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

Interim Financial Report
31 October 2019

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Interim Financial Report - 31 October 2019

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2019

(The figures have not been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 OCTOBER 2019 RM'000	31 OCTOBER 2018 RM'000 RESTATED	31 OCTOBER 2019 RM'000	31 OCTOBER 2018 RM'000 RESTATED
Revenue	906,543	461,354	2,462,325	1,984,925
Cost of sales	(764,995)	(371,103)	(1,992,654)	(1,565,506)
Gross profit	141,548	90,251	469,671	419,419
Other income	13,651	19,308	53,661	45,863
Selling and marketing expenses	(17,586)	(16,755)	(50,546)	(49,323)
Administrative expenses	(72,037)	(57,716)	(246,884)	(211,116)
Finance costs	(27,099)	(30,064)	(101,890)	(99,731)
Share of results in an associate, net of tax	(192)	350	(2,301)	1,199
Share of results in joint ventures, net of tax	66,151	9,014	144,264	25,650
Profit before tax	104,436	14,388	265,975	131,961
Income tax expense	(22,979)	(1,590)	(62,553)	(38,470)
Profit net of tax	81,457	12,798	203,422	93,491
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(63)	13	(40)	1,679
Share of other comprehensive income/(loss) of a joint venture	48,892	(2,140)	7,049	(24,213)
Total comprehensive income for the period/year	130,286	10,671	210,431	70,957
Profit net of tax attributable to:				
Owners of the Company	81,457	12,798	203,422	93,491
Non-controlling interests	-	-	-	-
	81,457	12,798	203,422	93,491
Total comprehensive income attributable to:				
Owners of the Company	130,286	10,671	210,431	70,957
Non-controlling interests	-	-	-	-
	130,286	10,671	210,431	70,957
Earnings per share attributable to owners of the Company:				
Basic earnings per share (sen)	2.77	0.43	6.91	3.18
Diluted earnings per share (sen) *	2.77	0.43	6.91	3.18

** Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019
(The figures have not been audited)

	As At 31 OCTOBER 2019 RM'000	As At 31 OCTOBER 2018 RM'000 RESTATED	As At 1 NOVEMBER 2017 RM'000 RESTATED
ASSETS			
Non-current assets			
Property, plant & equipment	229,622	250,112	227,942
Investment properties	19,510	19,440	19,149
Inventories - land held for property development	3,965,190	3,885,580	3,909,811
Investment in an associate	54,769	57,018	12,127
Investment in joint ventures	1,208,494	1,097,977	1,152,471
Trade receivables	112,171	24,552	-
Amount due from joint ventures	760,099	651,223	507,520
Deferred tax assets	99,088	107,347	81,894
	6,448,943	6,093,249	5,910,914
Current assets			
Inventories - property under development	2,062,916	2,863,253	2,606,373
Inventories - completed properties	597,090	169,051	24,707
Trade and other receivables	870,224	889,343	813,186
Contract assets	68,545	96,672	160,468
Current tax assets	40,197	49,037	46,999
Deposits	221,973	87,224	119,388
Cash and bank balances	378,566	423,073	314,436
	4,239,511	4,577,653	4,085,557
TOTAL ASSETS	10,688,454	10,670,902	9,996,471
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	3,614,865	3,614,865	3,614,865
Warrants reserve	194,395	194,395	194,395
Foreign currency translation reserve	(15,783)	(23,335)	(801)
Cash flow hedge reserve	(543)	-	-
Retained earnings	745,082	541,660	448,169
Total equity	4,538,016	4,327,585	4,256,628
Non-current liabilities			
Long term borrowings	1,803,825	1,925,831	2,202,608
Finance lease obligations	226	307	-
Other payables	-	-	92,671
Deferred tax liabilities	31,748	22,908	44,846
	1,835,799	1,949,046	2,340,125
Current liabilities			
Trade and other payables	1,162,911	1,365,594	1,493,977
Contract liabilities	1,173,894	1,114,118	609,738
Bank overdrafts	26,330	19,208	26,497
Short term borrowings	1,949,253	1,886,180	1,250,466
Finance lease obligations	81	76	-
Current tax liabilities	2,170	9,095	19,040
	4,314,639	4,394,271	3,399,718
Total liabilities	6,150,438	6,343,317	5,739,843
TOTAL EQUITY AND LIABILITIES	10,688,454	10,670,902	9,996,471
Net Assets Per Share Attributable to Owners of the Company (RM)	1.54	1.47	1.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2018 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 YEAR ENDED 31 OCTOBER 2019
(The figures have not been audited)

