

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
**(Company No: 17777-V)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**  
**31 October 2015**

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**Interim Financial Report - 31 October 2015**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**

*(The figures have been audited) #*

	<b>CURRENT QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>3 MONTHS ENDED</b>	<b>12 MONTHS ENDED</b>
	<b>10/31/2015</b>	<b>10/31/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	681,935	1,712,061
Cost of sales	(513,255)	(1,300,163)
<b>Gross profit</b>	168,680	411,898
Other items of income	4,585	19,862
Selling and marketing expenses	(58,032)	(147,249)
Administrative expenses	(76,141)	(188,194)
Finance costs	(2,159)	(20,343)
Share of results of a joint venture	(2,055)	(2,056)
<b>Profit before tax</b>	34,878	73,918
Income taxation expense	(15,185)	(30,062)
Profit net of tax	19,693	43,856
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	1,371	998
<b>Total comprehensive income for the period</b>	21,064	44,854
<b>Profit net of tax attributable to:</b>		
Owners of the Company	19,693	43,952
Non-controlling interests	-	(96)
	19,693	43,856
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	21,064	44,950
Non-controlling interests	-	(96)
	21,064	44,854
<b>Earnings per share attributable to owners of the Company:</b>		
Basic earnings per share (sen)	0.83	2.64
Diluted earnings per share (sen)	- *	- *

\* *Anti-dilutive*

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the 13-month period ended 31 October 2014 and the accompanying explanatory notes.)

*Note:*

*In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period ended 31 October 2014.*

*Consequently, the 2014 quarterly financial reporting periods do not correspond with the 2015 quarterly financial reporting periods, and the 2014 quarterly results do not form an entirely proper basis for comparison with the 2015 quarterly results. The 2014 quarterly results have therefore not been included in this interim financial report as comparative figures.*

*# The statement of comprehensive income for the year ended 31 October 2015 has been audited. There is no separate audited financial statements issued for the statement of comprehensive income for the 3 months period ended 31 October 2015.*

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
(Company No: 17777-V)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**

*(The figures have been audited)*

	As At 31.10.2015 RM'000	As At 31.10.2014 RM'000 Restated	As At 1.10.2013 RM'000 Restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	176,433	4,195	1,161
Investment properties	17,288	-	-
Land held for property development	3,708,541	296,087	295,292
Other receivables	12,900	-	-
Deferred tax assets	35,488	147	-
	<u>3,950,650</u>	<u>300,429</u>	<u>296,453</u>
<b>Current assets</b>			
Property development costs	1,693,135	39,090	80,727
Gross amount due from customer	1,054	3,962	-
Inventories	25,410	49,562	39,570
Trade and other receivables	734,777	231,971	39,507
Current tax assets	14,601	10,295	-
Deposits	256,602	5,543	4,197
Cash and bank balances	260,574	37,880	21,047
	<u>2,986,153</u>	<u>378,303</u>	<u>185,048</u>
<b>TOTAL ASSETS</b>	<u>6,936,803</u>	<u>678,732</u>	<u>481,501</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	1,182,132	253,317	253,317
Share premium	1,662,972	22	22
Warrants reserve	194,395	-	-
Foreign currency translation reserve	992	(6)	-
Retained earnings	116,384	72,531	65,383
	<u>3,156,875</u>	<u>325,864</u>	<u>318,722</u>
Non-controlling interests	-	(3)	2,500
<b>Total equity</b>	<u>3,156,875</u>	<u>325,861</u>	<u>321,222</u>
<b>Non-current liabilities</b>			
Other payables	485,535	-	-
Long term borrowings	1,264,305	141,354	4,688
Deferred tax liabilities	48,865	54,718	56,885
	<u>1,798,705</u>	<u>196,072</u>	<u>61,573</u>
<b>Current liabilities</b>			
Trade and other payables	1,533,229	57,478	47,547
Short term borrowings	436,040	99,321	47,460
Current tax liabilities	11,954	-	3,699
	<u>1,981,223</u>	<u>156,799</u>	<u>98,706</u>
<b>Total liabilities</b>	<u>3,779,928</u>	<u>352,871</u>	<u>160,279</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,936,803</u>	<u>678,732</u>	<u>481,501</u>
<b>Net assets at RM1.00 per share (RM)</b>	<u>N/A</u>	<u>1.29</u>	<u>1.27</u>
<b>Net assets at RM0.50 per share (RM)</b>	<u>1.34</u>	<u>0.64 *</u>	<u>0.63 *</u>

