

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

**Interim Financial Report**  
**30 April 2021**

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**Interim Financial Report - 30 April 2021**

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**ECO WORLD INTERNATIONAL BERHAD**  
**(Registration No: 201301030020 (1059850-A))**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 APRIL 2021**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2021</b>	<b>30 APRIL 2020</b>	<b>30 APRIL 2021</b>	<b>30 APRIL 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	107,556	113	410,832	164
Direct expenses	(89,224)	-	(322,856)	-
<b>Gross profit</b>	<u>18,332</u>	<u>113</u>	<u>87,976</u>	<u>164</u>
Other income	14,539	3,873	22,539	7,899
Marketing expenses	(5,180)	(541)	(17,578)	(1,611)
Administrative and general expenses	(25,032)	(13,441)	(45,096)	(21,524)
Unrealised gain/(loss) on foreign exchange	1,694	(79)	(4,803)	4,748
Finance costs	(14,723)	(2,165)	(29,027)	(18,184)
Share of results in joint ventures	28,893	32,514	81,982	55,183
<b>Profit before tax</b>	<u>18,523</u>	<u>20,274</u>	<u>95,993</u>	<u>26,675</u>
Taxation	(6,571)	217	(27,444)	(198)
Profit for the period	<u>11,952</u>	<u>20,491</u>	<u>68,549</u>	<u>26,477</u>
<b>Other comprehensive income/(loss), net of tax</b>				
<i>Items that may be reclassified to profit or loss subsequently:</i>				
Hedge of net investment	9,196	(2,919)	(4,602)	6,445
Exchange differences on translation of foreign operations	99,229	11,645	228,890	(30,694)
<b>Total comprehensive income for the period</b>	<u>120,377</u>	<u>29,217</u>	<u>292,837</u>	<u>2,228</u>
<b>Profit for the period attributable to:</b>				
Owners of the Company	11,303	20,063	67,337	25,253
Non-controlling interests	649	428	1,212	1,224
	<u>11,952</u>	<u>20,491</u>	<u>68,549</u>	<u>26,477</u>
<b>Total comprehensive income for period attributable to:</b>				
Owners of the Company	119,582	28,801	291,236	1,060
Non-controlling interests	795	416	1,601	1,168
	<u>120,377</u>	<u>29,217</u>	<u>292,837</u>	<u>2,228</u>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic earnings per share (sen)	<u>0.47</u>	<u>0.84</u>	<u>2.81</u>	<u>1.05</u>
Diluted earnings per share (sen)	<u>0.47</u>	<u>0.84</u>	<u>2.81</u>	<u>1.05</u>

(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**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2021**

*(The figures have not been audited)*

	As At 30 APRIL 2021 RM'000	As At 31 OCTOBER 2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	2,821	3,098
Right-of-use assets	2,872	4,449
Goodwill	1,340	10,669
Investment in joint ventures	499,167	672,993
Inventories - land held for development	144,738	132,264
Amounts owing by joint ventures	838,867	739,835
Deferred tax assets	-	8,894
	1,489,805	1,572,202
<b>Current assets</b>		
Inventories - property development costs	387,439	652,243
Amounts owing by joint ventures	1,582,773	1,491,755
Trade and other receivables	6,804	52,970
Contract costs	4,007	11,069
Current tax assets	10,554	722
Derivative financial assets	-	2,487
Cash, bank balances and deposits	449,523	284,014
	2,441,100	2,495,260
<b>TOTAL ASSETS</b>	<b>3,930,905</b>	<b>4,067,462</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Hedging reserve	(4,931)	(329)
Exchange translation reserve	155,050	(73,451)
Accumulated losses	(12,680)	(56,017)
<b>Equity attributable to owners of the Company</b>	<b>3,006,308</b>	<b>2,739,072</b>
Non-controlling interests	4,097	9,074
<b>Total equity</b>	<b>3,010,405</b>	<b>2,748,146</b>
<b>Non-current liabilities</b>		
Borrowings	494,496	448,371
Lease liabilities	2,239	3,668
Deferred tax liabilities	6,812	2,576
Derivative financial liabilities	1,862	602
	505,409	455,217

