

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

**Interim Financial Report**  
**31 July 2022**

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**Interim Financial Report - 31 July 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 31 JULY 2022**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>31 JULY 2022</b>	<b>31 JULY 2021</b>	<b>31 JULY 2022</b>	<b>31 JULY 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	34,498	127,134	116,819	537,966
Direct expenses	(26,803)	(99,688)	(94,353)	(422,544)
<b>Gross profit</b>	<u>7,695</u>	<u>27,446</u>	<u>22,466</u>	<u>115,422</u>
Other income	4,261	3,395	8,049	25,934
Marketing expenses	(1,275)	(3,235)	(4,186)	(20,813)
Administrative and general expenses	(8,905)	(12,336)	(28,855)	(57,432)
Impairment loss on investment in a joint venture	-	-	(36,162)	-
Unrealised loss on foreign exchange	(8,944)	(5,634)	(303)	(10,437)
Finance costs	(11,330)	(14,717)	(33,405)	(43,744)
Share of results in joint ventures	(36,951)	15,413	(62,319)	97,395
<b>(Loss)/Profit before tax</b>	<u>(55,449)</u>	<u>10,332</u>	<u>(134,715)</u>	<u>106,325</u>
Taxation	(991)	(7,340)	(3,118)	(34,784)
<b>(Loss)/Profit for the period</b>	<u>(56,440)</u>	<u>2,992</u>	<u>(137,833)</u>	<u>71,541</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	(4)	3,563	126	(1,039)
Exchange differences on translation of foreign operations	(15,530)	92,603	(148,424)	321,493
<b>Total comprehensive (loss)/income for the period</b>	<u>(71,974)</u>	<u>99,158</u>	<u>(286,131)</u>	<u>391,995</u>
<b>(Loss)/Profit for the period attributable to:</b>				
Owners of the Company	(56,678)	2,489	(138,689)	69,826
Non-controlling interests	238	503	856	1,715
	<u>(56,440)</u>	<u>2,992</u>	<u>(137,833)</u>	<u>71,541</u>
<b>Total comprehensive (loss)/income for period attributable to:</b>				
Owners of the Company	(72,193)	98,504	(286,870)	389,740
Non-controlling interests	219	654	739	2,255
	<u>(71,974)</u>	<u>99,158</u>	<u>(286,131)</u>	<u>391,995</u>
<b>(Loss)/Earnings per share attributable to owners of the Company:</b>				
Basic (loss)/earnings per share (sen)	<u>(2.36)</u>	<u>0.10</u>	<u>(5.78)</u>	<u>2.91</u>
Diluted (loss)/earnings per share (sen)	<u>(2.36)</u>	<u>0.10</u>	<u>(5.78)</u>	<u>2.91</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 31 JULY 2022**

*(The figures have not been audited)*

	As At 31 JULY 2022 RM'000	As At 31 OCTOBER 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,858	2,290
Right-of-use assets	1,738	2,418
Goodwill	378	695
Investment in joint ventures	341,928	464,122
Inventories - land held for development	145,754	143,995
Amounts owing by joint ventures	1,500,221	1,394,946
Deferred tax assets	105	-
	<u>1,991,982</u>	<u>2,008,466</u>
<b>Current assets</b>		
Inventories - property development costs	154,209	250,375
Amounts owing by joint ventures	574,043	1,137,390
Trade and other receivables	17,622	4,721
Contract costs	1,341	2,038
Current tax assets	1,328	9,164
Cash, bank balances and deposits	336,884	336,115
	<u>1,085,427</u>	<u>1,739,803</u>
<b>TOTAL ASSETS</b>	<u>3,077,409</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	(1,190)	(1,316)
Exchange translation reserve	(14,115)	134,192
Accumulated losses	(48,718)	(186,447)
<b>Equity attributable to owners of the Company</b>	<u>2,528,431</u>	<u>2,815,298</u>
Non-controlling interests	1,357	1,976
<b>Total equity</b>	<u>2,529,788</u>	<u>2,817,274</u>
<b>Non-current liabilities</b>		
Borrowings	61,676	761,904
Lease liabilities	1,018	1,822
Deferred tax liabilities	1,831	3,855
Derivative financial liabilities	-	1,387
	<u>64,525</u>	<u>768,968</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2022 (continued)**  
*(The figures have not been audited)*