\* Restated for the effects of subdivision of 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each pursuant to the share split exercise which was completed on 23 January 2015.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
**(Company No: 17777-V)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**  
*(The figures have been audited)*

	← Attributable to Equity Holders of the Company →				Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Foreign currency translation reserve RM'000				
<b>Financial year ended 31 October 2015</b>								
<b>At 1 November 2014</b>	253,317	22	-	(6)	72,531	325,864	(3)	325,861
Profit for the year	-	-	-	-	43,952	43,952	(96)	43,856
Other comprehensive income	-	-	-	998	-	998	-	998
Transactions with owners:								
Acquisition of additional share in subsidiary company	-	-	-	-	(99)	(99)	99	-
Issuance of ordinary shares:								
- Share subscription	403,423	968,217	-	-	-	1,371,640	-	1,371,640
- Rights issue with warrants	328,370	265,323	194,395	-	-	788,088	-	788,088
- Placement	197,022	441,329	-	-	-	638,351	-	638,351
Share issue expenses	-	(11,919)	-	-	-	(11,919)	-	(11,919)
<b>At 31 October 2015</b>	<b>1,182,132</b>	<b>1,662,972</b>	<b>194,395</b>	<b>992</b>	<b>116,384</b>	<b>3,156,875</b>	<b>-</b>	<b>3,156,875</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the 13-month period ended 31 October 2014 and the accompanying explanatory notes.)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**  
*(The figures have been audited)*

	<b>CUMULATIVE QUARTER 12 MONTHS ENDED 10/31/2015 RM'000</b>
<b>Operating activities</b>	
Profit before tax	73,918
Adjustments for :	
Non-cash items	23,629
Non-operating items	3,578
Operating cash flows before changes in working capital	101,125
Changes in property development expenditure	8,325
Changes in gross amount due from customers	2,908
Changes in inventories	23,656
Changes in receivables	(329,716)
Changes in payables	519,151
Cash flows generated from operations	325,449
Interest received	4,185
Interest paid	(68,718)
Rental received	134
Net income taxes paid	(64,060)
<b>Net cash flows from operating activities</b>	196,990
<b>Investing activities</b>	
Additions to land held for property development	(1,175,904)
Purchase of property, plant and equipment and investment properties	(69,367)
Proceeds from disposal of property, plant and equipment	68
Development expenditure paid	(20,418)
Acquisition of subsidiary companies, net of cash acquired	(164,322)
Acquisition of Development Rights	(1,814,450)
Deposits paid for acquisition of land	(179,881)
Advances to a joint venture	(12,722)
Other investments	(60,692)
<b>Net cash flows used in investing activities</b>	(3,497,688)
<b>Financing activities</b>	
Proceeds from issue of shares by the Company	2,798,079
Payment of share issue expenses	(11,919)
Drawdown of bank borrowings	1,859,450
Repayment of bank borrowings	(945,006)
<b>Net cash flows from financing activities</b>	3,700,604
<b>Net increase in cash and cash equivalents</b>	399,906
<b>Effect of exchange rate changes</b>	140
<b>Cash and cash equivalents at 1 November 2014</b>	43,423
<b>Cash and cash equivalents at 31 October 2015</b>	443,469
<b>Cash and cash equivalents comprise the following:</b>	
Deposits	256,602
Cash and bank balances	260,574
	517,176
Less: Deposit pledged, Sinking Fund, Debt Service Reserve and Escrow Accounts	(73,707)
	443,469

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

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*Consequently, the 2014 quarterly financial reporting periods do not correspond with the 2015 quarterly financial reporting periods, and the 2014 quarterly results do not form an entirely proper basis for comparison with the 2015 quarterly results. The 2014 quarterly results have therefore not been included in this interim financial report as comparative figures.*

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the 13 months ended 31 October 2014.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the 13 months ended 31 October 2014 except as follows:

#### (i) Departure from FRSIC Consensus 17 - Development of Affordable Housing

In previous financial periods, the Group recognised a provision for foreseeable losses for affordable housing in accordance with FRSIC Consensus 17 - Development of Affordable Housing (“FRSIC 17”). FRSIC 17 was issued by the Malaysian Institute of Accountants on 24 November 2011.