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2021 (continued)**  
*(The figures have not been audited)*

	<b>As At</b>	<b>As At</b>
	<b>30 APRIL 2021</b>	<b>31 OCTOBER 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current liabilities</b>		
Trade and other payables	30,466	24,936
Contract liabilities	5,305	47,500
Borrowings	349,714	779,988
Lease liabilities	919	1,070
Derivative financial liabilities	16,507	1,035
Current tax liabilities	12,180	9,570
	415,091	864,099
<b>Total liabilities</b>	920,500	1,319,316
<b>TOTAL EQUITY AND LIABILITIES</b>	3,930,905	4,067,462
<b>Net assets per share attributable to owners of the Company (RM)</b>	1.25	1.14

(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 CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 APRIL 2021**  
*(The figures have not been audited)*

	← Attributable to owners of the Company →					Non-controlling interests	Total equity	
	← Non-distributable →		Exchange translation reserve	Accumulated losses	Total			
	Share capital	Warrant reserve	Hedging reserve	RM'000	RM'000	RM'000	RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 November 2020</b>	2,592,451	276,418	(329)	(73,451)	(56,017)	2,739,072	9,074	2,748,146
Other comprehensive income/(loss) for the period:								
- Hedge of net investment	-	-	(4,602)	-	-	(4,602)	-	(4,602)
- Exchange differences on translation of foreign operations	-	-	-	228,501	-	228,501	389	228,890
Profit for the period	-	-	-	-	67,337	67,337	1,212	68,549
Total comprehensive income for the period	-	-	(4,602)	228,501	67,337	291,236	1,601	292,837
<i>Transactions with owners of the Company:</i>								
Dividend declared to owners of the Company	-	-	-	-	(24,000)	(24,000)	-	(24,000)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(6,578)	(6,578)
<b>At 30 APRIL 2021</b>	<b>2,592,451</b>	<b>276,418</b>	<b>(4,931)</b>	<b>155,050</b>	<b>(12,680)</b>	<b>3,006,308</b>	<b>4,097</b>	<b>3,010,405</b>
<b>At 1 November 2019</b>	2,592,451	276,418	(2,011)	(44,874)	(136,343)	2,685,641	8,896	2,694,537
Other comprehensive income/(loss) for the period:								
- Hedge of net investment	-	-	6,445	-	-	6,445	-	6,445
- Exchange differences on translation of foreign operations	-	-	-	(30,638)	-	(30,638)	(56)	(30,694)
Profit for the period	-	-	-	-	25,253	25,253	1,224	26,477
Total comprehensive income/(loss) for the period	-	-	6,445	(30,638)	25,253	1,060	1,168	2,228
<i>Transactions with owners of the Company:</i>								
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(2,017)	(2,017)
<b>At 31 APRIL 2020</b>	<b>2,592,451</b>	<b>276,418</b>	<b>4,434</b>	<b>(75,512)</b>	<b>(111,090)</b>	<b>2,686,701</b>	<b>8,047</b>	<b>2,694,748</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the period ended 31 October 2020 and the accompanying explanatory notes)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 APRIL 2021**

*(The figures have not been audited)*

	<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2021</b>	<b>30 APRIL 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	95,993	26,675
Adjustments for:		
Non-cash items	(47,841)	(58,347)
Non-operating items	22,200	11,054
Operating profit/(loss) before working capital changes	<u>70,352</u>	<u>(20,618)</u>
Changes in inventories	315,431	(170,345)
Changes in receivables and other current assets	47,944	(766)
Changes in payables and other current liabilities	4,180	(35,791)
Changes in contract liabilities	(42,195)	4,367
Changes in derivatives	(5,536)	-
Cash generated from/(used in) operations	<u>390,176</u>	<u>(223,153)</u>
Interest received	5,929	2,916
Tax paid	(22,512)	(952)
<b>Net cash generated from/(used in) operating activities</b>	<u><u>373,593</u></u>	<u><u>(221,189)</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(588)	(8)
Proceeds from disposal of plant and equipment	2	91
Advances to joint ventures	(53,065)	(72,175)
(Placement)/Withdrawal of deposits, debt service reserve and interest service reserve accounts	(62,631)	1,008
Dividend received from joint venture	299,297	-
Interest received	981	4,225
<b>Net cash generated from/(used in) investing activities</b>	<u><u>183,996</u></u>	<u><u>(66,859)</u></u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	53,637	178,305
Repayment of borrowings	(466,455)	-
Finance costs	(32,723)	(41,003)
Dividend paid to owners of the Company	(24,000)	-
Dividend paid to non-controlling interests of a subsidiary	(6,578)	(2,017)
Payment of lease liabilities	(520)	(702)
<b>Net cash (used in)/generated from financing activities</b>	<u><u>(476,639)</u></u>	<u><u>134,583</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 APRIL 2021 (continued)**  
*(The figures have not been audited)*