	Share capital RM'000	Warrants reserve RM'000	Foreign currency translation reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 November 2018	3,614,865	194,395	(22,216)	-	620,907	4,407,951
Effects of adoption of the MFRS Framework	-	-	(1,119)	-	(79,247)	(80,366)
At 1 November 2018 (restated)	3,614,865	194,395	(23,335)	-	541,660	4,327,585
Profit for the year	-	-	-	-	203,422	203,422
Other comprehensive income/(loss)	-	-	7,552	(543)	-	7,009
At 31 October 2019	3,614,865	194,395	(15,783)	(543)	745,082	4,538,016
At 1 November 2017	3,614,865	194,395	(541)	-	455,315	4,264,034
Effects of adoption of the MFRS Framework	-	-	(260)	-	(7,146)	(7,406)
At 1 November 2017 (restated)	3,614,865	194,395	(801)	-	448,169	4,256,628
Profit for the year	-	-	-	-	93,491	93,491
Other comprehensive loss	-	-	(22,534)	-	-	(22,534)
At 31 October 2018 (restated)	3,614,865	194,395	(23,335)	-	541,660	4,327,585

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 OCTOBER 2019
(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2019 RM'000	31 OCTOBER 2018 RM'000 RESTATED
Operating activities		
Profit before tax	265,975	131,961
Adjustments for :		
Non-cash items	(99,105)	7,088
Non-operating items	56,357	62,844
Operating cash flows before changes in working capital	223,227	201,893
Changes in inventories - property under development	481,650	(77,608)
Changes in inventories- completed properties	131,682	8,832
Changes in contract assets/contract liabilities	87,903	573,239
Changes in receivables	(41,024)	(89,175)
Changes in payables	(119,164)	(137,327)
Cash flows generated from operations	764,274	479,854
Interest received	8,415	8,902
Interest paid	(182,148)	(173,618)
Net income taxes paid	(48,039)	(98,301)
Net cash flows generated from operating activities	542,502	216,837
Investing activities		
Additions to inventories - land held for property development	(294,956)	(281,906)
Purchase of property, plant and equipment and investment properties	(19,313)	(50,806)
Proceeds from disposal of property, plant and equipment	59	534
Development expenditure paid	-	(354)
Subscription of shares in an associate	(50)	-
Additional investment in associate	-	(43,710)
Advances to joint ventures	(57,728)	(97,576)
Reduction in purchase consideration for acquisition of a joint venture	-	19,164
Other investments	(63,973)	(15,922)
Net cash flows used in investing activities	(435,961)	(470,576)
Financing activities		
Drawdown of bank borrowings	764,842	859,550
Repayment of bank borrowings and finance lease obligations	(824,335)	(503,392)
Interest paid	(33,563)	(37,872)
Net cash flows (used in)/generated from financing activities	(93,056)	318,286
Net increase in cash and cash equivalents	13,485	64,547
Effect of exchange rate changes	13	(32)
Cash and cash equivalents at 1 November 2018 / 2017	372,675	308,160
Cash and cash equivalents at 31 October 2019 / 2018	386,173	372,675
Cash and cash equivalents comprise the following:		
Deposits	221,973	87,224
Cash and bank balances	378,566	423,073
Bank overdrafts	(26,330)	(19,208)
	574,209	491,089
Less: Deposit pledged, Debt Service Reserve, Redemption Accounts and Escrow Accounts	(188,036)	(118,414)
	386,173	372,675

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 October 2018 and the accompanying explanatory notes.)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") 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 Company's audited financial statements for the financial year ended 31 October 2018, which were prepared in accordance with Financial Reporting Standards ("FRSs").

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 for an understanding of the changes in the Group's financial position and of its performance since the date to which its last audited annual financial statements were made up.

The interim financial report for the financial quarter ended 31 January 2019 was the Group's first set of interim financial report prepared in accordance with MFRSs, including *MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards*. For periods up to 31 October 2018, the Group prepared its interim financial reports in accordance with FRSs in Malaysia.

The accounting policies and methods of computation applied and adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 October 2018 except as disclosed below.

In adopting the MFRS framework, the Group has applied the following MFRSs and amendments/improvements to MFRSs which are relevant and effective for annual periods beginning on or after 1 January 2018:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments/Improvements to MFRS 1	First-time adoption of MFRSs
Amendments/Improvements to MFRS 128	Investments in Associates and Joint Ventures
Amendments/Improvements to MFRS 140	Investment Property

The adoption of the MFRSs framework did not have any material financial impact to the Group's financial position, financial performance and cash flows except as disclosed on pages 8, 9, 10 and 11 below. A brief discussion of the significant standards under the MFRSs framework is set out below.

1. **Basis of preparation (continued)**

MFRS 3 – Business Combinations

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

The Group has opted to apply MFRS 3 prospectively. In addition, the Group has also applied the exemption for MFRS 10 "Consolidated Financial Statements" and acquisitions of associate and its interest in joint ventures.

MFRS 9 – Financial Instruments

MFRS 9 replaces MFRS 139, *Financial Instruments: Recognition and Measurement* and introduces new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 introduces an approach for the classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which the asset is held. The Group has classified its financial assets as financial assets measured at amortised cost.

MFRS 9 introduces a new expected credit loss ("ECL") model for impairment that replaces the incurred loss impairment model used in FRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. Based on an assessment, the Group has not identified any significant impact arising from adopting this model.

The Group has applied MFRS 9 from 1 November 2018, and has avail itself of the exemptions permitted under MFRS 1. Accordingly the comparative figures have not been restated.

