

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

Interim Financial Report
31 January 2021

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(Incorporated in Malaysia)

Interim Financial Report - 31 January 2021

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ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2021
(The figures have not been audited)

| | 3 MONTHS ENDED | |
|--|------------------------|------------------------|
| | 31 JANUARY 2021 | 31 JANUARY 2020 |
| | RM'000 | RM'000 |
| | | RESTATED |
| Revenue | 507,353 | 537,945 |
| Cost of sales | (406,305) | (432,299) |
| Gross profit | <u>101,048</u> | <u>105,646</u> |
| Other income | 14,211 | 15,288 |
| Selling and marketing expenses | (8,439) | (8,821) |
| Administrative expenses | (47,736) | (56,647) |
| Finance costs | (27,095) | (37,065) |
| Share of results in joint ventures, net of tax | 41,565 | 25,999 |
| Share of results in associates, net of tax | (442) | (162) |
| Profit before tax | <u>73,112</u> | <u>44,238</u> |
| Income tax expense | (10,678) | (7,730) |
| Profit net of tax | 62,434 | 36,508 |
| Other comprehensive income, net of tax | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Exchange differences on translation of foreign operations | 7 | 100 |
| Share of other comprehensive income/(loss) of a joint venture | 30,882 | (8,891) |
| Total comprehensive income for the period | <u>93,323</u> | <u>27,717</u> |
| Profit net of tax attributable to: | | |
| Owners of the Company | 62,434 | 36,508 |
| Non-controlling interests | - | - |
| | <u>62,434</u> | <u>36,508</u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 93,323 | 27,717 |
| Non-controlling interests | - | - |
| | <u>93,323</u> | <u>27,717</u> |
| Earnings per share attributable to owners of the Company: | | |
| Basic earnings per share (sen) | 2.12 | 1.24 |
| Diluted earnings per share (sen) * | 2.12 | 1.24 |

* *Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 October 2020 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

| | As At 31 JANUARY 2021 RM'000 UNAUDITED | As At 31 OCTOBER 2020 RM'000 RESTATED | As At 1 NOVEMBER 2019 RM'000 RESTATED |
|--|---|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | 182,942 | 184,953 | 229,622 |
| Investment properties | 19,676 | 19,641 | 19,510 |
| Inventories - land held for property development | 4,260,028 | 4,243,824 | 3,965,190 |
| Investment in associates | 57,801 | 58,242 | 54,769 |
| Investment in joint ventures | 1,362,881 | 1,305,644 | 1,206,837 |
| Trade receivables | 114,570 | 119,374 | 112,171 |
| Lease receivables | 3,653 | 3,739 | - |
| Amount due from joint ventures | 912,227 | 870,654 | 760,099 |
| Deferred tax assets | 111,375 | 110,269 | 104,573 |
| | <u>7,025,153</u> | <u>6,916,340</u> | <u>6,452,771</u> |
| Current assets | | | |
| Inventories - property under development | 1,029,336 | 1,293,981 | 2,024,886 |
| Inventories - completed properties | 712,096 | 710,226 | 583,588 |
| Trade and other receivables | 620,537 | 849,615 | 870,224 |
| Lease receivables | 889 | 1,065 | - |
| Contract assets | 62,897 | 56,506 | 68,545 |
| Current tax assets | 37,678 | 42,360 | 40,197 |
| Deposits | 339,493 | 202,303 | 221,973 |
| Cash and bank balances | 342,687 | 254,134 | 378,566 |
| | <u>3,145,613</u> | <u>3,410,190</u> | <u>4,187,979</u> |
| TOTAL ASSETS | <u>10,170,766</u> | <u>10,326,530</u> | <u>10,640,750</u> |
| 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 | 16,127 | (18,487) | (15,783) |
| Cash flow hedge reserve | (3,814) | (89) | (543) |
| Retained earnings | 858,014 | 854,467 | 694,317 |
| Total equity | <u>4,679,587</u> | <u>4,645,151</u> | <u>4,487,251</u> |
| Non-current liabilities | | | |
| Long term borrowings | 1,414,980 | 1,266,000 | 1,803,825 |
| Other payables | 318,507 | 319,684 | - |
| Lease liabilities | 13,043 | 12,314 | 226 |
| Deferred tax liabilities | 41,535 | 40,956 | 29,298 |
| | <u>1,788,065</u> | <u>1,638,954</u> | <u>1,833,349</u> |
| Current liabilities | | | |
| Trade and other payables | 855,832 | 1,041,139 | 1,168,422 |
| Contract liabilities | 933,425 | 945,799 | 1,173,894 |
| Bank overdrafts | 26,517 | 25,323 | 26,330 |
| Short term borrowings | 1,821,335 | 2,025,084 | 1,949,253 |
| Lease liabilities | 4,835 | 3,905 | 81 |
| Current tax liabilities | 2,283 | 1,175 | 2,170 |
| Dividend payable | 58,887 | - | - |
| | <u>3,703,114</u> | <u>4,042,425</u> | <u>4,320,150</u> |
| Total liabilities | <u>5,491,179</u> | <u>5,681,379</u> | <u>6,153,499</u> |
| TOTAL EQUITY AND LIABILITIES | <u>10,170,766</u> | <u>10,326,530</u> | <u>10,640,750</u> |
| Net Assets Per Share Attributable to Owners of the Company (RM) | <u>1.59</u> | <u>1.58</u> | <u>1.52</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2020 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2021
(The figures have not been audited)