	<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2021</b>	<b>30 APRIL 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net changes in cash and cash equivalents</b>	80,950	(153,465)
<b>Cash and cash equivalents at 1 November 2020/ 2019</b>	269,975	419,620
<b>Effect of exchange rate changes</b>	21,928	(1,792)
<b>Cash and cash equivalents at 30 April 2021/ 2020</b>	372,853	264,363
 <b>Cash and cash equivalents comprise the following:</b>		
Deposits	222,050	246,058
Cash and bank balances	227,473	37,672
	449,523	283,730
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(76,670)	(19,367)
	372,853	264,363

(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 30 April 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 30 April 2021.

**A4. Changes in Estimates**

There were no material changes in estimates during the financial period ended 30 April 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 30 April 2021.

**A6. Dividends Paid**

On 28 April 2021, the Company paid interim dividend of 1 sen per share on the 2,400,000,000 ordinary shares in issue, amounting to RM24,000,000 in respect of 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 6 months ended 30 April 2021 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>
<b>Revenue</b>					
External revenue	-	410,664	668	(500)	410,832
Inter-segment revenue	-	-	1,470	(1,470)	-
Total revenue	-	410,664	2,138	(1,970)	410,832
Segment results	(12,017)	65,341	(26,845)	-	26,479
Share of results in joint ventures	81,982	-	-	-	81,982
Depreciation	(142)	(75)	(960)	-	(1,177)
Unrealised loss on foreign exchange	-	(1)	(4,802)	-	(4,803)
Other income	-	11,659	4,053	-	15,712
Finance income	24	3,988	2,815	-	6,827
Finance costs	-	(921)	(28,106)	-	(29,027)
Profit/(Loss) before tax	69,847	79,991	(53,845)	-	95,993
Taxation	(1,107)	(25,887)	(450)	-	(27,444)
Profit/(Loss) for the period	68,740	54,104	(54,295)	-	68,549

<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>	<i>5.6866</i>	<i>3.1721</i>	<i>1.0000</i>

	<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	2,935,624	604,164	391,117	-	3,930,905
Segment liabilities	1,614	43,662	875,224	-	920,500

<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>	<i>5.6986</i>	<i>3.1833</i>	<i>1.0000</i>

Note:

<sup>(1)</sup> Average rates for the financial period ended 30 April 2021.

<sup>(2)</sup> Closing rates as at 30 April 2021.

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

There were no significant events after 30 April 2021 until 22 June 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 6 months ended 30 April 2021, except as follows:
- (i) 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; and
  - (ii) Incorporation of Eco World Holding Company (UK) Limited and Eco World Nominee (UK) Limited on 25 February 2021 as wholly-owned subsidiaries of Eco World Investment Co Ltd. As a result, both Eco World Holding Company (UK) Limited and Eco World Nominee (UK) Limited became wholly-owned subsidiaries of the Group.
- (b) There were no changes in the composition of the Group during the period between 1 May 2021 until 22 June 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 30 April 2021 are as follows:

	<b>Notional Amount RM'000</b>	<b>Fair Value Assets/ (Liabilities) RM'000</b>
Cross currency swaps		
- Less than 1 year	250,899	(16,507)
- Between 1 to 5 years	10,935	(1,862)
	<u>261,834</u>	<u>(18,369)</u>

- (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  
30/04/2021  
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> )	168,380
(ii) EcoWorld London by way of shareholder’s loan ( <i>Note b</i> )	122,015
(iii) EcoWorld London DMCo by way of shareholder’s loan ( <i>Note b</i> )	1,875
	1,875

