

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

Interim Financial Report
31 January 2021

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Interim Financial Report - 31 January 2021

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ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2021
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2021	31 JANUARY 2020
	RM'000	RM'000
Revenue	303,276	51
Direct expenses	(233,632)	-
Gross profit	69,644	51
Other income	8,000	4,026
Marketing expenses	(12,398)	(1,070)
Administrative and general expenses	(20,064)	(8,083)
Unrealised (loss)/gain on foreign exchange	(6,497)	4,827
Finance costs	(14,304)	(16,019)
Share of results in joint ventures	53,089	22,669
Profit before tax	77,470	6,401
Taxation	(20,873)	(415)
Profit for the period	56,597	5,986
Other comprehensive income/(loss), net of tax		
<i>Items that may be reclassified to profit or loss subsequently:</i>		
Hedge of net investment	(13,798)	9,364
Exchange differences on translation of foreign operations	129,661	(42,339)
Total comprehensive income/(loss) for the period	172,460	(26,989)
Profit for the period attributable to:		
Owners of the Company	56,034	5,190
Non-controlling interests	563	796
	56,597	5,986
Total comprehensive income/(loss) for period attributable to:		
Owners of the Company	171,654	(27,741)
Non-controlling interests	806	752
	172,460	(26,989)
Earnings per share attributable to owners of the Company:		
Basic earnings per share (sen)	2.33	0.22
Diluted earnings per share (sen)	2.33	0.22

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2020 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

(The figures have not been audited)

	As At 31 JANUARY 2021 RM'000	As At 31 OCTOBER 2020 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,833	3,098
Right-of-use assets	3,098	4,449
Goodwill	1,653	10,669
Investment in joint ventures	747,610	672,993
Inventories - land held for development	140,310	132,264
Amounts owing by joint ventures	782,623	739,835
Deferred tax assets	-	8,894
	<u>1,678,127</u>	<u>1,572,202</u>
Current assets		
Inventories - property development costs	467,983	652,243
Amounts owing by joint ventures	1,538,111	1,491,755
Trade and other receivables	22,504	52,970
Contract costs	5,836	11,069
Current tax assets	722	722
Derivative financial assets	-	2,487
Cash, bank balances and deposits	588,044	284,014
	<u>2,623,200</u>	<u>2,495,260</u>
TOTAL ASSETS	<u>4,301,327</u>	<u>4,067,462</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Hedging reserve	(14,127)	(329)
Exchange translation reserve	55,967	(73,451)
Retained earnings/(accumulated losses)	17	(56,017)
Equity attributable to owners of the Company	<u>2,910,726</u>	<u>2,739,072</u>
Non-controlling interests	5,079	9,074
Total equity	<u>2,915,805</u>	<u>2,748,146</u>
Non-current liabilities		
Borrowings	472,605	448,371
Lease liabilities	2,431	3,668
Deferred tax liabilities	8,577	2,576
Derivative financial liabilities	1,487	602
	<u>485,100</u>	<u>455,217</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021 (continued)
(The figures have not been audited)

	As At 31 JANUARY 2021 RM'000	As At 31 OCTOBER 2020 RM'000
Current liabilities		
Trade and other payables	42,177	24,936
Contract liabilities	19,730	47,500
Borrowings	808,910	779,988
Lease liabilities	919	1,070
Derivative financial liabilities	13,326	1,035
Current tax liabilities	15,360	9,570
	<u>900,422</u>	<u>864,099</u>
Total liabilities	<u>1,385,522</u>	<u>1,319,316</u>
TOTAL EQUITY AND LIABILITIES	<u>4,301,327</u>	<u>4,067,462</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.21</u>	<u>1.14</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2020 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2021