| | Share capital | Warrants | Foreign | Cash flow | Retained | Total |
|--|----------------------|-----------------|-----------------|----------------------|-----------------|---------------|
| | RM'000 | reserve | currency | hedge reserve | earnings | Equity |
| | RM'000 | RM'000 | reserve | RM'000 | RM'000 | RM'000 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 November 2020 | 3,614,865 | 194,395 | (18,487) | (89) | 880,253 | 4,670,937 |
| Effects of adoption of the Agenda Decision | - | - | - | - | (25,786) | (25,786) |
| At 1 November 2020 (restated) | 3,614,865 | 194,395 | (18,487) | (89) | 854,467 | 4,645,151 |
| Profit for the year | - | - | - | - | 62,434 | 62,434 |
| Other comprehensive income/(loss) | - | - | 34,614 | (3,725) | - | 30,889 |
| Dividend payable | - | - | - | - | (58,887) | (58,887) |
| At 31 January 2021 | 3,614,865 | 194,395 | 16,127 | (3,814) | 858,014 | 4,679,587 |
| At 1 November 2019 | 3,614,865 | 194,395 | (15,783) | (543) | 745,082 | 4,538,016 |
| Effects of adoption of the Agenda Decision | - | - | - | - | (50,765) | (50,765) |
| At 1 November 2019 (restated) | 3,614,865 | 194,395 | (15,783) | (543) | 694,317 | 4,487,251 |
| Profit for the period | - | - | - | - | 36,508 | 36,508 |
| Other comprehensive (loss)/income | - | - | (11,319) | 2,528 | - | (8,791) |
| At 31 January 2020 | 3,614,865 | 194,395 | (27,102) | 1,985 | 730,825 | 4,514,968 |

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

ECO WORLD DEVELOPMENT GROUP BERHAD

(Company No: 197401000725 (17777 – V))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 JANUARY 2021

(The figures have not been audited)

| | 3 MONTHS ENDED | |
|--|------------------------|------------------------|
| | 31 JANUARY 2021 | 31 JANUARY 2020 |
| | RM'000 | RM'000 |
| | | RESTATED |
| Operating activities | | |
| Profit before tax | 73,112 | 44,238 |
| Adjustments for : | | |
| Non-cash items | (34,067) | (18,868) |
| Non-operating items | 13,712 | 11,952 |
| Operating cash flows before changes in working capital | 52,757 | 37,322 |
| Changes in inventories - property under development | 189,593 | 153,071 |
| Changes in inventories- completed properties | 118,203 | 86,644 |
| Changes in contract assets/contract liabilities | (18,766) | (53,653) |
| Changes in receivables | 241,648 | 158,780 |
| Changes in payables | (194,290) | (166,360) |
| Cash flows generated from operations | 389,145 | 215,804 |
| Interest received | 791 | 1,748 |
| Interest paid | (23,187) | (33,411) |
| Net income taxes paid | (6,091) | (15,966) |
| Net cash flows generated from operating activities | 360,658 | 168,175 |
| Investing activities | | |
| Additions to inventories - land held for property development | (46,393) | (48,794) |
| Purchase of property, plant and equipment and investment properties | (1,595) | (9,786) |
| Proceeds from disposal of property, plant and equipment | 84 | 3 |
| Deposit paid for acquisition of land | - | (3,049) |
| Advances to joint ventures | (38,000) | (108,700) |
| Repayment of interest by a joint venture | 11,165 | 45,802 |
| (Placement)/Withdrawal of redemption and debt service reserve accounts | (36,522) | 76,689 |
| Other investments | 1,058 | 1,356 |
| Net cash flows used in investing activities | (110,203) | (46,479) |
| Financing activities | | |
| Drawdown of bank borrowings | 36,899 | 68,845 |
| Repayment of bank borrowings and lease liabilities | (94,482) | (246,098) |
| Interest paid | (4,845) | (7,246) |
| Net cash flows used in financing activities | (62,428) | (184,499) |
| Net increase in cash and cash equivalents | 188,027 | (62,803) |
| Effect of exchange rate changes | - | (24) |
| Cash and cash equivalents at 1 November 2020 / 2019 | 264,314 | 386,173 |
| Cash and cash equivalents at 31 January 2021 / 2020 | 452,341 | 323,346 |
| Cash and cash equivalents comprise the following: | | |
| Deposits | 339,493 | 193,007 |
| Cash and bank balances | 342,687 | 269,368 |
| Bank overdrafts | (26,517) | (27,682) |
| | 655,663 | 434,693 |
| Less: Deposit pledged, Debt Service Reserve, Redemption Accounts and Escrow Accounts | (203,322) | (111,347) |
| | 452,341 | 323,346 |