	As At 31 JULY 2022 RM'000	As At 31 OCTOBER 2021 RM'000
<b>Current liabilities</b>		
Trade and other payables	26,995	17,080
Contract liabilities	92	1,389
Borrowings	449,078	138,634
Lease liabilities	1,051	919
Derivative financial liabilities	1,190	-
Current tax liabilities	4,690	4,005
	<u>483,096</u>	<u>162,027</u>
<b>Total liabilities</b>	<u>547,621</u>	<u>930,995</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,077,409</u>	<u>3,748,269</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>1.05</u>	<u>1.17</u>

(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**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JULY 2022**  
*(The figures have not been audited)*

	←----- Attributable to owners of the Company -----→						-----→	
	←----- Non-distributable -----→							
	Share capital RM'000	Warrant reserve RM'000	Hedging reserve RM'000	Exchange translation reserve RM'000	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	-	-	126	-	-	126	-	126
- Exchange differences on translation of foreign operations	-	-	-	(148,307)	-	(148,307)	(117)	(148,424)
Loss for the period	-	-	-	-	(138,689)	(138,689)	856	(137,833)
Total comprehensive (loss)/income for the period	-	-	126	(148,307)	(138,689)	(286,870)	739	(286,131)
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
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,358)	(1,358)
<b>At 31 JULY 2022</b>	<b>2,592,454</b>	<b>-</b>	<b>(1,190)</b>	<b>(14,115)</b>	<b>(48,718)</b>	<b>2,528,431</b>	<b>1,357</b>	<b>2,529,788</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	-	-	(1,039)	-	-	(1,039)	-	(1,039)
- Exchange differences on translation of foreign operations	-	-	-	320,953	-	320,953	540	321,493
Profit for the period	-	-	-	-	69,826	69,826	1,715	71,541
Total comprehensive (loss)/income for the period	-	-	(1,039)	320,953	69,826	389,740	2,255	391,995
<i>Transactions with owners of the Company:</i>								
Dividend declared to owners of the Company	-	-	-	-	(144,000)	(144,000)	-	(144,000)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(6,578)	(6,578)
<b>At 30 JULY 2021</b>	<b>2,592,451</b>	<b>276,418</b>	<b>(1,368)</b>	<b>247,502</b>	<b>(130,191)</b>	<b>2,984,812</b>	<b>4,751</b>	<b>2,989,563</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 31 JULY 2022**

*(The figures have not been audited)*

	<b>9 MONTHS ENDED</b>	
	<b>31 JULY 2022</b>	<b>31 JULY 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(134,715)	106,325
Adjustments for:		
Non-cash items	100,205	(53,343)
Non-operating items	30,753	35,705
Operating (loss)/profit before working capital changes	<u>(3,757)</u>	<u>88,687</u>
Changes in inventories	91,538	412,985
Changes in receivables and other current assets	4,786	50,975
Changes in payables and other current liabilities	1,007	(10,779)
Changes in contract liabilities	(1,297)	(47,298)
Changes in derivatives	-	(22,043)
Cash generated from operations	<u>92,277</u>	<u>472,527</u>
Interest received	194	6,091
Tax paid	(5,361)	(27,149)
Tax refund	8,585	-
<b>Net cash generated from operating activities</b>	<u><u>95,695</u></u>	<u><u>451,469</u></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(25)	(599)
Proceeds from disposal of plant and equipment	2	2
Repayment from/(Advances to) joint ventures	328,546	(129,804)
Withdrawal/(Placement) of deposits, debt service reserve and interest service reserve accounts	6,363	(234,921)
Dividend received from joint venture	-	299,297
Interest received	2,458	2,048
<b>Net cash generated from/(used in) investing activities</b>	<u><u>337,344</u></u>	<u><u>(63,977)</u></u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	272,446	271,866
Repayment of borrowings	(663,350)	(466,455)
Proceeds from issuance of ordinary shares	3	-
Dividend paid to owners of the Company	-	(144,000)
Dividend paid to non-controlling interests of a subsidiary	(1,358)	(6,578)
Repayment of lease liabilities	(672)	(626)
Interest paid in relation to lease liabilities	(92)	(133)
Interest paid	(34,043)	(42,032)
<b>Net cash used in financing activities</b>	<u><u>(427,066)</u></u>	<u><u>(387,958)</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 JULY 2022 (continued)**

*(The figures have not been audited)*

	<b>9 MONTHS ENDED</b>	
	<b>31 JULY 2022</b>	<b>31 JULY 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net changes in cash and cash equivalents</b>	5,973	(466)
<b>Cash and cash equivalents at 1 November 2021/ 2020</b>	317,355	269,975
<b>Effect of exchange rate changes</b>	1,159	22,222
<b>Cash and cash equivalents at 31 July 2022/ 2021</b>	324,487	291,731
 <b>Cash and cash equivalents comprise the following:</b>		
Deposits	313,843	387,557
Cash and bank balances	23,041	153,133
	336,884	540,690
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(12,397)	(248,959)
	324,487	291,731

(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 31 July 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 31 July 2022.