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2021	31 JANUARY 2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	77,470	6,401
Adjustments for:		
Non-cash items	(36,417)	(26,154)
Non-operating items	9,120	12,222
Operating profit/(loss) before working capital changes	<u>50,173</u>	<u>(7,531)</u>
Changes in inventories	222,972	(85,746)
Changes in receivables and other current assets	37,636	2,646
Changes in payables and other current liabilities	16,452	(47,706)
Contract liabilities	(27,770)	70
Cash generated from/(used in) operations	<u>299,463</u>	<u>(138,267)</u>
Interest received	3,865	1,522
Tax paid	(555)	(382)
Net cash generated from/(used in) operating activities	<u><u>302,773</u></u>	<u><u>(137,127)</u></u>
Cash Flows From Investing Activities		
Purchase of plant and equipment	(324)	(5)
Proceeds from disposal of plant and equipment	2	-
Advances to joint ventures	(19,616)	(43,474)
Withdrawal of deposits, debt service reserve and interest service reserve accounts	2,920	7,119
Interest received	532	2,274
Net cash used in investing activities	<u><u>(16,486)</u></u>	<u><u>(34,086)</u></u>
Cash Flows From Financing Activities		
Drawdown of borrowings	32,387	112,262
Finance costs	(17,624)	(17,561)
Dividend paid to non-controlling interests of a subsidiary	(4,801)	(1,345)
Payment of lease liabilities	(286)	(867)
Net cash generated from financing activities	<u><u>9,676</u></u>	<u><u>92,489</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2021 (continued)

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2021	31 JANUARY 2020
	RM'000	RM'000
Net changes in cash and cash equivalents	295,963	(78,724)
Cash and cash equivalents at 1 November 2020/ 2019	269,975	419,620
Effect of exchange rate changes	10,988	(2,055)
Cash and cash equivalents at 31 January 2021/ 2020	576,926	338,841
 Cash and cash equivalents comprise the following:		
Deposits	109,484	324,073
Cash and bank balances	478,560	28,023
	588,044	352,096
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(11,118)	(13,255)
	576,926	338,841

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2020 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 2020.

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 2020, 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 2020:

Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 9	Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform
Amendments to MFRS 16	Leases - Covid-19-Related Rent Concessions
Amendments to MFRS 101	Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations do not have any impact to the Interim Financial Statements of the Group.

A2. Seasonal or Cyclical Factors

The business operations of the Group during the financial period ended 31 January 2021 have not been materially affected by any seasonal or cyclical factors.

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

Saved as disclosed in Note B3 in relation to the impact of Covid-19 outbreak, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 January 2021.

A4. Changes in Estimates

There were no material changes in estimates during the financial period ended 31 January 2021.

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 financial period ended 31 January 2021.

A6. Dividends Paid

There was no payment of dividend during the financial period ended 31 January 2021.

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.

A7. Segmental Reporting (continued)

The segmental analysis for the financial period ended 31 January 2021 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	303,197	313	(234)	303,276
Inter-segment revenue	-	-	1,152	(1,152)	-
Total revenue	-	303,197	1,465	(1,386)	303,276
Segment results	(10,580)	54,258	(5,875)	-	37,803
Share of results in joint ventures	53,089	-	-	-	53,089
Depreciation	(70)	(29)	(522)	-	(621)
Unrealised gain/(loss) on foreign exchange	-	3	(6,500)	-	(6,497)
Other income	-	2,579	237	-	2,816
Finance income	17	3,406	1,761	-	5,184
Finance costs	-	(726)	(13,578)	-	(14,304)
Profit/(Loss) before tax	42,456	59,491	(24,477)	-	77,470
Taxation	(514)	(20,359)	-	-	(20,873)
Profit/(Loss) for the period	41,942	39,132	(24,477)	-	56,597
<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⁽¹⁾</i>	<i>5.4871</i>	<i>3.0664</i>	<i>1.0000</i>		
	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	3,088,644	1,045,337	167,346	-	4,301,327
Segment liabilities	1,748	393,760	990,014	-	1,385,522
<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⁽²⁾</i>	<i>5.5378</i>	<i>3.0973</i>	<i>1.0000</i>		

Note:

⁽¹⁾ Average rates for the financial period ended 31 January 2021.