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 October 2020 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 audited financial statements of the Group for the financial year ended 31 October 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 October 2020 except for the adoption of the following new amendments/improvements to MFRSs and IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”) which are relevant and mandatory for the current financial year:-

| | |
|--|---|
| Amendments/Improvements to MFRS 3 | Business Combinations |
| Amendments/Improvements to MFRS 7 | Financial Instruments: Disclosures |
| Amendments/Improvements to MFRS 9 | Financial Instruments |
| Amendments/Improvements to MFRS 16 | Leases |
| Amendments/Improvements to MFRS 101 | Presentation of Financial Statements |
| Amendments/Improvements to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| Amendments/Improvements to MFRS 139 | Financial Instruments: Recognition and Measurement |
| IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”) | Borrowing Costs |

The adoption of the above amendments/improvements to MFRSs did not have any material financial impact to the Group except for the adoption of the Agenda Decision, which is discussed below.

Agenda Decision

In March 2019, IFRIC concluded that any inventory which are available for its intended sale and still subject to transfer of control over time are not qualifying assets. Accordingly, the entity should not capitalise borrowing costs on those units in accordance to the principles and the requirements in IAS 23 (MFRS 123).

In previous financial years, borrowing costs incurred were capitalised in inventory – property under development until the completion of the units. Effective 1 November 2020, the Group had retrospectively applied the Agenda Decision according to guidance given by the Agenda Decision.

1. Basis of Preparation (continued)

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are as follows:

| | As previously reported RM'000 | Effects of the Agenda Decision RM'000 | As restated RM'000 |
|---|-------------------------------------|---|-----------------------|
| Consolidated Statement of Financial Position | | | |
| At 31 October 2020 | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant & equipment | 184,953 | - | 184,953 |
| Investment properties | 19,641 | - | 19,641 |
| Inventories - land held for property development | 4,243,824 | - | 4,243,824 |
| Investment in associates | 58,242 | - | 58,242 |
| Investment in joint ventures | 1,305,460 | 184 | 1,305,644 |
| Trade receivables | 119,374 | - | 119,374 |
| Lease receivables | 3,739 | - | 3,739 |
| Amount due from joint ventures | 870,654 | - | 870,654 |
| Deferred tax assets | 103,639 | 6,630 | 110,269 |
| | <u>6,909,526</u> | <u>6,814</u> | <u>6,916,340</u> |
| Current Assets | | | |
| Inventories - properties under development | 1,311,502 | (17,521) | 1,293,981 |
| Inventories - completed properties | 726,387 | (16,161) | 710,226 |
| Trade and other receivables | 849,615 | - | 849,615 |
| Lease receivables | 1,065 | - | 1,065 |
| Contract assets | 56,506 | - | 56,506 |
| Current tax assets | 42,360 | - | 42,360 |
| Deposits | 202,303 | - | 202,303 |
| Cash and bank balances | 254,134 | - | 254,134 |
| | <u>3,443,872</u> | <u>(33,682)</u> | <u>3,410,190</u> |
| TOTAL ASSETS | 10,353,398 | (26,868) | 10,326,530 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share Capital | 3,614,865 | - | 3,614,865 |
| Warrant Reserve | 194,395 | - | 194,395 |
| Foreign currency translation reserve | (18,487) | - | (18,487) |
| Cash flow hedge reserve | (89) | - | (89) |
| Retained Earnings | 880,253 | (25,786) | 854,467 |
| Total Equity | 4,670,937 | (25,786) | 4,645,151 |
| Non-Current Liabilities | | | |
| Long term borrowings | 1,266,000 | - | 1,266,000 |
| Other payables | 319,684 | - | 319,684 |
| Lease liabilities | 12,314 | - | 12,314 |
| Deferred tax liabilities | 40,982 | (26) | 40,956 |
| | <u>1,638,980</u> | <u>(26)</u> | <u>1,638,954</u> |
| Current Liabilities | | | |
| Trade and other payables | 1,042,195 | (1,056) | 1,041,139 |
| Contract liabilities | 945,799 | - | 945,799 |
| Bank overdrafts | 25,323 | - | 25,323 |
| Short term borrowings | 2,025,084 | - | 2,025,084 |
| Lease liabilities | 3,905 | - | 3,905 |
| Current tax liabilities | 1,175 | - | 1,175 |
| | <u>4,043,481</u> | <u>(1,056)</u> | <u>4,042,425</u> |
| Total Liabilities | 5,682,461 | (1,082) | 5,681,379 |
| TOTAL EQUITY AND LIABILITIES | 10,353,398 | (26,868) | 10,326,530 |