*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 RM512.87 million based on the exchange rate of GBP1.00 : RM5.6986 as at 30 April 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 3<sup>rd</sup> 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**

	<b>6 MONTHS ENDED 30/04/2021 RM'000</b>
(i) Transactions with joint ventures	
- Advances to joint ventures	64,257
- Repayment of advances by joint ventures	(11,394)
- Dividend received from joint venture	299,297
- Sales commission	668
- Payment on behalf	202
(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	938
- Support service fees paid or payable	70
- Rental paid or payable	90
(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	520

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

### B1. Review of Group Performance

	3 MONTHS ENDED			6 MONTHS ENDED		
	30/04/2021 RM'000	30/04/2020 RM'000	CHANGES RM'000	30/04/2021 RM'000	30/04/2020 RM'000	CHANGES RM'000
Gross profit	18,332	113	18,219	87,976	164	87,812
Share of results in joint ventures	28,893	32,514	(3,621)	81,982	55,183	26,799
Profit before interest and tax	33,246	22,439	10,807	125,020	44,859	80,161
Profit before tax	18,523	20,274	(1,751)	95,993	26,675	69,318
Profit for the period	11,952	20,491	(8,539)	68,549	26,477	42,072
Profit for the period attributable to owners of the Company	11,303	20,063	(8,760)	67,337	25,253	42,084

#### (a) 2Q 2021 vs. 2Q 2020

Gross profit for 2Q 2021 was RM18.33 million, a substantial increase as compared to gross profit of RM0.11 mil reported for 2Q 2020. The higher gross profit reported in 2Q 2021 was mainly due to 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 RM18.52 million, as compared to PBT of RM20.27 million reported for 2Q 2020. The lower PBT reported in 2Q 2021 was mainly due to higher finance cost following cessation of capitalisation of finance cost on general borrowings in tandem with the completion and handover of units in Yarra One and West Village, higher administrative and general expenses arising from hedge of net investment reclassified to profit or loss upon unwinding of cross currency swaps, higher marketing expenses in tandem with the completion and handover of Yarra One projects and lower share of results in joint ventures. The decrease in PBT was partly offset by revenue and profit recognition of Yarra One following progressive handover of units sold to customers and higher other income arising from deposits forfeited from rescinded units in West Village and Yarra One.

Share of results in joint ventures in 2Q 2021 was lower as a lesser number of units sold to customers were handed over in the current quarter. As a result, profit after tax ("PAT") for the period was lower as compared to 2Q 2020.

Revenue recorded by the Group's joint-ventures totalled RM952.49 million (2Q 2020: RM698.01 million), of which the Group's effective share (unconsolidated) amounted to RM700.56 million (1Q 2020: RM511.69 million).

Revenue for the Group for 2Q 2021 was RM107.56 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 the United Kingdom ("UK").

**B1. Review of Group Performance (continued)****(b) 2Q YTD 2021 vs. 2Q YTD 2020**

The Group recorded a PBT of RM95.99 million in the current financial period, as compared to PBT of RM26.68 million reported for 2Q YTD 2020.

The higher PBT reported in the current financial period was mainly due to revenue and profit recognition from Yarra One following completion and handover of units sold to customers and higher other income. Share of results in joint ventures was higher arising from a higher number of units sold being handed over to customers in the current financial period. The increase in PBT was partly offset by higher administrative and general expenses due to impairment of goodwill in relation to investment in a UK joint venture, hedge of net investment reclassified to profit or loss upon unwinding of cross currency swaps, higher marketing expenses resulting from realisation of capitalised sales commission in tandem with the completion and handover of units in Yarra One and West Village as well as unrealised foreign exchange loss as opposed to unrealised foreign exchange gain reported in the previous corresponding financial period.

Revenue recorded by the Group's joint-ventures totalled RM1,955.82 million (2Q 2020: RM1,190.69 million), of which the Group's effective share (unconsolidated) amounted to RM1,436.23 million (2Q 2020: RM870.40 million).