Previously, in the application of FRSIC 17:

- Foreseeable losses were computed based on the cost of constructing affordable houses net of selling prices dictated by the local authority approving the master plan for the whole development project;
- Foreseeable losses were provided in full based on the approved master and building plan; and
- Foreseeable losses were capitalised as an asset in the form of common costs for development of premium housing.

During the current financial year, the Group reassessed the appropriateness of applying FRSIC 17 in the preparation of the Group’s financial statements and concluded that the continued application of FRSIC 17 would be inappropriate in that it would unnecessarily and materially overstate the assets and liabilities of the Group.

The Group has always been accounting for the cost of constructing affordable houses (net of selling prices) as part of common cost of the entire development project and will continue to do so.

The Group has accordingly departed from FRSIC 17 effective from the current financial year. The departure has been applied retrospectively and comparative figures going back to 1 October 2013 (being the earliest prior period presented as if the departure had been in effect) have been restated as below.

1. **Basis of Preparation (continued)**(i) **Departure from FRSIC Consensus 17 - Development of Affordable Housing (continued)**

<b>Group</b>	<b>As previously stated</b> RM'000	<b>Adjustments</b> RM'000	<b>As restated</b> RM'000
<b>Consolidated Statement of Financial Position</b>			
<b>31.10.2014</b>			
<b>Non-current assets</b>			
Land held for property development	303,052	(6,965)	296,087
<b>Current assets</b>			
Property development costs	40,250	(1,160)	39,090
<b>Non-current liabilities</b>			
Provision for foreseeable losses	16,659	(16,659)	-
<b>Current liabilities</b>			
Trade and other payables	48,944	8,534	57,478
<b>1.10.2013</b>			
<b>Non-current assets</b>			
Land held for property development	301,535	(6,243)	295,292
<b>Current assets</b>			
Property development costs	82,212	(1,485)	80,727
<b>Non-current liabilities</b>			
Provision for foreseeable losses	15,330	(15,330)	-
<b>Current liabilities</b>			
Trade and other payables	39,945	7,602	47,547

The departure has had no effect on the financial results and cash flows of the Group for previous financial periods or for the current financial year. Neither is it expected to affect the financial results and cash flows of future financial years.

Had the Group continued to apply FRSIC 17 as before, the provision for foreseeable losses for affordable housing as at 31 October 2015 would have been RM297 million and the corresponding total of land held for property development and property development costs would have been higher by the same amount.



## **Basis of Preparation (continued)**

### **(ii) Adoption of the following new/revised Amendments to FRS and Annual Improvements:-**

- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

The adoption of the above new FRSs and Amendment to FRSs do not have any material impact on the Interim Financial Statements of the Group.

### **Malaysia Financial Reporting Standards (“MFRS”)**

The Malaysian Accounting Standards Board (MASB) had on 8 September 2015 announced that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities to apply the MFRS will also be deferred to annual periods beginning on or after 1 January 2018.

#### **1. Seasonal or Cyclical Factors**

The business operations of the Group during the financial year ended 31 October 2015 under review have not been materially affected by any seasonal or cyclical factors.

#### **2. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the financial year ended 31 October 2015.

#### **3. Changes in Estimates**

There were no material changes in estimates for the financial year ended 31 October 2015.

#### **4. Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 31 October 2015 except for the following:

- (a) Subdivision of existing 253,317,000 ordinary shares of RM1.00 each into 506,634,000 ordinary shares of RM0.50 each (“Subdivided Shares”), as announced on 22 January 2015. The Subdivided Shares were listed on Main Market of Bursa Malaysia on 23 January 2015;
- (b) Issuance of 806,846,852 new ordinary shares of RM0.50 each pursuant to the Share Subscription Eco World Development Holdings Sdn Bhd and Sinarmas Harta Sdn Bhd at an issue price of RM1.70 per ordinary share on 6 February 2015. The total cash consideration arising from the Share Subscription amounted to RM1,371,639,648;

## 5. Debts and Equity Securities (continued)

- (c) Issuance of 656,740,426 new ordinary shares of RM0.50 each pursuant to the Renounceable Rights Issue (“Rights Issue Shares”) at an issue price of RM1.20 per ordinary share together with 525,392,340 free detachable warrants (“Warrants”) (“the Rights Issue Shares with Warrants”). The total cash proceeds arising from the Rights Issue Shares amounted to RM788,088,511. The Rights Issue Shares and Warrants were listed on Main Market of Bursa Malaysia on 31 March 2015; and
- (d) Issuance of 394,044,000 new ordinary shares of RM0.50 each pursuant to the Placement at an issue price of RM1.62 per ordinary share. The total cash proceeds arising from the Placement amounted to RM638,351,280. The Placement Shares were listed on Main Market of Bursa Malaysia on 19 May 2015.

