

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

**Interim Financial Report**  
**30 April 2022**

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**Interim Financial Report - 30 April 2022**

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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 30 APRIL 2022**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2022</b>	<b>30 APRIL 2021</b>	<b>30 APRIL 2022</b>	<b>30 APRIL 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	33,077	107,556	82,321	410,832
Direct expenses	(27,359)	(89,224)	(67,550)	(322,856)
<b>Gross profit</b>	<u>5,718</u>	<u>18,332</u>	<u>14,771</u>	<u>87,976</u>
Other income	1,398	14,539	3,788	22,539
Marketing expenses	(1,152)	(5,180)	(2,911)	(17,578)
Administrative and general expenses	(11,037)	(25,032)	(19,950)	(45,096)
Impairment loss on investment in a joint venture	(36,162)	-	(36,162)	-
Unrealised gain/(loss) on foreign exchange	6,822	1,694	8,641	(4,803)
Finance costs	(10,730)	(14,723)	(22,075)	(29,027)
Share of results in joint ventures	(21,385)	28,893	(25,368)	81,982
<b>(Loss)/Profit before tax</b>	<u>(66,528)</u>	<u>18,523</u>	<u>(79,266)</u>	<u>95,993</u>
Taxation	(596)	(6,571)	(2,127)	(27,444)
(Loss)/Profit for the period	<u>(67,124)</u>	<u>11,952</u>	<u>(81,393)</u>	<u>68,549</u>
<b>Other comprehensive (loss)/income, net of tax</b>				
<i>Items that may be reclassified to profit or loss subsequently:</i>				
Hedge of net investment	(528)	9,196	130	(4,602)
Exchange differences on translation of foreign operations	(74,495)	99,229	(132,894)	228,890
<b>Total comprehensive (loss)/income for the period</b>	<u>(142,147)</u>	<u>120,377</u>	<u>(214,157)</u>	<u>292,837</u>
<b>(Loss)/Profit for the period attributable to:</b>				
Owners of the Company	(67,351)	11,303	(82,011)	67,337
Non-controlling interests	227	649	618	1,212
	<u>(67,124)</u>	<u>11,952</u>	<u>(81,393)</u>	<u>68,549</u>
<b>Total comprehensive (loss)/income for period attributable to:</b>				
Owners of the Company	(142,305)	119,582	(214,677)	291,236
Non-controlling interests	158	795	520	1,601
	<u>(142,147)</u>	<u>120,377</u>	<u>(214,157)</u>	<u>292,837</u>
<b>(Loss)/Earnings per share attributable to owners of the Company:</b>				
Basic (loss)/earnings per share (sen)	<u>(2.81)</u>	<u>0.47</u>	<u>(3.42)</u>	<u>2.81</u>
Diluted (loss)/earnings per share (sen)	<u>(2.81)</u>	<u>0.47</u>	<u>(3.42)</u>	<u>2.81</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes)

**ECO WORLD INTERNATIONAL BERHAD**  
**(Registration No: 201301030020 (1059850-A))**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2022**

*(The figures have not been audited)*

	As At 30 APRIL 2022 RM'000	As At 31 OCTOBER 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,996	2,290
Right-of-use assets	1,965	2,418
Goodwill	425	695
Investment in joint ventures	382,070	464,122
Inventories - land held for development	145,122	143,995
Amounts owing by joint ventures	1,410,621	1,394,946
	<u>1,942,199</u>	<u>2,008,466</u>
<b>Current assets</b>		
Inventories - property development costs	180,656	250,375
Amounts owing by joint ventures	1,088,725	1,137,390
Trade and other receivables	16,808	4,721
Contract costs	1,493	2,038
Current tax assets	806	9,164
Cash, bank balances and deposits	184,360	336,115
	<u>1,472,848</u>	<u>1,739,803</u>
<b>TOTAL ASSETS</b>	<u>3,415,047</u>	<u>3,748,269</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,592,454	2,592,451
Warrant reserve	-	276,418
Hedging reserve	(1,186)	(1,316)
Exchange translation reserve	1,396	134,192
Retained earnings/(Accumulated losses)	7,960	(186,447)
<b>Equity attributable to owners of the Company</b>	<u>2,600,624</u>	<u>2,815,298</u>
Non-controlling interests	2,496	1,976
<b>Total equity</b>	<u>2,603,120</u>	<u>2,817,274</u>
<b>Non-current liabilities</b>		
Borrowings	355,298	761,904
Lease liabilities	1,249	1,822
Deferred tax liabilities	2,445	3,855
Derivative financial liabilities	1,193	1,387
	<u>360,185</u>	<u>768,968</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2022 (continued)**  
*(The figures have not been audited)*