MFRS 15 – Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Upon the adoption of MFRS 15, the Group conducted an assessment of its existing contracts with customers and identified, among others, the following changes to its existing accounting principles:

(a) Timing of recognition for the sales of properties

The Group recognises revenue from property development over time if the Group's performance does not create an asset with an alternative use to the Group and if it has an enforceable right to payment for performance completed to date and it is probable that the Group will collect such payment. The measure of the progress towards complete satisfaction of the performance obligation is based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the development costs incurred to date to the estimated total development costs).

1. **Basis of preparation (continued)**

(b) Determining the transaction price

In determining the transaction price, the Group assesses the estimated transaction price after considering the effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract and consideration payable to customer.

(c) Accounting for incremental costs of obtaining a contract

The Group's previous accounting policy under the FRSs framework was to expense off incremental costs incurred in obtaining a customer contract. Under MFRS 15, these costs qualify to be recognised as an asset and are amortised progressively over the period during which the property sold is transferred to the customer as long as the Group expects to recover these costs.

(d) Other adjustments

The above changes have resulted in adjustments to other items such as deferred taxes, investment in joint ventures, inventories, foreign currency translation reserve and retained earnings.

(e) Presentation of contract assets and contract liabilities

The Group has changed the presentation of certain amounts in the condensed consolidated statement of financial position to reflect the terminology used in MFRS 15:

(i) Accrued billings arising from property development contracts previously presented under trade and other receivables, and arising from construction contracts previously presented as gross amount due from customers are now presented as Contract Assets.

(ii) Progress billings arising from property development contracts previously presented under trade and other payables are now presented as Contract Liabilities.

The Group has applied MFRS 15 in accordance with the full retrospective transitional provisions with elected practical expedients according to paragraph C5 of MFRS 15.

1. **Basis of preparation (continued)**

The effects of the transition to the MFRS Framework on the consolidated statement of financial position are as follows:

	As previously reported (Under FRSs) RM'000	Effect of MFRS adjustments RM'000	As restated (Under MFRSs) RM'000
Consolidated Statement of Financial Position At 31 October 2018			
ASSETS			
Non-Current Assets			
Property, plant & equipment	250,112	-	250,112
Investment properties	19,440	-	19,440
Inventories - land held for property development	3,877,520	8,060	3,885,580
Investment in an associate	57,018	-	57,018
Investment in joint ventures	1,112,584	(14,607)	1,097,977
Trade receivables	24,552	-	24,552
Amount due from joint ventures	651,223	-	651,223
Deferred tax assets	96,676	10,671	107,347
	6,089,125	4,124	6,093,249
Current Assets			
Inventories - properties under development	2,567,368	295,885	2,863,253
Inventories - completed properties	140,489	28,562	169,051
Trade and other receivables	1,063,258	(173,915)	889,343
Contract assets	-	96,672	96,672
Gross amount due from customers	6,882	(6,882)	-
Current tax assets	49,037	-	49,037
Deposits	87,224	-	87,224
Cash and bank balances	423,073	-	423,073
	4,337,331	240,322	4,577,653
TOTAL ASSETS	10,426,456	244,446	10,670,902
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	3,614,865	-	3,614,865
Warrant Reserve	194,395	-	194,395
Foreign currency translation reserve	(22,216)	(1,119)	(23,335)
Retained Earnings	620,907	(79,247)	541,660
Total Equity	4,407,951	(80,366)	4,327,585
Non-Current Liabilities			
Long term borrowings	1,925,831	-	1,925,831
Finance lease obligations	307	-	307
Deferred tax liabilities	32,435	(9,527)	22,908
	1,958,573	(9,527)	1,949,046
Current Liabilities			
Trade and other payables	2,145,373	(779,779)	1,365,594
Contract liabilities	-	1,114,118	1,114,118
Bank overdrafts	19,208	-	19,208
Short term borrowings	1,886,180	-	1,886,180
Finance lease obligations	76	-	76
Current tax liabilities	9,095	-	9,095
	4,059,932	334,339	4,394,271
Total Liabilities	6,018,505	324,812	6,343,317
TOTAL EQUITY AND LIABILITIES	10,426,456	244,446	10,670,902

1. **Basis of preparation (continued)**

The effects of the transition to the MFRS Framework on the consolidated statement of financial position are as follows: (continued)