⁽²⁾ Closing rates as at 31 January 2021.

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

There were no significant events after 31 January 2021 until 23 March 2021, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6.

A9. Changes in the Composition of the Group

- (a) There were no changes in the composition of the Group during the financial period ended 31 January 2021 except for incorporation of Eco World-Ballymore Asset Management Company Limited on 19 November 2020 as a wholly owned subsidiary of Eco-World Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company Limited became an indirect 75% owned joint venture company of the Group.
- (b) There were no changes in the composition of the Group during the period between 1 February 2021 until 23 March 2021, 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 January 2021 are as follows:

	Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
Cross currency swaps		
- Less than 1 year	327,244	(13,326)
- Between 1 to 5 years	10,935	(1,487)
	<u>338,179</u>	<u>(14,813)</u>

- (a) 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
31/01/2021
RM'000

Approved and contracted for:

- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited (“EW-Ballymore Holding”) by way of share subscription and shareholder’s loans (<i>Note a</i>)	163,629
(ii) EcoWorld London by way of shareholder’s loan (<i>Note b</i>)	151,017
(iii) EcoWorld London DMCo by way of shareholder’s loan (<i>Note b</i>)	<u>1,822</u>

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 RM498.40 million based on the exchange rate of GBP1.00 : RM5.5378 as at 31 January 2021). 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

	3 MONTHS ENDED 31/01/2021 RM'000
(i) Transactions with joint ventures	
- Advances to joint ventures	30,940
- Repayment of advances by joint ventures	(11,394)
- Sales commission	313
- Payment on behalf	70
(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	566
- Support service fees paid or payable	35
- Rental paid or payable	45
(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	286

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

B1. Review of Group Performance

	3 MONTHS ENDED		
	31/01/2021	31/01/2020	CHANGES
	RM'000	RM'000	RM'000
Gross profit	69,644	51	69,593
Share of results in joint ventures	53,089	22,669	30,420
Profit before interest and tax	91,774	22,420	69,354
Profit before tax	77,470	6,401	71,069
Profit for the period	56,597	5,986	50,611
Profit for the period attributable to owners of the Company	56,034	5,190	50,844

Gross profit for 1Q 2021 was RM69.64 million, a substantial increase as compared to gross profit of RM0.05 mil reported for 1Q 2020. The higher gross profit reported in 1Q 2021 was mainly due to commencement of revenue and profit recognition of the Group's project in Melbourne, Yarra One following progressive handover of units sold to customers.

During the current quarter, the Group recorded a profit before tax ("PBT") of RM77.47 million, as compared to PBT of RM6.40 million reported for 1Q 2020. The higher PBT reported in 1Q 2021 was mainly due to commencement of revenue and profit recognition of Yarra One following progressive handover of units sold to customers and higher share of results in joint ventures. The increase in PBT was partly offset by impairment of goodwill in relation to the investment in a United Kingdom ("UK") joint venture and West Village project totalling RM9.31 million in the current quarter.

Share of results in joint ventures in 1Q 2021 was higher as a higher number of units sold to customers were handed over in current quarter. As a result, profit after tax ("PAT") for the period was higher as compared to 1Q 2020.

Revenue recorded by the Group's joint-ventures totalled RM1,003.33 million (1Q 2020: RM492.69 million), of which the Group's effective share (unconsolidated) amounted to RM735.67 million (1Q 2020: RM358.72 million).

Revenue for the Group for 1Q 2021 was RM303.28 million. The revenue arose from West Village and Yarra One following progressive handover of units sold to customers and fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in UK.