	<b>As At</b>	<b>As At</b>
	<b>30 APRIL 2022</b>	<b>31 OCTOBER 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current liabilities</b>		
Trade and other payables	27,628	17,080
Contract liabilities	91	1,389
Borrowings	419,774	138,634
Lease liabilities	1,051	919
Current tax liabilities	3,198	4,005
	451,742	162,027
<b>Total liabilities</b>	811,927	930,995
<b>TOTAL EQUITY AND LIABILITIES</b>	3,415,047	3,748,269
<b>Net assets per share attributable to owners of the Company (RM)</b>	1.08	1.17

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2021 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 2022**  
*(The figures have not been audited)*

	←————— <i>Attributable to owners of the Company</i> —————→							
	←————— <i>Non-distributable</i> —————→							
	Share capital RM'000	Warrant reserve RM'000	Hedging reserve RM'000	Exchange translation reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>At 1 November 2021</b>	2,592,451	276,418	(1,316)	134,192	(186,447)	2,815,298	1,976	2,817,274
Other comprehensive (loss)/income for the period:								
- Hedge of net investment	-	-	130	-	-	130	-	130
- Exchange differences on translation of foreign operations	-	-	-	(132,796)	-	(132,796)	(98)	(132,894)
Loss for the period	-	-	-	-	(82,011)	(82,011)	618	(81,393)
Total comprehensive (loss)/income for the period	-	-	130	(132,796)	(82,011)	(214,677)	520	(214,157)
Transfer of reserves upon expiry of Warrants	-	(276,418)	-	-	276,418	-	-	-
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares pursuant to exercise of warrants	3	-	-	-	-	3	-	3
<b>At 30 APRIL 2022</b>	<b>2,592,454</b>	<b>-</b>	<b>(1,186)</b>	<b>1,396</b>	<b>7,960</b>	<b>2,600,624</b>	<b>2,496</b>	<b>2,603,120</b>
<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 (loss)/income 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 (loss)/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>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 APRIL 2022**

*(The figures have not been audited)*

	<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2022</b>	<b>30 APRIL 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(79,266)	95,993
Adjustments for:		
Non-cash items	53,893	(47,841)
Non-operating items	20,281	22,200
Operating (loss)/profit before working capital changes	<u>(5,092)</u>	<u>70,352</u>
Changes in inventories	65,325	315,431
Changes in receivables and other current assets	(1,214)	47,944
Changes in payables and other current liabilities	(80)	4,180
Changes in contract liabilities	(1,297)	(42,195)
Changes in derivatives	-	(5,536)
Cash generated from operations	<u>57,642</u>	<u>390,176</u>
Interest received	142	5,929
Tax paid	(4,613)	(22,512)
Tax refund	8,585	-
<b>Net cash generated from operating activities</b>	<u><u>61,756</u></u>	<u><u>373,593</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(19)	(588)
Proceeds from disposal of plant and equipment	2	2
Advances to joint ventures	(77,001)	(53,065)
Placement of deposits, debt service reserve and interest service reserve accounts	(207)	(62,631)
Dividend received from joint venture	-	299,297
Interest received	1,651	981
<b>Net cash (used in)/generated from investing activities</b>	<u><u>(75,574)</u></u>	<u><u>183,996</u></u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	34,347	53,637
Repayment of borrowings	(147,777)	(466,455)
Proceeds from issuance of ordinary shares	3	-
Dividend paid to owners of the Company	-	(24,000)
Dividend paid to non-controlling interests of a subsidiary	-	(6,578)
Repayment of lease liabilities	(441)	(426)
Interest paid in relation to lease liabilities	(64)	(94)
Interest paid	(22,148)	(32,723)
<b>Net cash used in financing activities</b>	<u><u>(136,080)</u></u>	<u><u>(476,639)</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 APRIL 2022 (continued)**  
*(The figures have not been audited)*

	<b>6 MONTHS ENDED</b>	
	<b>30 APRIL 2022</b>	<b>30 APRIL 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net changes in cash and cash equivalents</b>	(149,898)	80,950
<b>Cash and cash equivalents at 1 November 2021/ 2020</b>	317,355	269,975
<b>Effect of exchange rate changes</b>	(2,063)	21,928
<b>Cash and cash equivalents at 30 April 2022/ 2021</b>	165,394	372,853
 <b>Cash and cash equivalents comprise the following:</b>		
Deposits	163,179	222,050
Cash and bank balances	21,181	227,473
	184,360	449,523
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(18,966)	(76,670)
	165,394	372,853

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2021 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 2021.