## 5. Dividends Paid

There were no payment of dividend during the financial year ended 31 October 2015.

## 6. Segmental Reporting

No segmental reporting is presented as the Group is primarily engaged in the business of property development in Malaysia.

## 8. Events after the End of the Interim Financial Period

There were no significant events after 31 October 2015 till 3 December 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

## 9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 October 2015 except as follows:

- (i) Acquisition of 2 ordinary shares of RM1.00 each in Matlamat Bakat Sdn Bhd and Meridian Insight Sdn Bhd respectively on 4 November 2014, resulting in these two companies becoming wholly-owned subsidiaries of the Company;
- (ii) Acquisition of 2 ordinary shares of RM1.00 each in Jasa Hektar Sdn Bhd, Melia Spring Sdn Bhd and Paragon Pinnacle Sdn Bhd respectively on 22 January 2015, resulting in these three companies becoming wholly-owned subsidiaries of the Company;
- (iii) Subscription of 12 ordinary shares of RM1.00 each in BBCC Development Sdn Bhd (“**BBCC**”) on 28 January 2015, resulting in BBCC becoming a 40% joint venture of the Company;
- (iv) Acquisition of Eco Macalister Development Sdn Bhd (“**EMDSB**”), on 6 February 2015 for a cash consideration of RM2.00, resulting in EMDSB becoming a wholly-owned subsidiary of the Company;

## 9. Changes in the Composition of the Group (continued)

- (v) Acquisition of Eco World Project Management Sdn Bhd (“**EWPMMSB**”), on 6 February 2015 for a cash consideration of RM2.00, resulting in EWPMMSB becoming a wholly-owned subsidiary of the Company;
- (vi) Acquisition of 18 ordinary shares of RM1.00 each in Natural Esplanade Sdn Bhd (“**NESB**”) on 27 March 2015, resulting in NESB becoming a wholly-owned subsidiary of the Company; and
- (vii) Acquisition of 2 ordinary shares of RM1.00 each in Eco World Property Services Sdn Bhd (“**EWPS**”) on 21 August 2015, resulting in EWPS becoming a wholly-owned subsidiary of the Company.

## 10. Contingent Liabilities

There were no contingent liabilities that has arisen since the date of the latest audited balance sheet.

## 11. Capital Commitments

	<b>As at 31/10/2015 RM'000</b>
(i) Approved and contracted for:-	
Commitment to purchase development land	1,360,507
Commitment to acquire plant and equipment	2,087
	<u>1,362,594</u>
(ii) On 21 April 2015, the Company accepted a Letter of Award from the Penang Development Corporation (“PDC”) for the proposed development of 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang for a total consideration of RM796.3 million of which an initial deposit of RM159.3 million has been paid.	

## 12. Significant Related Party Transactions

**12 MONTHS  
ENDED  
31/10/2015  
RM'000**

(i) Related party transactions forming part of the corporate proposals announced on 25 April 2014 which was completed during the financial year	
- Acquisition of development rights	1,789,423*
- Acquisition of Eco Macalister Development Sdn Bhd	**
- Acquisition of EWPMBSB	**
- Total reimbursable sum paid	222,817
- Purchase of plant and equipment	10,493
- Interest paid	1,447
(ii) Transactions with directors of the Company and subsidiary companies, and companies in which they have interests	
- Sales of development properties to companies in which certain directors of the Company have interest	30,749
- Sales of development properties to directors of the Company	8,356
- Sales of development properties to immediate family members of directors of the Company	12,190
- Sales of development property to directors of subsidiary companies	3,584
- Rental paid to a company in which a director has interest	360
- Commission charged to a company in which certain directors have interest	1,289
(iii) Transactions with joint venture	
- Advances	12,722
- Interest receivable	178
- Sales of building materials	81

\* *After deducting the Group's obligation to repay existing land loans and unpaid land costs totalling RM1,907.6 million.*

\*\* *Represents RM2.00*

## ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### 1. Review of Group Performance

The Board is pleased to announce that the Group has met its sales target of RM3 billion set for the current financial year. Sales in the fourth quarter amounted to RM924.2 million which enabled the Group to achieve total sales of RM3.016 billion in FY2015.