	As previously reported (Under FRSs) RM'000	Effect of MFRS adjustments RM'000	As restated (Under MFRSs) RM'000
Consolidated Statement of Financial Position At 1 November 2017			
ASSETS			
Non-Current Assets			
Property, plant & equipment	227,942	-	227,942
Investment properties	19,149	-	19,149
Inventories - land held for property development	3,900,199	9,612	3,909,811
Investment in an associate	12,127	-	12,127
Investment in joint ventures	1,139,208	13,263	1,152,471
Amount due from joint ventures	507,520	-	507,520
Deferred tax assets	78,743	3,151	81,894
	5,884,888	26,026	5,910,914
Current Assets			
Inventories - properties under development	2,431,575	174,798	2,606,373
Inventories - completed properties	24,707	-	24,707
Trade and other receivables	1,021,386	(208,200)	813,186
Contract assets	-	160,468	160,468
Gross amount due from customers	6,882	(6,882)	-
Current tax assets	46,999	-	46,999
Deposits	119,388	-	119,388
Cash and bank balances	314,436	-	314,436
	3,965,373	120,184	4,085,557
TOTAL ASSETS	9,850,261	146,210	9,996,471
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	3,614,865	-	3,614,865
Warrant Reserve	194,395	-	194,395
Foreign currency translation reserve	(541)	(260)	(801)
Retained Earnings	455,315	(7,146)	448,169
Total Equity	4,264,034	(7,406)	4,256,628
Non-Current Liabilities			
Long term borrowings	2,202,608	-	2,202,608
Other payables	92,671	-	92,671
Deferred tax liabilities	48,563	(3,717)	44,846
	2,343,842	(3,717)	2,340,125
Current Liabilities			
Trade and other payables	1,946,382	(452,405)	1,493,977
Contract liabilities	-	609,738	609,738
Bank overdrafts	26,497	-	26,497
Short term borrowings	1,250,466	-	1,250,466
Current tax liabilities	19,040	-	19,040
	3,242,385	157,333	3,399,718
Total Liabilities	5,586,227	153,616	5,739,843
TOTAL EQUITY AND LIABILITIES	9,850,261	146,210	9,996,471

1. **Basis of preparation (continued)**

The effects of the transition to the MFRS Framework on the consolidated statement of comprehensive income are as follows:

	As previously reported (Under FRSs) RM'000	Effect of MFRS adjustments RM'000	As restated (Under MFRSs) RM'000
Statement of Comprehensive Income 12 months ended 31 October 2018			
Revenue	2,171,768	(186,843)	1,984,925
Cost of sales	(1,700,707)	135,201	(1,565,506)
Gross profit	471,061	(51,642)	419,419
Other income	45,863	-	45,863
Selling and marketing expenses	(49,235)	(88)	(49,323)
Administrative expenses	(207,238)	(3,878)	(211,116)
Finance costs	(99,731)	-	(99,731)
Share of results in an associate, net of tax	1,199	-	1,199
Share of results in joint ventures, net of tax	55,400	(29,750)	25,650
Profit before taxation	217,319	(85,358)	131,961
Income tax expense	(51,727)	13,257	(38,470)
Profit net of tax	**165,592**	**(72,101)**	**93,491**
Other comprehensive income:			
Exchange differences on translation of foreign operation	1,679	-	1,679
Share of other comprehensive losses of joint venture	(23,354)	(859)	(24,213)
Total comprehensive income for the year	**143,917**	**(72,960)**	**70,957**
Earnings per share attributable to owners of the company			
:-Basic earnings per share (sen)	5.62		3.18
- Diluted earning per share (sen) #	5.62		3.18

* *Anti-dilutive*

1. **Basis of preparation (continued)**

The effects of the transition to the MFRS Framework on the consolidated statement of comprehensive income are as follows: (continued)

	As previously reported (Under FRSs) RM'000	Effect of MFRS adjustments RM'000	As restated (Under MFRSs) RM'000
Statement of Comprehensive Income			
3 months ended 31 October 2018			
Revenue	607,581	(146,227)	461,354
Cost of sales	(480,026)	108,923	(371,103)
Gross profit	127,555	(37,304)	90,251
Other income	19,308	-	19,308
Selling and marketing expenses	(18,014)	1,259	(16,755)
Administrative expenses	(56,483)	(1,233)	(57,716)
Finance costs	(30,064)	-	(30,064)
Share of results in an associate, net of tax	350	-	350
Share of results in joint ventures, net of tax	36,428	(27,414)	9,014
Profit before taxation	79,080	(64,692)	14,388
Income tax expense	(10,550)	8,960	(1,590)
Profit net of tax	**68,530**	**(55,732)**	**12,798**
Other comprehensive income:			
Exchange differences on translation of foreign operation	13	-	13
Share of other comprehensive losses of joint venture	(2,103)	(37)	(2,140)
Total comprehensive income for the period	**66,440**	**(55,769)**	**10,671**
Earnings per share attributable to owners of the company			
:-Basic earnings per share (sen)	2.33		0.43
- Diluted earning per share (sen) #	2.33		0.43

* *Anti-dilutive*

There is no material impact on the consolidated statement of cash flows for the financial year ended 31 October 2018. The reclassification on adoption of the MFRS framework in the consolidated statement of cash flows for the financial year ended 31 October 2018 is as follows:

	As previously reported (under FRSs) RM'000	Effect of MFRS adjustments RM'000	As restated (Under MFRSs) RM'000
Statement of Cash Flows			
12 months ended 31 October 2018			
Net cash generated from operating activities	222,588	(5,751)	216,837
Net cash used in investing activities	(476,327)	5,751	(470,576)

2. **Seasonal or Cyclical Factors**

The business operations of the Group during the financial year ended 31 October 2019 were not materially affected by any seasonal or cyclical factors.

3. **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 year ended 31 October 2019.