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 2021, 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 2021:

Amendments to MFRS 9	Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2
Amendment to MFRS 16	Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations does 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 2022 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 financial period ended 30 April 2022.

**A4. Changes in Estimates**

There were no material changes in estimates during the financial period ended 30 April 2022.

**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 2022, except for the issuance of 1,780 new ordinary shares pursuant to the conversion of warrants.

**A6. Dividends Paid**

There was no payment of dividend during the financial period ended 30 April 2022.

**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 30 April 2022 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	-	82,077	739	(495)	82,321
Inter-segment revenue	-	-	81	(81)	-
Total revenue	-	82,077	820	(576)	82,321
Segment results	(31,230)	6,223	(18,503)	-	(43,510)
Share of results in joint ventures	(25,368)	-	-	-	(25,368)
Depreciation	(141)	(83)	(518)	-	(742)
Unrealised gain on foreign exchange	-	-	8,641	-	8,641
Other income	-	231	1,763	-	1,994
Finance income	10	72	1,712	-	1,794
Finance costs	-	(2,060)	(20,015)	-	(22,075)
(Loss)/Profit before tax	(56,729)	4,383	(26,920)	-	(79,266)
Taxation	(553)	(1,574)	-	-	(2,127)
(Loss)/Profit for the period	(57,282)	2,809	(26,920)	-	(81,393)
<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>5.5779</i>	<i>3.0416</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	2,904,536	339,674	170,837	-	3,415,047
Segment liabilities	16,758	93,202	701,967	-	811,927
<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>5.4610</i>	<i>3.1087</i>	<i>1.0000</i>		

Note:

<sup>(1)</sup> Average rates for the financial period ended 30 April 2022.

<sup>(2)</sup> Closing rates as at 30 April 2022.

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

There were no significant events after 30 April 2022 until 14 June 2022, 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 30 April 2022 except as follows:
- (i) incorporation of Eco World-Ballymore Asset Management 2 Limited on 24 February 2022 as wholly-owned subsidiary of Eco World-Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company 2 Limited became an indirect 75% owned joint venture company of the Group; and
  - (ii) incorporation of Eco World-Ballymore Asset Management 3 Limited on 24 February 2022 as wholly-owned subsidiary of Eco World-Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company 3 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 May 2022 until 14 June 2022, 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 2022 are as follows:

	<b>Notional Amount RM'000</b>	<b>Fair Value Assets/ (Liabilities) RM'000</b>
Cross currency swaps		
- Between 1 to 5 years	10,935	(1,193)
	<u>10,935</u>	<u>(1,193)</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  
30/04/2022  
RM'000**

Approved and contracted for:

-	Commitment to fund joint ventures	
	(i) Eco World-Ballymore Holding Company Limited (“EW-Ballymore”) by way of share subscription and shareholder’s loans ( <i>Note a</i> )	161,360
	(ii) EcoWorld London by way of shareholder’s loan ( <i>Note b</i> )	-
	(iii) EcoWorld London DMCo by way of shareholder’s loan ( <i>Note b</i> )	1,797
		1,797

*Note a*

The Group and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event of (i) an emergency giving rise to public liability of the EW-Ballymore Holding / its shareholders; (ii) damage or lack of repair to any of the joint venture projects which will cause a material diminution in value of the property; or (iii) an acceleration of or a default under any finance documents entered into by or on behalf of EW-Ballymore Holding. The Group and the other joint venture partner could agree to provide the additional funding in the ratio of 75:25 based on their current proportion of the existing equity interests in EW-Ballymore Holding. The likelihood for additional funding is low considering that construction of the joint venture projects are nearing completion and the development facility obtained by EW-Ballymore Holding has been repaid in full as at 30 April 2022.

*Note b*

The Group and the other joint venture partner are jointly committed to provide funding into EcoWorld London and/or EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies and/or EcoWorld London DMCo under any 3<sup>rd</sup> party finance agreement. Any funding provided 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.

During the previous quarter, the approved and contracted funding to Eco World London had been fully utilised. Whilst the joint venture partner is unable to increase its funding to into EcoWorld London, the Group continues to make additional contribution to the joint venture (“Additional Funding”) to meet the funding requirements of the joint venture.