The Group's four projects in the Central Region contributed RM1.579 billion, testament to the underlying strength and resilience of demand in the Klang Valley and its surrounding areas which collectively have the largest population base and highest per capita income levels in the country.

Down South, the Group's four townships and two business parks which are well spread out geographically across the western to eastern corridors of Iskandar Malaysia, recorded RM1.213 billion sales. The continued strong sales achieved, despite the soft market conditions, is attributable to the sustained interest enjoyed by EcoWorld's developments which offer a wide variety of landed residential homes and commercial / industrial properties.

Up north in Penang the Group's two projects secured RM224 million sales with the bulk coming from its latest launch on the mainland. This indicates the growing popularity of this fast-rising locale following the opening of the Second Penang Bridge and the increased number of businesses and industries relocating to the mainland.

During the financial year ended 31 October 2015, the Group recorded revenue of RM1.712 billion and gross profit of RM411.9 million with gross margins averaging 24%.

Ongoing projects which contributed to the revenue and gross profit achieved include *Eco Majestic*, *Eco Sky* and *Saujana Glenmarie* in the Klang Valley, *Eco Botanic*, *Eco Spring*, *Eco Summer* and *Eco Business Park 1*, *Eco Tropics* and *Eco Business Park III* in Iskandar Malaysia and *Eco Terraces* on Penang Island.

The Group recorded Profit before tax ("PBT") of RM73.9 million in the current financial year. PBT grew at a slower rate largely due to the selling, marketing and administrative expenses incurred in relation to new project launches during the year such as *Eco Sanctuary* in Klang Valley, *Eco Terraces & Eco Meadows* in Penang and *Eco Tropics & Eco Business Park III* in Iskandar Malaysia. As at 31 October 2015, most of these new projects have not reached the stage of completion required for revenue or profit recognition to commence.

As part of its ongoing branding and marketing initiative, the Group also incurred costs on 8 new sales galleries established during the year in the Klang Valley, Iskandar Malaysia, Penang and Singapore. This increased the total number of EcoWorld Galleries to 11 which enabled the Group to more effectively reach out to its target markets and showcase the full spectrum of its product offerings to prospective customers.

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

The Group's current quarter revenue and PBT is higher mainly due to generally higher profit recognition arising from better site progress from its residential developments in Klang Valley and Johor Bahru

### 3. Prospects for the Next Financial Year

In FY2016, the Group's sales will be underpinned by the launch of new phases and introduction of new products within its on-going projects – these are expected to perform well due to:

- the strategic location of the Group's eleven ongoing projects which are all situated in fast-growing or matured corridors with good accessibility to major highways, employment centres, educational and recreational amenities;
- continued strong demand for homes within well-planned gated and guarded communities offering products and design concepts which meet customers' lifestyle needs and aspirations;
- intensive branding and marketing efforts undertaken over the last two years which have succeeded in establishing the EcoWorld brandname at the forefront of property purchasers' minds;
- the Group's wide market reach achieved through the presence of eleven existing EcoWorld Galleries in the Klang Valley, Iskandar Malaysia, Penang and Singapore, complemented by 5 large-scale show villages to demonstrate the Group's strong on-ground execution and customer service capabilities.

The Group will also be launching two new projects in FY2016 namely the *Bukit Bintang City Centre* ("**BBCC**") project at the heart of Kuala Lumpur's Golden Triangle and *Eco Business Park II* in Iskandar Malaysia.

In November 2015, the Group unveiled the new Sales Gallery for **BBCC** which it is jointly developing with UDA Holdings Berhad and the Employees Provident Fund Board. Registration of interest from the public has commenced in preparation for the maiden launch of its strata offices and serviced apartments during the 1<sup>st</sup> half of FY2016.