1. Basis of Preparation (continued)

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are as follows: (continued)

| | As previously reported RM'000 | Effects of the Agenda Decision RM'000 | As restated RM'000 |
|---|-------------------------------------|---|-----------------------|
| Consolidated Statement of Financial Position | | | |
| At 1 November 2019 | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant & equipment | 229,622 | - | 229,622 |
| Investment properties | 19,510 | - | 19,510 |
| Inventories - land held for property development | 3,965,190 | - | 3,965,190 |
| Investment in associates | 54,769 | - | 54,769 |
| Investment in joint ventures | 1,208,494 | (1,657) | 1,206,837 |
| Trade receivables | 112,171 | - | 112,171 |
| Amount due from joint ventures | 760,099 | - | 760,099 |
| Deferred tax assets | 99,088 | 5,485 | 104,573 |
| | <u>6,448,943</u> | <u>3,828</u> | <u>6,452,771</u> |
| Current Assets | | | |
| Inventories - properties under development | 2,062,916 | (38,030) | 2,024,886 |
| Inventories - completed properties | 597,090 | (13,502) | 583,588 |
| Trade and other receivables | 870,224 | - | 870,224 |
| Contract assets | 68,545 | - | 68,545 |
| Current tax assets | 40,197 | - | 40,197 |
| Deposits | 221,973 | - | 221,973 |
| Cash and bank balances | 378,566 | - | 378,566 |
| | <u>4,239,511</u> | <u>(51,532)</u> | <u>4,187,979</u> |
| TOTAL ASSETS | 10,688,454 | (47,704) | 10,640,750 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share Capital | 3,614,865 | - | 3,614,865 |
| Warrant Reserve | 194,395 | - | 194,395 |
| Foreign currency translation reserve | (15,783) | - | (15,783) |
| Cash flow hedge reserve | (543) | - | (543) |
| Retained Earnings | 745,082 | (50,765) | 694,317 |
| Total Equity | 4,538,016 | (50,765) | 4,487,251 |
| Non-Current Liabilities | | | |
| Long term borrowings | 1,803,825 | - | 1,803,825 |
| Finance lease obligations | 226 | - | 226 |
| Deferred tax liabilities | 31,748 | (2,450) | 29,298 |
| | <u>1,835,799</u> | <u>(2,450)</u> | <u>1,833,349</u> |
| Current Liabilities | | | |
| Trade and other payables | 1,162,911 | 5,511 | 1,168,422 |
| Contract liabilities | 1,173,894 | - | 1,173,894 |
| Bank overdrafts | 26,330 | - | 26,330 |
| Short term borrowings | 1,949,253 | - | 1,949,253 |
| Finance lease obligations | 81 | - | 81 |
| Current tax liabilities | 2,170 | - | 2,170 |
| | <u>4,314,639</u> | <u>5,511</u> | <u>4,320,150</u> |
| Total Liabilities | 6,150,438 | 3,061 | 6,153,499 |
| TOTAL EQUITY AND LIABILITIES | 10,688,454 | (47,704) | 10,640,750 |