In the event of a non-compliance under the shareholders’ agreement, the compliant shareholder has an option to acquire all or a portion of the shares held by the non-compliant shareholder in EcoWorld London group of companies or EcoWorld London DMCo, as the case may be, at a discounted or a nominal price.

**A12. Significant Related Party Transactions**

	<b>6 MONTHS ENDED 30/04/2022 RM'000</b>
(i) Transactions with joint ventures	
- Advances to joint ventures	145,236
- Repayment of advances by joint ventures	(68,208)
- Sales commission received/receivable from joint ventures	740
(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	304
- Support service fees paid or payable	74
- 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	504
(iv) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	456

## 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		
	30/04/2022 RM'000	30/04/2021 RM'000	CHANGES RM'000	30/04/2022 RM'000	30/04/2021 RM'000	CHANGES RM'000
Gross profit	5,718	18,332	(12,614)	14,771	87,976	(73,205)
Share of results in joint ventures	(21,385)	28,893	(50,278)	(25,368)	81,982	(107,350)
(Loss)/Profit before interest and tax	(55,798)	33,246	(89,044)	(57,191)	125,020	(182,211)
(Loss)/ Profit before tax	(66,528)	18,523	(85,051)	(79,266)	95,993	(175,259)
(Loss)/ Profit for the period	(67,124)	11,952	(79,076)	(81,393)	68,549	(149,942)
(Loss)/Profit for the period attributable to owners of the Company	(67,351)	11,303	(78,654)	(82,011)	67,337	(149,348)

#### (a) 2Q 2022 vs. 2Q 2021

The Group's revenue comprises the property sales proceeds from its projects in Australia, namely West Village and Yarra One, and the fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the UK. The Group recorded a lower revenue in 2Q 2022 of RM33.08 million as compared to 2Q 2021 of RM107.56 million mainly due to lesser number of units sold being handed over to customers as majority of units were handed over in the last financial year. This had led to a lower gross profit recorded during the quarter of RM5.72 million.

Revenue recorded by the Group's joint-ventures totalled RM604.42 million (2Q 2021: RM 952.49 million), of which the Group's effective share (unconsolidated) amounted to RM418.18 million (2Q 2021: RM 700.56 million). Lower revenue during the quarter was a result of fewer handovers especially in Wardian coupled with lower progressive revenue recognised from EW London's Built-to-Rent projects as the projects approached completion.

The Group recorded a loss before tax ("LBT") of RM66.53 million during the quarter as compared to profit before tax ("PBT") of RM18.52 million reported for 2Q 2021, mainly due to the following:

- Lower profit contribution from projects in Australia in line with lower revenue, as mentioned above;
- Group's share of losses in joint ventures in 2Q 2022 following the revision of profit margins on EW-Ballymore projects and higher inventory holding costs as a result of the longer period of time taken for sales realisation.

Along with fewer handovers and lower progressive profit recognised from EW London's Built-to-Rent projects, this has resulted in the share of losses in joint ventures during the quarter as compared to a share of profits in joint ventures recorded in the previous corresponding quarter;

- Following the above revision of project profit margins and longer period of time expected to realise sales proceeds, an impairment on investment in EW-Ballymore amounting to RM36.16 million was recognised during the quarter.

**B1. Review of Group Performance (continued)****(b) 2Q YTD 2022 vs. 2Q YTD 2021**

Revenue for the Group for 2Q YTD 2022 of RM82.32 million was RM328.51 million lower than the corresponding period of RM410.83 million following lesser handover of the remaining units in West Village and Yarra One sold to customers in the current period as compared to when Yarra One commenced handover in December 2020.

Revenue recorded by the Group's joint-ventures totalled RM991.98 million (2Q 2021: RM 1,955.82 million), of which the Group's effective share (unconsolidated) amounted to RM697.30 million (2Q 2021: RM1,436.23 million).

The Group recorded a LBT of RM79.27 million in the current financial period, as compared to PBT of RM95.99 million reported for 2Q YTD 2021.

The LBT reported in the current financial period, was mainly due to a combination of factors, including the share of losses in joint ventures in the current financial period as opposed to share of profits in joint ventures in the previous corresponding financial period, lower revenue and profit contribution from Yarra One and West Village, impairment of investment in EW-Ballymore and lower other income. The reduction was partly compensated by the following:

- Lower marketing expenses in tandem with lower completion and handover of units in Yarra One and West Village;
- Lower finance costs as a result of lower outstanding loans;
- Unrealised foreign exchange gain as opposed to unrealised foreign exchange loss on retranslation of foreign currency loans as the British Pound ("GBP") weakened against Ringgit Malaysia ("RM");
- Non-recurring loss on hedging of net investment reported in the previous corresponding financial period; and
- Full impairment of goodwill in relation to the investment in EW-Ballymore having been charged out in the previous corresponding financial period.