4. **Changes in Estimates**

There were no material changes in estimates for the financial year ended 31 October 2019.

5. **Debts 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 sale of treasury shares during the financial year ended 31 October 2019, except for the following:

i) Second issuance of unrated Medium Term Notes ("MTN") with a nominal value of RM40 million by Eco Botanic Sdn Bhd, a wholly owned subsidiary, on 24 December 2018. RM20 million out of the RM40 million MTNs are guaranteed by Danajamin Nasional Berhad; and

ii) Issuance of the balance tranche of the unrated medium term notes with a nominal value of RM250 million by Eco World Capital Assets Berhad, a wholly owned subsidiary of the Company on 13 August 2019.

6. **Dividends Paid**

There was no payment of dividend during the financial year ended 31 October 2019.

7. **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 2019 till 5 December 2019 (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 2019.

10. **Contingent Liabilities**

There were no contingent liabilities that has arisen since the date of the latest audited financial statements.

11. **Fair value of Financial Instruments**

(a) There were no derivative financial instruments as at 31 October 2019.

(b) The carrying amounts of the Group's financial assets and financial liabilities at amortised cost are reasonable approximations of fair values.

12. **Disaggregation of revenue**

The Group's revenue is disaggregated by primary geographical market as follows:-

	12 MONTHS ENDED	
	31/10/2019 RM'000	31/10/2018 RM'000 RESTATED
Location		
Klang Valley	1,317,787	1,075,939
Iskandar Malaysia	1,009,123	792,424
Penang	135,415	116,562
	2,462,325	1,984,925

13. **Commitments**

	As at 31/10/2019 RM'000
Approved and contracted for:-	
Commitment to subscribe for ordinary shares in MFBBCC Retail Mall	240
Commitment to subscribe for redeemable preference shares in MFBBCC Retail Mall	27,922
Commitment to acquire property, plant and equipment	13,028
Commitment to fund development costs of a joint venture	43,000

14. **Significant Related Party Transactions**

	12 MONTHS ENDED 31/10/2019 RM'000
(i) Transactions with shareholders/directors of the Company and its subsidiary companies, and with companies in which they have interests	
- Subscription of shares in a company in which a director has interest	50
- Rental paid and payable to companies in which a director has interest	258
- Sales of development properties to directors of subsidiary companies	2,578
- Stay2Own rental received from directors of subsidiary companies	57
(ii) Transactions with joint ventures	
- Advances given	57,728
- Interest received and receivable	51,148
- Development management fees received and receivable	87,584
- Other resources fees received and receivable	23,069
- Brand licensing fees received and receivable	8,578
- Advisory fees received and receivable	112
- Commission received and receivable	1,554
- Sales of safety equipment	149
- Rental received and receivable	527
- Support service fees received and receivable	115
- Property management appointment fees received and receivable	212
- Disposal of motor vehicles	51

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

1. **Review of Group Performance**

	3 MONTHS ENDED			12 MONTHS ENDED		
	31/10/2019 RM'000	31/10/2018 RM'000 RESTATED	Changes RM'000	31/10/2019 RM'000	31/10/2018 RM'000 RESTATED	Changes RM'000
Revenue	906,543	461,354	445,189	2,462,325	1,984,925	477,400
Gross profit	141,548	90,251	51,297	469,671	419,419	50,252
Share of results of joint ventures						
- Malaysia	25,507	5,612	19,895	85,067	28,668	56,399
- International	40,644	3,402	37,242	59,197	(3,018)	62,215
Profit before interest and tax	131,535	44,452	87,083	367,865	231,692	136,173
Profit before tax (PBT)	104,436	14,388	90,048	265,975	131,961	134,014
Profit after tax (PAT)	81,457	12,798	68,659	203,422	93,491	109,931
Profit attributable to owners of the Company	81,457	12,798	68,659	203,422	93,491	109,931

(a) **4Q 2019 vs 4Q 2018**

Revenue and gross profit in 4Q 2019 grew by 96% and 57%, respectively, compared to 4Q 2018. The main projects which contributed to revenue and gross profit in 4Q 2019 were ***Eco Majestic***, ***Eco Forest***, ***Eco Sanctuary*** and ***Eco Sky*** in the Klang Valley, ***Eco Botanic***, ***Eco Spring***, ***Eco Summer***, ***Eco Business Park I***, ***Eco Business Park II***, ***Eco Tropics*** and ***Eco Business Park III*** in Iskandar Malaysia and ***Eco Meadows*** in Penang.

The higher revenue and gross profit recorded in 4Q 2019 were mainly due to higher percentage of completion and higher sales (qualifying for revenue and profit recognition) secured by subsidiaries in 2H 2019.

The Group's share of the results of its Malaysian joint-ventures increased by 355% in 4Q 2019 compared to 4Q 2018. The increase is the result of stronger sales in 2H 2019 as well as greater progress of works achieved by ***Eco Grandeur, Eco Business Park V***, ***Eco Horizon***, ***Eco Ardence*** and ***Bukit Bintang City Centre (BBCC)***. In total, the Malaysian joint ventures recorded revenue of RM525.0 million in 4Q 2019, of which the Group's effective share (proforma and unconsolidated) amounted to RM284.5 million.