**BBCC** aims to revitalize the landscape of the city through the creation of a comprehensive new work, leisure and residential destination. This innovative urban regeneration project which is situated on a historic 19.4 acre site will be anchored by a one million sq ft retail mall offering specialty and renowned local and international brands, an exciting new entertainment hub and a Malaysian Grand Bazaar to showcase home-grown talents, arts & crafts.

**BBCC**'s unique entertainment offer will be complemented by six luxury residential towers, strata-offices, a 4-star hotel and an iconic 80-storey Signature Tower. In line with EcoWorld's commitment to sustainability, green lungs have been threaded into **BBCC**'s design to enhance biodiversity and restore nature into urban inner-city developments.

Down south in Iskandar Malaysia the Group will be launching *Eco Business Park II* in in FY2016 to continue to increase its share of this growing market segment in the Senai Corridor. This will be EcoWorld's third fully gated and guarded business park in Iskandar Malaysia offering business owners and investors one-stop industrial solutions with modern facilities and services including high-speed broadband and space customization options.

### 3. Prospects for the Next Financial Year (continued)

The Group's plans for FY2016 include completion of the acquisition of several sizeable parcels of lands announced earlier, details of which are disclosed below in Note 6 (a). It also aims to finalise the masterplans for the developments proposed thereon namely:

- **Eco Forest**, a 493 acre township located 5 km away from **Eco Majestic** to enable the Group to benefit from economies of scale of operations and build on the success of its flagship project in Semenyih;
- **Eco Gardens** and **Eco Business Park V**, a complementary township and business park development covering 2,198.40 acres in Mukim Ijok, Selangor. These twin-projects will enable the Group to establish a dominant presence in the up and coming North-Western Klang Valley growth corridor with access to a new market catchment where EcoWorld is currently not represented;
- **Eco Marina** a 300-acre development in Batu Kawan on mainland Penang which provides the Group with the opportunity to create a one-of-a-kind mixed residential, commercial, leisure and tourism project to take advantage of the site's natural 2.5 km coastline on its north-western boundary and the 150-acre golf course which will be developed on its south-eastern flank.

On the corporate front, the Company is exploring various funding options to support the Group's strong expansion and growth trajectory. This includes the issuance of non-dilutive hybrid securities to ensure that the gearing level and capital structure of the Company remain strong and adequate.

The Company will also be pursuing its plans to take up to a 30% stake in EcoWorld International Sdn Bhd ("EWI")'s proposed Initial Public Offering ("IPO"), subject to the approval of the relevant authorities and the Company's non-interested shareholders.

EWI is in the process of making a listing application to the Securities Commission. EWI currently owns a 75% stake in three projects in London, United Kingdom, namely **Embassy Gardens Phase 2** located in the Nine Elms regeneration area, **Wardian, London** situated next to Canary Wharf and **London City Island Phase 2** on the Leamouth Peninsula in East London; and one project in West Sydney, Australia called **West Village, Parramatta**.

All four projects have been launched and upon completion of the Group's proposed acquisition of the 30% stake in EWI it will be entitled to consolidate a proportionate share of the earnings including those arising from the sales secured by EWI. The strong association with EWI will also enhance the Group's efforts to position EcoWorld as a global property brand. This provides the Group with a significant competitive advantage in promoting its Malaysian property projects to customers and sets the stage for the brand to continue to grow from strength to strength.

Accordingly, whilst FY2016 will undoubtedly be challenging, the Board believes that the RM4 billion sales target earlier announced is still achievable. Sales for the upcoming year will be anchored by the Group's 11 ongoing projects which are primarily in the landed township and business park segments, the proposed launch of **Eco Business Park II** and the Group's proportionate share of sales from its 40% stake in **BBC** and proposed 30% stake in EWI.