**A4. Changes in Estimates**

There were no material changes in estimates during the financial period ended 31 July 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 31 July 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 31 July 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 31 July 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	-	116,540	861	(582)	116,819
Inter-segment revenue	-	-	81	(81)	-
Total revenue	-	116,540	942	(663)	116,819
Segment results	(33,256)	9,968	(22,336)	-	(45,624)
Share of results in joint ventures	(62,319)	-	-	-	(62,319)
Depreciation	(211)	(125)	(777)	-	(1,113)
Unrealised loss on foreign exchange	-	-	(303)	-	(303)
Other income	-	585	4,812	-	5,397
Finance income	17	72	2,563	-	2,652
Finance costs	-	(3,266)	(30,139)	-	(33,405)
(Loss)/Profit before tax	(95,769)	7,234	(46,180)	-	(134,715)
Taxation	(760)	(2,363)	5	-	(3,118)
(Loss)/Profit for the period	(96,529)	4,871	(46,175)	-	(137,833)
<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>5.5290</i>	<i>3.0609</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	2,441,291	311,975	324,143	-	3,077,409
Segment liabilities	17,418	70,281	459,922	-	547,621
<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>5.4158</i>	<i>3.1138</i>	<i>1.0000</i>		

Note:

<sup>(1)</sup> Average rates for the financial period ended 31 July 2022.

<sup>(2)</sup> Closing rates as at 31 July 2022.

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

There were no significant events after 31 July 2022 until 13 September 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 31 July 2022 except as follows:
- (i) incorporation of Eco World-Ballymore Asset Management Company 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 Company 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 August 2022 until 13 September 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 31 July 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	(1,190)
	<u>10,935</u>	<u>(1,190)</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**  
**31/07/2022**  
**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> )	160,024
	(ii) EcoWorld London by way of shareholder’s loan ( <i>Note b</i> )	-
		-

*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. Furthermore, EW-Ballymore Holding has commenced repayment of shareholders’ advances in May 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 first quarter of this financial year, 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>9 MONTHS ENDED 31/07/2022 RM'000</b>
(i) Transactions with joint ventures	
- Advances to joint ventures	220,582
- Repayment of advances by joint ventures	(549,101)
- Sales commission received/receivable from joint ventures	862
(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	325
- Support service fees paid or payable	111
- Rental paid or payable	135
(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	763
(iv) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	659

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

### B1. Review of Group Performance

	3 MONTHS ENDED			9 MONTHS ENDED		
	31/07/2022 RM'000	31/07/2021 RM'000	CHANGES RM'000	31/07/2022 RM'000	31/07/2021 RM'000	CHANGES RM'000
Gross profit	7,695	27,446	(19,751)	22,466	115,422	(92,956)
Share of results in joint ventures	(36,951)	15,413	(52,364)	(62,319)	97,395	(159,714)
(Loss)/Profit before interest and tax	(44,119)	25,049	(69,168)	(101,310)	150,069	(251,379)
(Loss)/ Profit before tax	(55,449)	10,332	(65,781)	(134,715)	106,325	(241,040)
(Loss)/ Profit for the period	(56,440)	2,992	(59,432)	(137,833)	71,541	(209,374)
(Loss)/Profit for the period attributable to owners of the Company	(56,678)	2,489	(59,167)	(138,689)	69,826	(208,515)

#### (a) 3Q 2022 vs. 3Q 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 3Q 2022 of RM34.50 million as compared to 3Q 2021 of RM127.13 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 RM7.70 million.