The Group's share of the results of the international joint-venture, Eco World International Berhad (EcoWorld International), increased by approximately 11 times in 4Q 2019 compared to 4Q 2018. This was mainly due to the completion and handover of units to customers by its joint venture projects in the United Kingdom and the revenue and profit recognition from EcoWorld London's Built-to-Rent (BtR) development.

The higher revenue, gross profit and share of results of joint-ventures in 4Q 2019 have resulted in a 626% increase in PBT and a 536% increase in PAT when compared to 4Q 2018.

1. **Review of Group Performance (continued)**

(b) **4Q YTD 2019 vs 4Q YTD 2018**

The higher revenue in 4Q YTD 2019 compared to 4Q YTD 2018 was mainly due to the strong recovery in sales after the official launch of the National Home Ownership Campaign ("NHOC") on 1 March 2019 and the higher percentage of completion achieved by the projects, as mentioned above.

The Malaysian joint-ventures also contributed a higher PAT to the Group in 4Q YTD 2019 due to higher revenues earned. Collectively, ***Eco Grandeur & Eco Business Park V***, ***Eco Horizon***, ***Eco Ardence*** and ***Bukit Bintang City Centre (BBCC)*** recorded RM1,561.4 million in revenue in 4Q YTD 2019, of which the Group's effective share (proforma and unconsolidated), amounted to RM823.2 million.

The Group's share of results from EcoWorld International turned around from a RM3.0 million net loss in 4Q YTD 2018 to a PAT of RM59.2 million in 4Q YTD 2019 due to the strong results achieved in 4Q 2019, as mentioned above.

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

	3 MONTHS ENDED		
	31/10/2019 RM'000	**31/07/2019 RM'000**	**Changes RM'000**
Revenue	906,543	521,371	385,172
Gross profit	141,548	112,187	29,361
Share of results of joint ventures			
- Malaysia	25,507	21,929	3,578
- International	40,644	15,821	24,823
Profit before interest and tax	131,535	89,850	41,685
Profit before tax (PBT)	104,436	65,342	39,094
Profit after tax	81,457	50,476	30,981
Profit attributable to owners of the Company	81,457	50,476	30,981

The 4Q 2019 revenue of RM906.5 million and gross profit of RM141.5 million are respectively RM385.2 million and RM29.4 million higher than in 3Q 2019 due to higher percentage of completion and higher sales (qualifying for revenue and profit recognition) secured by various ongoing projects as explained above.

3. **Prospects for the Next Financial Year**

Location of projects	**No of launched projects [2]**	**12 months ended 31.10.2019 Units launched [2]**	**Units sold [1,2]**	**Sales value [2] RM'mil**	**Cumulative sales [1,2] RM'mil**	**As at 31.10.2019 Future revenue [3] RM'mil**
Klang Valley	8	1,185	1,871	1,810	11,740	2,526
Iskandar Malaysia	7	941	959	748	6,308	998
Penang	3	284	160	144	1,073	284
Malaysia	**18**	**2,410**	**2,990**	**2,702**	**19,121**	**3,808**

Location of projects	**Land bank Acres**	**12 months ended 31.10.2019 Units launched [2]**	**Units sold [1,2]**	**Sales value [2] RM'mil**	**Cumulative sales [1,2] RM'mil**	**As at 31.10.2019 Future revenue [3] RM'mil**
United Kingdom	50.7	386	349	1,030	10,688	999
Australia	2.4	-	35	93	1,302	351
Overseas	**53.1**	**386**	**384**	**1,123**	**11,990**	**1,350**

Total future revenue attributable to EcoWorld Malaysia	**5,158**

[1] *Includes sales of units from prior year launches*
[2] *Includes projects and sales (by units & value) of joint ventures*
[3] *Represents revenue expected to be recognised in the future from secured sales of subsidiaries and joint ventures based on EcoWorld Malaysia's equity interest*

In the last 2 months of FY2019, the Group recorded sales totalling RM766 million. Compared to the RM1.94 billion achieved in the first 10 months of the financial year, the last 2 months were clearly the best performing months in terms of sales.

As a result of the higher monthly sales in the last 2 months of the financial year, the Group was able to record total whole year sales of RM2.7 billion for FY2019.

Apart from the various homeownership incentives and assistance offered in support of the Government's NHOC, the Group's other initiatives which contributed to sales in FY2019 include:

- ***Life@EcoWorld***, encompassing the Group's ongoing efforts to provide a wide range of holistic services and amenities carefully curated to suit the target customer base of each project;

- ***#SENANGjer*** campaign to communicate to young Malaysians, especially Bumiputra purchasers, on the benefits and ease of owning an EcoWorld property. This is in light of the attractive packages offered by the Group in conjunction with the ***Home Ownership Programme with EcoWorld*** (***HOPE***) launched at the start of the year coupled with the various incentives available under the Government's National Home Ownership Campaign (NHOC);

- Product innovations such as ***ErgoHomes @ EcoForest*** providing a new take on terrace living with customisable internal spaces, communal and private gardens at an affordable price point;

- EcoWorld's ***Design2Own*** App which enabled customers to co-create the internal layout of their dream home thereby increasing options available to cater to the needs and aspirations of a wider market segment.