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

	3 MONTHS ENDED		
	31/01/2021	31/10/2020	CHANGES
	RM'000	RM'000	RM'000
Gross profit	69,644	9,736	59,908
Share of results in joint ventures	53,089	98,052	(44,963)
Profit before interest and tax	91,774	33,948	57,826
Profit before tax	77,470	22,146	55,324
Profit for the period	56,597	17,861	38,736
Profit for the period attributable to owners of the Company	56,034	17,440	38,594

The Group's current quarter PBT was RM77.47 million, which was RM55.32 million higher than the PBT recorded in preceding quarter ended 31 October 2020 of RM22.15 million.

The higher PBT recorded in the current quarter was mainly due to commencement of revenue and profit recognition from Yarra One following completion and commencement of handover of units sold to customers, partially offset by lower share of results in joint ventures and lower impairment of goodwill.

B3. Sales Achieved and Prospects for the Next Financial Year

PROJECTS	LANDBANK AS AT 28/02/2021	4 MONTHS ENDED 28/02/2021			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	50.7	-	70	338	13,041	1,945
Sydney	1.9	11	15	39	863	34
Melbourne	0.5	-	6	31	570	223
Total	53.1	11	91	408	14,474	2,202

Notes:

⁽¹⁾ Based on sales achieved.

⁽²⁾ Based on the exchange rate of GBP1.00 : RM5.6472 and AUD1.00 : RM3.1738 as at 28 February 2021.

⁽³⁾ Cumulative sales as at 28 February 2021 represent contracts exchanged of RM14,264 million and reserved units of RM210 million.

⁽⁴⁾ Share of future revenue based on effective stake in joint ventures and subsidiaries as at 28 February 2021 and excludes other reserved units.

EcoWorld International delivered RM408 million sales in the first four months of FY2021. Sales in Q1 FY2021 was RM312 million, slightly in excess of RM100 million a month, which is similar to the rate recorded in the first quarter of FY2020. The consistency of sales, notwithstanding a third national lockdown imposed in the UK since December 2020, is very encouraging. It clearly demonstrates London's status as a global city with continued strong overseas demand experienced by our London projects. Recovering local demand in Australia also contributed to the positive sales results achieved by the Group.

During the recent UK Budget 2021 announced by the UK Government, the housing market received a boost with the extension of the stamp duty land tax rate cut for a 3-month period to the end of June 2021 and the introduction of a mortgage guarantee for persons who can only afford up to a 5% deposit on their home acquisition. These measures will assist in sustaining demand and therefore house valuations which will help with public confidence and businesses linked to the housing market. It is also worthy to note that whilst mortgage availability has yet to reach pre-Covid-19 levels, home mortgages are on the rise after a steep fall since the start of the pandemic in March 2020. As lenders across UK gain confidence, homebuyers and investors are welcoming the additional mortgage choices on offer. This will contribute towards reviving local demand which has been softer as work-from-home practices reduced the need for a segment of the working population to stay close to key employment centres and economic uncertainties dampened the desire of some potential buyers from making purchases.

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

Down south in Australia, there are some early signs of turnaround in the property market as home prices recorded a slight improvement in the first quarter of FY2021. In Melbourne, Yarra One also successfully commenced handover in December 2020 with 130 apartment units delivered as at 28 February 2021. However, border closures continued to affect interest from foreign buyers, especially those who had plans to migrate to Australia.

The Board is hopeful that property market conditions in the UK and Australia will improve in the coming quarters following mass rollout of vaccination programmes against Covid-19. The UK is targeting to vaccinate all of its adult population by July 2021 while Australia is aiming to achieve the same by October 2021. Resumption of cross-border travels and lifting of movement restrictions should have a positive impact on employment, income and buyer confidence. Pent up demand, coupled with lack of new launches since the onset of Covid-19 pandemic, may further improve property sales once the level of economic activities normalises. The extension of the stamp duty holiday to June 2021 also signals the UK Government's intention to continue providing support to the real estate market, which bodes well for our projects in the UK.