#### 4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 October 2015.

#### 5. Income Tax

Income Tax comprises:-

	<b>3 MONTHS ENDED 31/10/2015 RM'000</b>	<b>12 MONTHS ENDED 31/10/2015 RM'000</b>
Current tax		
- for current quarter/cumulative quarters	33,041	68,449
- in respect of prior years	-	3,293
Deferred tax		
- for current quarter/cumulative quarters	(17,727)	(39,191)
- in respect of prior years	(129)	(2,489)
	<u>15,185</u>	<u>30,062</u>

The Group's effective tax rate for the current quarter and financial year is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

#### 6. Status of Corporate Proposals

(a) The following are the corporate proposals that have been announced by the Company which had been completed since the preceding quarter report and those which are not completed as at 3 December 2015, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

- (i) On 2 July 2014, Eco Majestic Development Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with Univas (Far East) Sdn Bhd ("Vendor"), for the proposed acquisition of freehold land measuring approximately 492.66 acres in Mukim Beranang, Daerah Ulu Langat, Negeri Selangor ("Semenyih Land") for a purchase consideration of RM225,331,550 ("Proposed Semenyih Land Acquisition").

The completion of the Proposed Semenyih Land Acquisition is subject to, among others, the fulfillment of conditions precedent and the performance by the parties of their respective obligations including the removal of caveat and/or the disposal of litigation (as the case maybe) as set out in the SPA.

In the event the removal of caveat and/or the disposal of litigation are not achieved on or before the unconditional date, the completion of the Proposed Semenyih Land Acquisition may be extended in the manner set out in the SPA.

The Proposed Semenyih Land Acquisition was approved by shareholders of the Company at the EGM held on 12 December 2014. As announced on 31 March 2015, the period for fulfillment of the conditions precedent in the SPA has been extended to 2 April 2016.

On 30 November 2015, the Vendor has submitted the application to the Estate Land Board for the purpose of obtaining the approval to transfer the Semenyih Land.



## 6. Status of Corporate Proposals (continued)

- (ii) On 4 February 2015, the Company entered into a subscription and shareholders' agreement ("Shareholders' Agreement") with UDA Holdings Berhad ("UDA"), the Employees Provident Fund Board ("EPF") and BBCC Development, whereby the Company, UDA and EPF agree to invest and fund BBCC Development as the vehicle to undertake a joint development of a piece of land into a mixed residential and commercial development comprising, amongst others, a retail mall, an entertainment block, strata offices, office towers, a hotel and serviced residences, to be known as "Bukit Bintang City Centre".

As announced on 30 September 2015, the proposed joint venture between the company, UDA and EPF have become unconditional as at 30 September 2015;

- (iii) On 21 April 2015, the Company accepted the letter of award from the Penang Development Corporation ("PDC") for the proposed development of 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang ("Proposed Eco Marina Development").

The Proposed Eco Marina Development comprises the following:

- the purchase of 299.64 acres of 99-year leasehold land ("Development Parcel") for an estimated purchase consideration of RM730.93 million, and
- the lease of approximately 150 acres of land ("Lease Parcel") for a 30-year period with an option for renewal for a further 30-year period for the development of an international standard golf course with a minimum of 18 holes and a club house ("Golf Course Development") for an estimated lease consideration of RM65.34 million.

As announced on 22 September 2015, PDC agreed to extend the Planning Permission Period for a period of six (6) months until 26 March 2016 and the Shareholder Approval Period for a period of three (3) months until 26 December 2015.

The Proposed Eco Marina Development was approved by shareholders at the EGM held on 13 October 2015; and

- (iv) On 22 September 2015, Paragon Pinnacle Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement ("SPA") with Mujur Zaman Sdn Bhd, Ringgit Exotika Sdn Bhd, Liputan Canggih Sdn Bhd and LBCN Development Sdn Bhd, for the proposed acquisition of leasehold land measuring approximately 2,198.40 acres in Mukim Ijok, District of Kuala Selangor, Negeri Selangor for a purchase consideration of RM1,181,335,536.65 ("the Proposed Ijok Land Acquisition").

The Proposed Ijok Land Acquisition is pending fulfillment of conditions precedent within the period commencing on the date of the SPAs and ending on 9 March 2016, or six months from the date of procurement of the Preliminary Letter. The Proposed Ijok Land Acquisition is expected to be completed in the financial year 2016.