FY2019 also saw the largest number of completions and handover of properties sold by the Group. A total of 5,763 units comprising 3,367 landed homes, 1,844 apartments, 429 commercial and 123 industrial units were completed during the year. Since FY2016 more than 16,400 properties have been delivered to customers.

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

The Group's unwavering focus on ideation and innovation in the conceptualisation and delivery of its projects, products and services has led to the creation of highly liveable environments within each EcoWorld Signature development. Occupancy rates for projects handed over are generally high, resulting in thriving EcoWorld communities being established in the Klang Valley, Iskandar Malaysia and Penang. Customer engagement is also strong, built and nurtured over the years through steadfast commitment to service excellence.

This has established a strong platform for the launch of EcoWorld for Generations in November 2019 to communicate the Group's ability to offer a product to suit the needs of every generation, both from a demographic and psychographic (i.e. based on shared interests, lifestyles, passions) standpoint.

A new range of homes priced from RM300,000 to RM450,000 will also be introduced in 2020 to capitalise on the excellent infrastructure, built environment and comprehensive amenities within existing EcoWorld townships. This new brand will provide a greater element of choice to customers to decide how they want to live, thereby further extending and broadening the Group's market appeal.

Based on the above and other plans to be implemented in FY2020, EcoWorld Malaysia is therefore confident that it is on track to achieve the combined 2-year RM6 billion sales target set for FY2019 and FY2020.

Outside Malaysia, EcoWorld International recorded RM1.123 billion sales in FY2019. The Group's mid-mainstream products priced from GBP500 psf to GBP800 psf continued to deliver strong performance in FY2019. While the Group's higher-end products in London were affected by Brexit-related uncertainties, there are signs that this segment of the market may have bottomed out.

Property market sentiments in Sydney and Melbourne also continue to recover with various market observers reporting improved activities and positive price growth over the past several months.

Given the improving market outlook, EcoWorld International is also maintaining its previously announced combined 2-year target of RM6 billion for FY2019 and FY2020. Its management will continue to pursue sizeable Build-to-Rent deals in the UK to achieve this sales target.

EcoWorld International will also work towards delivering Wardian, West Village, Yarra One and the last residential block in London City Island in FY2020. A significant portion of its RM5.0 billion effective share of future revenue is therefore anticipated to be translated into revenue and profits in FY2020 and this provides it with strong near-term earnings visibility.

EcoWorld Malaysia's effective stake in the future revenue of its subsidiaries and joint ventures (including its 27% share of EcoWorld International's future revenue) stands at RM5.16 billion as at 31 October 2019. This will sustain earnings growth momentum in the new financial year and help contribute towards the Group's aim to be in a position to declare its first dividend in FY2020.

As at 31 October 2019, the Group's land bank are as follows:-

		Land bank (acres)	
Location of projects	**No of projects**	**Original land size**	**Undeveloped**
Klang Valley	8	4,735.3*	2,611.2
Iskandar Malaysia	7	2,926.1	1,514.2
Penang	5	465.0	328.2
The Group	**20**	**8,126.4**	**4,453.6**

* *Includes acquisitions by a joint-venture pending completion*

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

There were no profit forecast published as at 31 October 2019.

5. **Income Tax**

Income Tax comprises:-

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2019 RM'000	31/10/2018 RM'000 RESTATED	31/10/2019 RM'000	31/10/2018 RM'000 RESTATED
Current tax				
- for current quarter	12,964	23,383	48,266	85,371
- in respect of prior years	1,069	(913)	1,687	1,020
Deferred tax				
- for current quarter	7,977	(19,979)	8,109	(43,921)
- in respect of prior years	969	(901)	4,491	(4,000)
	22,979	1,590	62,553	38,470

The Group's effective tax rate for 4Q 2019 and 4Q YTD 2019 is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

6. **Status of Corporate Proposals**

The following is the corporate proposal previously announced by the Company that remained uncompleted as at 5 December 2019, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

On 22 September 2015, Paragon Pinnacle, then a wholly-owned subsidiary of the Company, entered into several conditional sale and purchase agreements ("SPAs") comprising SPA1, SPA2, SPA3, SPA4 and SPA5 with Mujur Zaman Sdn. Bhd., Ringgit Exotika Sdn. Bhd., Liputan Canggih Sdn. Bhd. and LBCN Development Sdn. Bhd. (collectively known as "the Vendors"), for the proposed acquisition of leasehold lands measuring approximately 2,198.40 acres in Mukim Ijok, District of Kuala Selangor, Negeri Selangor ("Ijok Land") for a total purchase consideration of RM1,181,335,536.65 ("Proposed Ijok Land Acquisitions").

The Proposed Ijok Land Acquisitions were subject to fulfilment of conditions precedent, including the approval of the Company's shareholders at an extraordinary general meeting, which was obtained on 24 March 2016.

