
(3) *Cumulative sales as at 31 August 2019 represent contracts exchanged of RM10,714 million and reserved units of RM225 million.*
(4) *Share of future revenue based on effective stake in joint ventures and subsidiaries as at 31 August 2019 and excludes other reserved units.*
(5) *Occupancy rate as at 31 August 2019*
(6) *Source: Australian Bureau of Statistics*

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 July 2019.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED		**9 MONTHS ENDED**	
	31/07/2019	**31/07/2018 (RESTATED)**	**31/07/2019**	**31/07/2018 (RESTATED)**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax				
Malaysian tax				
- in respect of prior years	-	(394)	-	(394)
Foreign tax				
- current quarter/year	714	423	1,523	1,443
- in respect of prior years	(116)	-	(116)	(1)
Deferred tax				
Malaysian tax				
- current quarter/year	(140)	(215)	(384)	(844)
- in respect of prior years	(2)	(3)	(2)	(3)
Foreign tax				
- current quarter/year	(1,772)	(1,593)	(2,943)	(5,428)
- in respect of prior years	184	(768)	165	(768)
	(1,132)	(2,550)	(1,757)	(5,995)

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 10 September 2019:

Acquisition of 70% equity interest in 12 development projects and a development management entity in UK

On 8 November 2017, the Company has announced a joint venture in UK with Be Living Holdings Limited. The joint venture contemplates the proposed acquisition of a 70% equity interest in 12 development projects in Greater London and the South East of England which is slated to be carried out in two stages as well as a development management entity.

The Stage 1 acquisition involved 6 out of the 12 development projects has been completed on 19 March 2018. Acquisitions of Aberfeldy Village and Kew Bridge were the first Stage 2 projects which have been completed on 30 May 2018 and 20 August 2018, respectively whilst the remaining Stage 2 sites are proposed to be completed subject to satisfactory planning consents meeting pre-agreed minimum criteria being obtained from the respective local councils.

Acquisition of apartment units to be developed as "Macquarie Park Project" in Sydney, Australia

On 24 November 2017, EcoWorld Macquarie, an indirect wholly-owned subsidiary of the Company, entered into a conditional 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").

On 5 February 2018, the Option Agreement has become unconditional. EcoWorld Macquarie had subsequently entered into a definitive sale and purchase agreement with each of the Vendors to acquire the Properties. The acquisition of the Properties was completed on 9 November 2018 following the full settlement of the total purchase consideration of AUD33.8 million (equivalent to RM102.45 million[(a)]).

On 1 March 2019, EcoWorld Macquarie had entered into a conditional sale and purchase agreement with the owner to acquire the remaining 4 (out of 5) apartment units for a purchase consideration of AUD5.65 million (equivalent to RM16.43 million[(b)]). The said acquisition was completed on 30 May 2019.

EcoWorld Macquarie has commenced the strata renewal process to acquire the remaining 1 apartment unit and is running this process in tandem with negotiation with its owner. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD41.0 million (equivalent to RM119.20 million[(b)]).

Following acquisition of all apartment units in the Strata Scheme, EcoWorld Macquarie proposes to redevelop the land into a residential-led with a small commercial component development to be known as the "Macquarie Park Project".

Notes:

(a) Based on the exchange rate of AUD1.00 : RM3.0315 as at 8 November 2018, being the last full market day prior to the announcement dated 9 November 2018.

(b) Based on the exchange rate of AUD1.00 : RM2.9073 as at 29 May 2019, being the last full market day prior to the completion date on 30 May 2019.

B6. Status of Corporate Proposals (continued)

(b) Utilisation of IPO Proceeds as at 31 July 2019 are as follows:

Gross proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. As at 31 July 2019, the proceeds have been fully utilised as set out below:

	Debt repayment					
Purpose	**Repayment of bank borrowings**	**Repayment of advances**	**Settlement of the acquisition of EW Investment**	**Working capital and/ or future land acquisition(s)**	**Estimated listing expenses**	**Total**
	RM'mil	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**
Actual utilisation	1,159	143	38	1,202	42	**2,584**

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 July 2019 were as follows:

	As at 31/07/2019				As at 31/10/2018 (RESTATED)
	Secured/ Unsecured	**Foreign Currency '000**		**RM Equivalent '000**	**RM Equivalent '000**
Short term borrowings					
- Term loan	Unsecured	GBP	19,750	99,183	105,668
- Revolving credit	Unsecured	USD	29,981	123,835	124,970
				223,018	230,638
Long term borrowings					
- Term loans	Secured	AUD	112,933	321,584	78,216
- Term loan	Unsecured	AUD	29,702	84,580	-
- Medium term notes	Unsecured	RM	-	796,364	527,224
				1,202,528	605,440
Total borrowings					
- Term loans	Secured	AUD	112,933	321,584	78,216
- Term loan	Unsecured	AUD	29,702	84,580	-
- Term loan	Unsecured	GBP	19,750	99,183	105,668
- Revolving credit	Unsecured	USD	29,981	123,835	124,970
- Medium term notes	Unsecured	RM	-	796,364	527,224
				1,425,546	836,078

The Company had on 24 May 2019 completed the third issuance of medium term notes of RM270.0 million with a tenure of 4 years from the issue date under the Sukuk Murabahah Programme of RM800.0 million. The completion of the third issuance of the medium term notes marks the final tranche under the Sukuk Murabahah Programme following the completion of first and second issuances amounting to RM180.0 million and RM350.0 million respectively.

As at 31 July 2019, the Group's medium term notes, term loans and revolving credit comprise facilities based on fixed and floating rates to finance the projects in United Kingdom and Australia and are denominated in RM, GBP, AUD and USD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 10 September 2019, 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 during the 9 months ended 31 July 2019.

B10. Earnings/(Loss) Per Share Attributable to Owners of the Company

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

Basic earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the period 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:

	3 MONTHS ENDED		**9 MONTHS ENDED**	
	31/07/2019	**31/07/2018 (RESTATED)**	**31/07/2019**	**31/07/2018 (RESTATED)**
Profit/(Loss) for the period attributable to owners of the Company (RM'000)	57,936	12,853	68,713	(23,779)
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic Earnings/(Loss) Per Ordinary Share (sen)	2.41	0.54	2.86	(0.99)

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

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

Diluted earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the period 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/(loss) per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings/(loss) per share.

	3 MONTHS ENDED		**9 MONTHS ENDED**	
	31/07/2019	**31/07/2018 (RESTATED)**	**31/07/2019**	**31/07/2018 (RESTATED)**
Profit/(Loss) for the period attributable to owners of the Company (RM'000)	57,936	12,853	68,713	(23,997)
Weighted average number of ordinary shares for Basic Earnings/(Loss) Per Ordinary Share ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Effect of potential exercise of Warrants ('000)	#	#	#	#
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Diluted Earnings/(Loss) Per Ordinary Share (sen) *	2.41	0.54	2.86	(0.99)

Notes:

\# *The calculation of diluted earnings/(loss) per ordinary share does not assume the potential exercise of Warrants as the effect on profit/(loss) per ordinary share is anti-dilutive*

* *Anti-dilutive*

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2018 were unqualified.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/07/2019 RM'000	9 MONTHS ENDED 31/07/2019 RM'000
Interest income	4,587	10,294
Interest expense	(15,976)	(41,283)
Depreciation and amortisation	(537)	(1,623)
Foreign exchange gain/(loss)		
- realised	2	(163)
- unrealised	8,819	8,890

By order of the Board
Tan Ai Ning
Company Secretary
19 September 2019