## 6. Status of Corporate Proposals (continued)

(b) Utilisation of proceeds raised from corporate proposals as at 31 October 2015 are as follows:

Proceeds totaling RM638.3 million were raised under the Placement exercise which was completed on 19 May 2015. The status of the utilisation of these proceeds is as set out below:-

<b>Purpose</b>	<b>Proposed utilisation RM'mil</b>	<b>Actual utilisation RM'mil</b>	<b>Reallocation RM'mil</b>	<b>Balance unutilised RM'mil</b>	<b>Intended timeframe for utilisation from completion date</b>
To part finance or repayment of any short-term bank borrowings to be drawn down to part finance the Total Reimbursable Sum	250.0	(223.5)	(26.5)	-	Fully utilised within 3 months
Future land acquisitions and investments and/or general working capital	381.6	(295.6)	26.5	112.5	Within 12 months
Estimated expenses for the Placement	6.7	(6.7)	-	-	Fully utilised within 3 months
<b>Total</b>	<b>638.3</b>	<b>(525.8)</b>	<b>-</b>	<b>112.5</b>	

## 7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 October 2015 were as follows:-

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short Term Bank Borrowings	176,040	260,000	436,040
Long Term Bank Borrowings	1,264,305	-	1,264,305
	<b>1,440,345</b>	<b>260,000</b>	<b>1,700,345</b>

There were no bank borrowings denominated in foreign currencies as at the reporting date.

## 8. Material Litigation

The Group was not engaged in any material litigation as at 3 December 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

## 9. Dividends Declared

No interim dividend has been declared or paid in respect of the financial year ended 31 October 2015.

## 10. Earnings Per Share Attributable To Owners of The Company

Earnings per share has been calculated by dividing the Group's profit for the current quarter and financial year attributable to owners of the Company by the number of shares in issue as follows:-

	<b>3 MONTHS ENDED 31/10/2015 '000</b>	<b>12 MONTHS ENDED 31/10/2015 '000</b>
Profit for the period/year attributable to equity holders of the Company (RM)	<u>19,693</u>	<u>43,952</u>
Number of ordinary shares at beginning of the period/year *	2,364,265	506,634
Effect of shares issued pursuant to:		
- Share subscription	-	592,425
- Rights issue	-	386,847
- Placement	-	179,209
Weighted average number of ordinary shares	<u>2,364,265</u>	<u>1,665,115</u>
Basic Earnings Per Share (sen)	<u>0.83</u>	<u>2.64</u>

\* *Adjusted to take into account the effects of subdivision of 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each pursuant to the share split exercise which was completed on 23 January 2015.*

The diluted earnings per share has been calculated by dividing the Group's profit for the current quarter and financial year attributable to equity holders of the Company by the weighted average number of 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, calculated as follows:

	<b>3 MONTHS ENDED 31/10/2015 '000</b>	<b>12 MONTHS ENDED 31/10/2015 '000</b>
Profit for the period/year attributable to equity holders of the Company (RM)	<u>19,693</u>	<u>43,952</u>
Weighted average number of ordinary shares as per basic Earnings Per Share	2,364,265	1,665,115
Effect of potential exercise of Warrants	-*	-*
Weighted average number of ordinary shares	<u>N/A</u>	<u>N/A</u>
Diluted Earnings Per Share (sen)	<u>-*</u>	<u>-*</u>

\* *Anti-dilutive*

## 11. Realised and Unrealised Profits

The breakdown of the Group's retained profits as at 31 October 2015 into realised and unrealised profits pursuant to Bursa Malaysia's directive, is as follows:-

	<b>1/11/2014 to 31/10/2015 RM'000</b>	<b>1/10/2013 to 31/10/2014 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	140,271	61,345
- Unrealised	22,321	2,876
	<u>162,592</u>	<u>64,221</u>
Total share of losses from a joint venture:		
- Realised	(2,056)	-
- Unrealised	-	-
	<u>(2,056)</u>	<u>-</u>
Consolidation adjustments	(44,152)	8,310
Total Group retained profits as per consolidated accounts	<u>116,384</u>	<u>72,531</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in Bursa Malaysia's directive and should not be applied for any other purposes.

## 12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the 13-month period ended 31 October 2014 were unqualified.

### 13. Notes to the Statement of Comprehensive Income

Comprehensive Income has been arrived at after crediting/(charging):-

	<b>3 MONTHS ENDED 31/10/2015 RM'000</b>	<b>12 MONTHS ENDED 31/10/2015 RM'000</b>
Interest income	3,395	13,034
Other income including investment income	1,168	6,806
Interest expense	(2,159)	(20,343)
Depreciation and amortisation	(8,381)	(17,200)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain or loss	(89)	(240)
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

By order of the Board

Chua Siew Chuan  
Company Secretary