As the relevant conditions precedent relating to certain pieces of the Ijok Land have been fulfilled and in order to expedite the completion of the Proposed Ijok Land Acquisitions, Paragon Pinnacle entered into several supplemental agreements for the purpose of splitting certain SPAs into tranches.

The status of the respective SPAs are as follows:

SPA	Completion Date
1A & 2	2 November 2016
4A	10 February 2017
3A & 3B	16 February 2017
1B & 4B	3 October 2017

Further to the announcement on 9 August 2019, Paragon Pinnacle expects to complete SPA 5 (the final SPA) by first quarter of 2020.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 October 2019 and 31 October 2018 were as follows:-

	As at 31 October 2019		
	Long term	**Short term**	**Total borrowings**
	RM'000	**RM'000**	**RM'000**
Secured			
Revolving credits	103,669	666,546	770,215
Term loans	831,199	392,367	1,223,566
Bridging loans	181,446	120,560	302,006
Medium term notes	189,149	-	189,149
Finance lease obligations	226	81	307
	1,305,689	1,179,554	2,485,243
Unsecured			
Revolving credits	-	769,780	769,780
Medium term notes	498,362	-	498,362
Overdraft	-	26,330	26,330
	498,362	796,110	1,294,472
	1,804,051	1,975,664	3,779,715

	As at 31 October 2018		
	Long term	**Short term**	**Total borrowings**
	RM'000	**RM'000**	**RM'000**
Secured			
Revolving credits	70,455	586,890	657,345
Term loans	1,267,490	332,289	1,599,779
Bridging loans	189,611	132,876	322,487
Medium term notes	148,695	-	148,695
Finance lease obligations	307	76	383
	1,676,558	1,052,131	2,728,689
Unsecured			
Revolving credits	-	732,500	732,500
Term loans	-	101,625	101,625
Medium term notes	249,580	-	249,580
Overdraft	-	19,208	19,208
	249,580	853,333	1,102,913
	1,926,138	1,905,464	3,831,602

The weighted average interest rate at the end of the reporting year were as follows:

	As at 31 October 2019	As at 31 October 2018
	%	%
Floating interest rate	5.43	5.54
Fixed interest rate	6.50	6.24

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

The decrease in borrowings is mainly due to certain repayments during the financial year ended 31 October 2019.

8. **Material Litigation**

The Group was not engaged in any material litigation as at 5 December 2019 (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 dividend has been declared or paid in respect of the financial year ended 31 October 2019.

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

Earnings per share has been calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2019	31/10/2018 RESTATED	31/10/2019	31/10/2018 RESTATED
Profit for the period/year attributable to owners of the Company (RM'000)	81,457	12,798	203,422	93,491
Weighted average number of ordinary shares ('000)	2,944,369	2,944,369	2,944,369	2,944,369
Basic Earnings Per Ordinary Share (sen)	2.77	0.43	6.91	3.18

Diluted earnings per share has been calculated by dividing the Group's profit after tax attributable to owners 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.

However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2019	31/10/2018 RESTATED	31/10/2019	31/10/2018 RESTATED
Profit for the period/year attributable to owners of the Company (RM'000)	81,457	12,798	203,422	93,491
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,369	2,944,369	2,944,369	2,944,369
Effect of potential exercise of Warrants ('000)	#	#	#	#
Weighted average number of ordinary shares ('000)	2,944,369	2,944,369	2,944,369	2,944,369
Diluted Earnings Per Ordinary Share (sen) *	2.77	0.43	6.91	3.18

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

* *Anti-dilutive*

11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 October 2018 were unqualified.

12. Provision of Financial Assistance

	12 MONTHS ENDED 31/10/2019 RM'000
i) Advances provided to:	
- BBCC Development Sdn Bhd	37,000
- Eco Horizon Sdn Bhd ("Eco Horizon")	20,728
ii) Guarantees given by the Company to secure the bank borrowings of:	
- Paragon Pinnacle Sdn Bhd ("Paragon Pinnacle")	283,200
- Eco Horizon	80,892
	========

	As at 31/10/2019 RM'000
iii) Guarantees given by the Company to secure the repayment by the following joint venture companies of all sums of monies due, owing, unpaid or outstanding to Tanjung Wibawa:	
- Paragon Pinnacle	437,232
- Eco Horizon	307,282
	========

There has been no material impact on the earnings and net tangible assets of the Group for the financial year ended 31 October 2019 arising from the above-mentioned guarantees.

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

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

	3 MONTHS ENDED 31/10/2019 RM'000	12 MONTHS ENDED 31/10/2019 RM'000
Interest income	10,745	42,295
Other income including investment income	2,906	11,366
Interest expense	(27,099)	(101,890)
Depreciation and amortisation	(12,673)	(37,217)
Provision for write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	(2,457)	(2,457)
Foreign exchange gain or (loss)	70	2
Gain or loss on derivatives	-	-
Exceptional items	-	-

By order of the Board
Chua Siew Chuan
Company Secretary
12 December 2019