Revenue for the Group for 2Q YTD 2021 was RM410.83 million. The revenue arose from West Village and Yarra One following completion and 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**

	<b>3 MONTHS ENDED</b>		<b>CHANGES</b>
	<b>30/04/2021</b>	<b>31/01/2021</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross profit	18,332	69,644	(51,312)
Share of results in joint ventures	28,893	53,089	(24,196)
Profit before interest and tax	33,246	91,774	(58,528)
Profit before tax	18,523	77,470	(58,947)
Profit for the period	11,952	56,597	(44,645)
Profit for the period attributable to owners of the Company	11,303	56,034	(44,731)

The Group's current quarter PBT was RM18.52 million, which was RM58.95 million lower than the PBT recorded in preceding quarter ended 31 January 2021 of RM77.47 million.

The lower profits recorded in the current quarter was mainly due to lower revenue and profit recognition from Yarra One due to the smaller number of units sold handed over to customers and lower share of results in joint ventures.



### B3. Sales Achieved and Prospects for the Next Financial Year

PROJECTS	LANDBANK	CUMULATIVE SALES		7 MONTHS ENDED 31/5/2021 <sup>(2)</sup>				Effective Future Revenue
	As at 31/5/2021 (Acres)	As at 31/10/2020 <sup>(1)</sup> (restated)	As at 31/5/2021 <sup>(2)</sup>	Units Sold <sup>(3)</sup>	Sales value RM'mil	Reserves as at 31/5/2021 RM'mil	Total Sales & Reserves RM'mil	RM'mil
London	50.7	11,809	13,580	144	715	237	952	1,503
Sydney	1.9	748	898	32	80	22	102	39
Melbourne	0.5	496	501	(23)	(42)	-	(42)	95
<b>Total</b>	<b>53.1</b>	<b>13,053</b>	<b>14,979</b>	<b>153</b>	<b>753</b>	<b>259</b>	<b>1,012</b>	<b>1,637</b>

*Notes:*

(1) Based on exchange rates of £1:RM5.3709 and A\$1:2.9219 as at 31 Oct 2020. Restated to exclude reserves from sales figures.

(2) Sales values based on exchange rates of £1:RM5.8512 and A\$1:3.1954 as at 31 May 2021.

(3) Refer to number of units exchanged only.

(4) Effective future revenue based on effective stake in joint ventures and subsidiaries as at 31 May 2021 and excludes reserved units.

The Group witnessed a recovery in local demand across the UK and Australia property markets in the second quarter of FY2021. Sales of EcoWorld London, the Group's joint venture that focuses on the outer zones of London, has seen a substantial increase in sales (from £9 million to £24 million) in the second quarter of FY2021 compared to the same quarter in FY2020. In Australia, the Group's West Village project has also seen a marked increase in sales (from A\$1 million to A\$15 million) over the same period. The reopening of economic sectors following mass vaccinations in the UK and the effective containment of the pandemic in Australia has boosted confidence among consumers and homebuyers. This is reflected in the improved sales performance which is also a clear indicator that the property markets are beginning to recover following the slump induced by Covid-19.

However, international borders remain closed for the vast majority of global populations. This continued to affect sales of projects that traditionally receive strong demand from overseas buyers. Sales performance of the Group's projects in inner London, developed through the EcoWorld-Ballymore joint venture, was relatively muted due to postponement of international marketing events. As regards Yarra One in Melbourne, the Group recorded net rescissions, mainly due to some foreign investors rescinding their sales contracts.

All in all, the Group recorded RM283 million<sup>2</sup> sales in the second quarter followed by a further RM117 million<sup>2</sup> in the month of May, bringing year-to-date value of sales contracts exchanged to RM753 million as at 31 May 2021. This, plus reserves of RM259 million, adds up to a total of RM1,012 million.

The Board is hopeful that the sales performance will improve in the coming quarters as rollout of vaccination programmes continue in many of the Group's global customer markets which will enable physical marketing activities to be carried out in international locations. The return of office workers should also lift demand for projects that are located close to major employment centres, such as London City Island and Wardian London, which are near Canary Wharf. Similarly, Yarra One, which is just 5km away from Melbourne CBD should also experience an uplift in demand as economic activities resume with greater strength. Improving Covid-19 situations in these and other key markets will also allow the Group to launch more marketing events to capture the seasonally stronger demand during summer months in the northern hemisphere.