With regards to construction, the first Build-to-rent (BtR) residential block of Barking Wharf was completed in November 2020 and handed over. As work on sites were permitted throughout the recent UK lockdown period, the Group is also on track to hand over the 3 remaining blocks in stages within FY2021. Based on current construction programmes, the Group also expects the handover of apartment units in Millbrook Park Phase 2 and Embassy Gardens Block A03 to commence in the second half of FY2021.

These completions will not only allow revenue recognition but also generate significant cashflows for the Group. After taking into consideration of the future cashflows and financial position of the Group, the Board is pleased to declare an interim dividend of 1 sen per share. This is the Group's maiden dividend since its listing on Bursa Malaysia in 2017. As the completion of projects continue to generate revenue and cashflows, the Board intends to repatriate more profits to enable further distributions to shareholders in the near future.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 January 2021.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED	
	31/01/2021	31/01/2020
	RM'000	RM'000
Current tax		
Foreign tax		
- current quarter	5,748	744
Deferred tax		
Foreign tax		
- current quarter	15,137	(317)
- in respect of prior years	(12)	(12)
	20,873	415

No Malaysian tax provided due to 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. The effective foreign tax rate of the Group's subsidiaries in Australia and UK are approximately the statutory tax rate of 30% and 19% respectively.

B6. Status of Corporate Proposals

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 31 January 2021:

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. The Company will no longer be pursuing some of the Stage 2 sites namely the Bromley North, Bromley Sherman Road and Tesco Osterley due to amongst others, unsatisfactory planning conditions imposed.

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 January 2021 were as follows:

	As at 31/01/2021			As at 31/10/2020	
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000	RM Equivalent '000
Short term borrowings					
- Term loan	Secured	AUD	104,866	324,802	300,037
- Revolving credit	Unsecured	GBP	24,300	134,569	130,513
- Medium term notes	Unsecured	RM	-	349,539	349,438
				808,910	779,988
Long term borrowings					
- Revolving credit	Unsecured	GBP	4,700	24,124	-
- Medium term notes	Unsecured	RM	-	448,481	448,371
				472,605	448,371
Total borrowings					
- Term loan	Secured	AUD	104,866	324,802	300,037
- Revolving credits	Unsecured	GBP	29,000	158,693	130,513
- Medium term notes	Unsecured	RM	-	798,020	797,809
				1,281,515	1,228,359

As at 31 January 2021, the Group's medium term notes and term loans comprise facilities based on fixed and floating rates to finance the projects in UK and Australia and are denominated in RM, GBP and AUD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 23 March 2021, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

The Board of Directors has declared an interim dividend in respect of the financial period ended 31 January 2021:

Amount per share	: 1.0 sen single tier dividend
Entitlement to dividends based on record of depositors as at	: 9 April 2021
Date payable	: 28 April 2021

B10. Earnings Per Share Attributable to Owners of the Company

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

Basic earnings per share has been calculated by dividing the Group's profit 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	
	31/01/2021	31/01/2020
Profit for the period attributable to owners of the Company (RM'000)	56,034	5,190
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000
Basic Earning Per Ordinary Share (sen)	2.33	0.22

(a) Diluted earnings per share attributable to owners of the Company

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

	3 MONTHS ENDED	
	31/01/2021	31/01/2020
Profit for the period attributable to owners of the Company (RM'000)	56,034	5,190
Weighted average number of ordinary shares for Basic Earnings Per Ordinary Share ('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
Diluted Earnings Per Ordinary Share (sen)	2.33	0.22

Notes:

The calculation of diluted earnings per ordinary share does not assume the potential exercise of Warrants as the effect on profit per ordinary share is anti-dilutive

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2020 were unqualified.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/01/2021 RM'000
Interest income	5,184
Interest expense	(14,304)
Depreciation and amortisation	(621)
Foreign exchange loss	
- realised	(6)
- unrealised	(6,497)
Impairment of goodwill	(9,314)
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By order of the Board
Tan Ai Ning
Company Secretary
25 March 2021