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

	<b>3 MONTHS ENDED</b>		
	<b>30/04/2022</b>	<b>31/01/2022</b>	<b>CHANGES</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross profit	5,718	9,053	(3,335)
Share of results in joint ventures	(21,385)	(3,983)	(17,402)
Loss before interest and tax	(55,798)	(1,393)	(54,405)
Loss before tax	(66,528)	(12,738)	(53,790)
Loss for the period	(67,124)	(14,269)	(52,855)
Loss for the period attributable to owners of the Company	(67,351)	(14,660)	(52,691)

The Group's current quarter LBT of RM66.53 million, was RM53.79 million higher than the LBT recorded in preceding quarter ended 31 January 2022 of RM12.74 million.

The higher LBT recorded in the current quarter was primarily due to the impairment of investment in EW-Ballymore, higher share of losses in joint ventures and lower contributions from West Village and Yarra One as explained above.



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

PROJECTS	LANDBANK	CUMULATIVE SALES	7 MONTHS ENDED 31/5/2022 <sup>(1)</sup>		Effective Future Revenue <sup>(3)</sup>
	As at 31/5/2022 (Acres)	As at 31/5/2022 RM'mil	Units Sold <sup>(2)</sup>	Sales value RM'mil	RM'mil
London	50.7	14,405	207	1,019	1,091
Sydney	1.9	961	9	32	7
Melbourne	0.5	604	29	91	39
<b>Total<sup>4</sup></b>	<b>53.1</b>	<b>15,969</b>	<b>245</b>	<b>1,142</b>	<b>1,137</b>

*Notes:*

(1) Sales values based on exchange rates of £1:RM5.5253 and A\$1:3.1497 as at 31 May 2022

(2) Refer to number of units exchanged only.

(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at 31 May 2022

(4) Total may not add up because of rounding

EcoWorld International is on track to achieve its sales target of RM2 billion for FY2022. The Group has locked-in RM1.142 billion sales based on contracts exchanged in the first seven months of FY2022 with a reservation pipeline of RM391 million as at 31 May 2022. Total sales plus reserves adds up to RM1.533 billion which is 52% more than RM1.012 billion recorded in the same period of FY2021.

Embassy Gardens and London City Island were the biggest contributors to sales on the back of a relatively low supply of well-located completed units and improving domestic demand in London. Sales plus reserves as at 31 May 2022 for Embassy Gardens amounted to RM549 million while London City Island recorded RM304 million.

The Group's strategic direction since 4Q 2021 has been as follows:

- to focus on monetisation of completed stocks at the EW-Ballymore projects and Australia – this is with the aim of building up sizeable cash reserves, a portion of which will be earmarked for reinvestment, with the balance to be repatriated from the United Kingdom and Australia for a planned distribution to shareholders within the next 1-2 years; and
- to selectively evaluate new opportunities for growth with a view towards eventually reinvesting the cash reserves that the Group will be setting aside for this purpose from the sales of its current projects as mentioned above.

Whilst the Board's current posture to be selective in land acquisition may limit its near-term earnings pipeline, a continued prudent and conservative stance is necessary for the times in view of increasing macroeconomic uncertainties. These include escalating inflation and rising interest rates that have had a dampening effect on property buying sentiment, compounded by geo-political tensions caused by the ongoing conflict between Russia and Ukraine with the possibility of new threats emerging that may alter market conditions in the near to medium term.

In the meantime, as regards its existing portfolio, EcoWorld International is relatively well-insulated from the above concerns. With most of the Group's active projects either completed or close to completion, this provides a shield against escalation in construction costs.

Amid these challenges, the Board is also pleased to share that EW-Ballymore has fully paid down its bank loans in April 2022 and was able to commence its maiden repayment of shareholder loans to EcoWorld International in May 2022. EW-Ballymore currently has about £400 million worth of completed properties which are readily monetisable for further distributions to EcoWorld International.

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

Given the present market conditions and that EW-Ballymore projects are at the tail-end of completion, the Board has taken a prudent stand to recognise an impairment of RM36 million on its investment in the EW-Ballymore portfolio based on current estimated selling prices for the remaining completed stock. The Group will continue to strive to accelerate sales with a view towards generating improved overall returns for shareholders.