With regards to construction, resources at sites have improved significantly in the second quarter and the number of personnel working on site has recovered to planned levels. This has enabled the Group to remain on track to hand over the Build-to-rent (BtR) developments in Barking Wharf and Kew Bridge, as well as apartment units in Millbrook Park Phase 2 and Embassy Gardens Block A03 in the current financial year.

On the corporate front, the Board is pleased to announce that the Group has achieved the first repatriation of profits from its EcoWorld-Ballymore joint venture in April 2021. Accordingly, and consistent with its stated intention to reward shareholders for their investment in the Company, the Board has declared a special dividend of 5 sen per share for the second quarter of FY2021.

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

There was no profit forecast published as at 30 April 2021.

**B5. Taxation**

Taxation comprises:

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2021	30/04/2020	30/04/2021	30/04/2020
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter/period	450	-	450	-
Foreign tax				
- current quarter/period	8,118	399	13,866	1,143
Deferred tax				
Foreign tax				
- current quarter/period	(1,997)	(616)	13,140	(933)
- in respect of prior years	-	-	(12)	(12)
	<u>6,571</u>	<u>(217)</u>	<u>27,444</u>	<u>198</u>

The Group's effective Malaysian 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. 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 for the proposed acquisitions of the remaining two Stage 2 sites namely Tulse Hill and Ealing under of the joint venture with Be Living Holdings Limited which are pending fulfilment of conditions precedent, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 22 June 2021.

## B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 30 April 2021 were as follows:

	As at 30/04/2021			As at 31/10/2020
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000
Short term borrowings				
- Term loan	Secured	AUD	-	-
- Revolving credit	Unsecured	GBP	-	-
- Medium term notes	Unsecured	RM	-	349,714
				349,714
Long term borrowings				
- Term loan	Unsecured	GBP	2,140	12,195
- Revolving credit	Unsecured	GBP	6,200	33,639
- Medium term notes	Unsecured	RM	-	448,662
				494,496
Total borrowings				
- Term loan	Secured	AUD	-	-
- Term loan	Unsecured	GBP	2,140	12,195
- Revolving credit	Unsecured	GBP	6,200	33,639
- Medium term notes	Unsecured	RM	-	798,376
				844,210
				1,228,359

As at 30 April 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 and GBP.

## B8. Material Litigation

The Group was not engaged in any material litigation as at 22 June 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 a special dividend in respect of the financial period ended 30 April 2021:

Amount per share	: 5.0 sen single tier dividend
Entitlement to dividends based on record of depositors as at	: 9 July 2021
Date payable	: 23 July 2021

This will be in addition to the first interim dividend of 1 sen per ordinary share which was paid to shareholders on 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:

	<b>3 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>30/04/2021</b>	<b>30/04/2020</b>	<b>30/04/2021</b>	<b>30/04/2020</b>
Profit for the period attributable to owners of the Company (RM'000)	11,303	20,063	67,337	25,253
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic Earnings Per Ordinary Share (sen)	0.47	0.84	2.81	1.05

## (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.

	<b>3 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>30/04/2021</b>	<b>30/04/2020</b>	<b>30/04/2021</b>	<b>30/04/2020</b>
Profit for the period attributable to owners of the Company (RM'000)	11,303	20,063	67,337	25,253
Weighted average number of ordinary shares for Basic Earnings 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 Per Ordinary Share (sen)	0.47	0.84	2.81	1.05

*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):

	<b>3 MONTHS ENDED 30/04/2021 RM'000</b>	<b>6 MONTHS ENDED 30/04/2021 RM'000</b>
Interest income	1,643	6,827
Interest expense	(14,723)	(29,027)
Depreciation and amortisation	(556)	(1,177)
Foreign exchange (loss)/gain		
- realised	3,675	3,669
- unrealised	1,694	(4,803)
Hedge of net investment		
reclassified to profit or loss	(18,251)	(18,251)
Impairment of goodwill	(356)	(9,670)

By order of the Board  
Tan Ai Ning  
Company Secretary  
24 June 2021