Revenue recorded by the Group's joint-ventures totalled RM653.03 million (3Q 2021: RM 420.63 million), of which the Group's effective share (unconsolidated) amounted to RM475.49 million (3Q 2021: RM 304.01 million). Higher revenue during the quarter was a result of higher handovers especially in Embassy Gardens partly offset 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 RM55.45 million during the quarter as compared to profit before tax ("PBT") of RM10.33 million reported for 3Q 2021, mainly due to the following:

- Lower profit contribution from projects in Australia in line with lower revenue, as mentioned above; and
- Group's share of losses in joint ventures in current quarter as compared to a share of profits in joint ventures recorded in the previous corresponding quarter due to revision of profit margins on EW London's Build-to Rent projects as a result of extended construction programme.

**B1. Review of Group Performance (continued)****(b) 3Q YTD 2022 vs. 3Q YTD 2021**

Revenue for the Group for 3Q YTD 2022 of RM116.82 million was RM421.15 million lower than the corresponding period of RM537.97 million following lesser handover of the remaining units in West Village and Yarra One in the current period as compared to when Yarra One commenced handover in December 2020.

Revenue recorded by the Group's joint-ventures totalled RM1,645.01 million (3Q 2021: RM 2,376.45 million), of which the Group's effective share (unconsolidated) amounted to RM1,172.79 million (3Q 2021: RM1,740.24 million). Lower revenue was a result of fewer handovers in the current financial period as compared to 3Q YTD 2021 which recorded higher number of units handed over in Wardian following its completion in September 2020. In addition, a lower progressive revenue was recognised from Built-to-Rent projects as the projects approached completion during the current financial period.

The Group recorded a LBT of RM134.72 million in the current financial period, as compared to PBT of RM106.33 million reported for 3Q 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;
- Lower unrealised foreign exchange loss on retranslation of foreign currency loans following full settlement of such loans during 3Q 2022;
- 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>31/07/2022</b>	<b>30/04/2022</b>	<b>CHANGES</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross profit	7,695	5,718	1,977
Share of results in joint ventures	(36,951)	(21,385)	(15,566)
Loss before interest and tax	(44,119)	(55,798)	11,679
Loss before tax	(55,449)	(66,528)	11,079
Loss for the period	(56,440)	(67,124)	10,684
Loss for the period attributable to owners of the Company	(56,678)	(67,351)	10,673

The Group's current quarter LBT of RM55.45 million, was RM11.08 million lower than the LBT recorded in preceding quarter ended 30 April 2022 of RM66.53 million.

The lower LBT recorded in the current quarter was mainly due to the current quarter's losses primarily contributed by share of losses in joint ventures being lower than preceding quarter's key contributor of impairment on investment in EW- Ballymore.



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

PROJECTS	LANDBANK	CUMULATIVE SALES	10 MONTHS ENDED 31/8/2022 <sup>(1)</sup>		Effective Future Revenue <sup>(3)</sup>
	As at 31/8/2022 (Acres)	As at 31/8/2022 RM'mil	Units Sold <sup>(2)</sup>	Sales value RM'mil	RM'mil
London	50.7	14,314	458	1,577	909
Sydney	1.9	957	13	40	9
Melbourne	0.5	620	39	113	31
<b>Total<sup>4</sup></b>	<b>53.1</b>	<b>15,891</b>	<b>510</b>	<b>1,729</b>	<b>948</b>

*Notes:*

- (1) Based on exchange rates of £1:RM5.2575 and A\$1:3.1134 as at Aug 31, 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 Aug, 2022  
(4) Total may not add up because of rounding

EcoWorld International's 10M FY2022 sales performance is broadly in line with its sales target of RM2 billion for FY2022. The Group has locked-in RM1.729 billion sales based on contracts exchanged in the first ten months of FY2022 with a reservation pipeline of RM361 million as at 31 August 2022. Total sales plus reserves adds up to RM2.090 billion which is 58% more than RM1.326 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 August 2022 for Embassy Gardens amounted to RM625 million while London City Island recorded RM345 million. The stronger sales were also driven by launch of New Road Triangle ("NRT") project in London in August 2022. All units in NRT have been sold for RM268 million in the same month.

Property sales activities in the UK and Australia have generally improved compared to FY2021. However, the Board is cautious with regards to the outlook of the business as the operating environment continues to be challenging with cost increase exceeding house price growth. Supply chain issues are exacerbating cost pressures as delay in construction progress raises the overall development cost including holding cost and overheads to be borne by the affected developments. Rising interest rates could further widen the gap between cost inflation and house price growth.

Amid these challenges, the Group is reassessing the development plans of future launches and maintaining its selective stance on land acquisition. While this limits the Group's development activities in the near term, the Board believes continued prudence is necessary given the macroeconomic uncertainties.