As regards project updates, EcoWorld London has commenced the handover of Millbrook Park Phase 2 in the second quarter of FY2022. Construction of Kew Bridge Verdo has also progressed to the final stage with handover expected to commence in the fourth quarter of FY2022. The sales proceeds arising from these handovers will be the key source of funding for EcoWorld London's future launches, namely Woking and future phases of Oxbow and Kew Bridge.

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

There was no profit forecast published as at 30 April 2022.

**B5. Taxation**

Taxation comprises:

	<b>3 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>30/04/2022</b>	<b>30/04/2021</b>	<b>30/04/2022</b>	<b>30/04/2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax				
Malaysian tax				
- current quarter/period	-	450	-	450
Foreign tax				
- current quarter/period	1,077	8,118	3,484	13,866
Deferred tax				
Foreign tax				
- current quarter/period	(481)	(1,997)	(1,357)	13,140
- in respect of prior years	-	-	-	(12)
	<u>596</u>	<u>6,571</u>	<u>2,127</u>	<u>27,444</u>

The effective tax rate of Malaysia operations 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, expenditures which relate to the derivation of non-taxable income by the Group have been treated as permanent losses for tax purposes. The effective foreign tax rates 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**

The Company will no longer be pursuing Ealing due to failure in obtaining desired planning consent. Save for the proposed acquisition of the remaining one Stage 2 site namely Tulse Hill under of the joint venture with Be Living Holdings Limited which is pending fulfilment of conditions precedent, there is no other corporate proposal that has been announced by the Company which is not yet completed as at 14 June 2022.

## B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 30 April 2022 were as follows:

	As at 30/04/2022			As at 31/10/2021
	Secured/ Unsecured	Foreign Currency	'000	RM Equivalent '000
Short term borrowings				
- Term loan	Unsecured	GBP	15,000	81,318
- Revolving credit	Unsecured	GBP	29,070	158,751
- Medium term notes	Unsecured	RM	-	179,705
				419,774
				138,634
Long term borrowings				
- Term loan	Secured	AUD	27,573	85,716
- Term loan	Unsecured	GBP	-	-
- Revolving credit	Unsecured	GBP	-	-
- Medium term notes	Unsecured	RM	-	269,582
				355,298
				761,904
Total borrowings				
- Term loan	Secured	AUD	27,573	85,716
- Term loan	Unsecured	GBP	15,000	81,318
- Revolving credit	Unsecured	GBP	29,070	158,751
- Medium term notes	Unsecured	RM	-	449,287
				775,072
				900,538

As at 30 April 2022, the Group's medium term notes, revolving credit 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 14 June 2022, 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 financial period ended 30 April 2022.

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

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

Basic (loss)/earnings per share have been calculated by dividing the Group's (loss)/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		6 MONTHS ENDED	
	30/04/2022	30/04/2021	30/04/2022	30/04/2021
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	<u>(67,351)</u>	<u>11,303</u>	<u>(82,011)</u>	<u>67,337</u>
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic (Loss)/Earnings Per Ordinary Share (sen)	<u>(2.81)</u>	<u>0.47</u>	<u>(3.42)</u>	<u>2.81</u>

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

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2022	30/04/2021	30/04/2022	30/04/2021
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	<u>(67,351)</u>	<u>11,303</u>	<u>(82,011)</u>	<u>67,337</u>
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)	<u>Nil @</u>	<u>#</u>	<u>Nil @</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>
Diluted (Loss)/Earnings Per Ordinary Share (sen)	<u>(2.81)</u>	<u>0.47</u>	<u>(3.42)</u>	<u>2.81</u>

*Notes:*

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

@ *Up to the end of exercise period of the Warrants on 4 April 2022, only 1,780 Warrants out of the total Warrants of 960,000,000 were converted to 1,780 Ordinary Shares. The 959,998,220 Warrants not exercised were delisted from the Official List of Bursa Malaysia Securities Berhad on 5 April 2022*

**B11. Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the year ended 31 October 2021 were unqualified.

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

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

	<b>3 MONTHS ENDED 30/04/2022 RM'000</b>	<b>6 MONTHS ENDED 30/04/2022 RM'000</b>
Interest income	841	1,794
Interest expense	(10,730)	(22,075)
Depreciation and amortisation	(371)	(742)
Foreign exchange gain		
- realised	271	1,442
- unrealised	6,822	8,641
Impairment of goodwill	(107)	(261)
Impairment loss on investment in a joint venture	(36,162)	(36,162)

By order of the Board  
Tan Ai Ning  
Company Secretary  
15 June 2022