In the meantime, the Group's plans to monetise its assets with the aim of repatriating funds and building up sizeable cash reserves to:

- i) position itself strongly to be able to reinvest for growth when the market recovers and
- ii) be able to make distributions to shareholders from the excess cash generated

This is progressing well as evidenced by its strengthening balance sheet (summarized below)

	As at 31 July 2022 RM'000	As 31 October 2021 RM'000
Cash & Bank Balances	336,884	336,115
Borrowings *	510,754	900,538
Shareholders' Funds	2,528,431	2,815,298
<b>Gross Gearing</b>	<b>0.20</b>	<b>0.32</b>
<b>Net Gearing</b>	<b>0.07</b>	<b>0.20</b>

\* The marked reduction in borrowings was mainly due to substantial repayment of advances by joint-ventures in the current year amounting to RM549.101 million as 31 July 2022.

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

The Group will maintain its focus on selling out the completed stocks at EW-Ballymore and Australia projects in the next 1-2 years. This will generate further cash which should enable additional repayment of advances to be received in the coming months.

Based on the current sales momentum, the Group is targeting for its balance sheet to turn net cash positive by early FY2023. Accordingly, it is on track to be able to make the planned distributions to shareholders, once the Board has determined the appropriate amount to be set aside to fund new project acquisitions for future growth.

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

There was no profit forecast published as at 31 July 2022.

**B5. Taxation**

Taxation comprises:

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2022	31/07/2021	31/07/2022	31/07/2021
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter/period	-	30	-	480
- in respect of prior years	(5)	-	(5)	-
Foreign tax				
- current quarter/period	1,627	9,182	5,111	23,048
- in respect of prior years	88	60	88	60
Deferred tax				
Foreign tax				
- current quarter/period	(662)	(1,932)	(2,019)	11,208
- in respect of prior years	(57)	-	(57)	(12)
	<u>991</u>	<u>7,340</u>	<u>3,118</u>	<u>34,784</u>

The Group's losses were mainly attributed by the equity accounting of share of losses in joint ventures and impairment loss on investment in a joint venture. Tax expenses are provided for profitable subsidiaries and losses in holding company and other subsidiaries were not available to set-off against the taxable profits in other companies within the Group.

**B6. Status of Corporate Proposals**

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 13 September 2022.

## B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 July 2022 were as follows:

	As at 31/07/2022			As at 31/10/2021
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000
Short term borrowings				
- Revolving credit	Unsecured	GBP	-	138,634
- Medium term notes	Unsecured	RM	-	-
			449,078	138,634
Long term borrowings				
- Term loan	Secured	AUD	19,807	150,807
- Term loan	Unsecured	GBP	-	77,709
- Revolving credit	Unsecured	GBP	-	84,418
- Medium term notes	Unsecured	RM	-	448,970
			61,676	761,904
Total borrowings				
- Term loan	Secured	AUD	19,807	150,807
- Term loan	Unsecured	GBP	-	77,709
- Revolving credit	Unsecured	GBP	-	223,052
- Medium term notes	Unsecured	RM	-	448,970
			510,754	900,538

As at 31 July 2022, 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 AUD.

## B8. Material Litigation

The Group was not engaged in any material litigation as at 13 September 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 31 July 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		9 MONTHS ENDED	
	31/07/2022	31/07/2021	31/07/2022	31/07/2021
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	<u>(56,678)</u>	<u>2,489</u>	<u>(138,689)</u>	<u>69,826</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>(2.36)</u>	<u>0.10</u>	<u>(5.78)</u>	<u>2.91</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		9 MONTHS ENDED	
	31/07/2022	31/07/2021	31/07/2022	31/07/2021
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	<u>(56,678)</u>	<u>2,489</u>	<u>(138,689)</u>	<u>69,826</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>(2.36)</u>	<u>0.10</u>	<u>(5.78)</u>	<u>2.91</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 31/07/2022 RM'000</b>	<b>9 MONTHS ENDED 31/07/2022 RM'000</b>
Interest income	858	2,652
Interest expense	(11,330)	(33,405)
Depreciation and amortisation	(371)	(1,113)
Foreign exchange gain/(loss)		
- realised	2,884	4,326
- unrealised	(8,944)	(303)
Impairment of goodwill	(47)	(308)
Impairment loss on investment in a joint venture	-	(36,162)

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By order of the Board  
Tan Ai Ning  
Company Secretary  
14 September 2022