1. Basis of preparation (continued)

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

| | As previously reported RM'000 | Effects of the Agenda Decision RM'000 | As restated RM'000 |
|---|--|--|-------------------------------|
| Statement of Comprehensive Income | | | |
| 3 months ended 31 January 2020 | | | |
| Revenue | 537,945 | - | 537,945 |
| Cost of sales | (445,624) | 13,325 | (432,299) |
| Gross profit | 92,321 | 13,325 | 105,646 |
| Other income | 14,129 | 1,159 | 15,288 |
| Selling and marketing expenses | (8,821) | - | (8,821) |
| Administrative expenses | (56,647) | - | (56,647) |
| Finance costs | (26,512) | (10,553) | (37,065) |
| Share of results in joint ventures, net of tax | 26,044 | (45) | 25,999 |
| Share of results in associates, net of tax | (162) | - | (162) |
| Profit before taxation | 40,352 | 3,886 | 44,238 |
| Income tax expense | (6,837) | (893) | (7,730) |
| Profit net of tax | 33,515 | 2,993 | 36,508 |
| Other comprehensive income: | | | |
| Exchange differences on translation of foreign operation | 100 | - | 100 |
| Share of other comprehensive losses of joint venture | (8,891) | - | (8,891) |
| Total comprehensive income for the period | 24,724 | 2,993 | 27,717 |
| Earnings per share attributable to owners of the company | | | |
| : - Basic earnings per share (sen) | 1.14 | | 1.24 |
| - Diluted earning per share (sen) # | 1.14 | | 1.24 |

* *Anti-dilutive*

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of cash flows for the 3 months period ended 31 January 2020.

2. **Seasonal or Cyclical Factors**

The business operations of the Group during the 3 months ended 31 January 2021 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 3 months ended 31 January 2021.

4. **Changes in Estimates**

There were no material changes in estimates for the 3 months ended 31 January 2021.

5. **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 3 months ended 31 January 2021.

6. **Dividends Paid**

There was no payment of dividend during the 3 months ended 31 January 2021.

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**

On 24 March 2021, the Company announced that its wholly-owned subsidiary, Eco World Capital Services Berhad (formerly known as EF Development Sdn Bhd) had issued RM180.0 million Sukuk Wakalah under a Sukuk Wakalah Programme. Other than this, there were no significant events after 31 January 2021 till 25 March 2021 (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 3 months ended 31 January 2021.

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 January 2021.
- (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:-

| Location | 3 MONTHS ENDED | |
|-------------------|----------------------|----------------------|
| | 31/01/2021 RM'000 | 31/01/2020 RM'000 |
| Klang Valley | 260,985 | 271,916 |
| Iskandar Malaysia | 196,382 | 236,219 |
| Penang | 49,986 | 29,810 |
| | <u>507,353</u> | <u>537,945</u> |

13. Commitments

| | As at 31/01/2021 RM'000 |
|--|-------------------------------|
| Approved and contracted for:- | |
| Commitment to subscribe for ordinary shares in MFBBCC Retail Mall Sdn Bhd ("MFBBCC Retail Mall") | 240 |
| Commitment to subscribe for redeemable preference shares in MFBBCC Retail Mall | 23,122 |
| Commitment to acquire property, plant and equipment | 4,292 |
| Commitment to fund development costs of joint ventures | <u>191,069</u> |

14. Significant Related Party Transactions

| | 3 MONTHS ENDED 31/01/2021 RM'000 |
|---|---|
| (i) Transactions with shareholders/directors of the Company and its subsidiary companies, and with companies in which they have interests | |
| - Stay2Own rental received from directors of subsidiary companies | <u>34</u> |
| (ii) Transactions with joint ventures | |
| - Advances given | 38,000 |
| - Interest received and receivable | 14,738 |
| - Development management fees received and receivable | 21,132 |
| - Other resources fees received and receivable | 5,222 |
| - Brand licensing fees received and receivable | 2,153 |
| - Commission received and receivable | 408 |
| - Rental received and receivable | 45 |
| - Support service fees received and receivable | 35 |
| - Property management appointment fees received and receivable | <u>58</u> |

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

1. Review of Group Performance

| | 3 MONTHS ENDED | | Changes RM'000 |
|--|------------------------------|---|---------------------------|
| | 31/01/2021 RM'000 | 31/01/2020 RM'000 Restated | |
| Revenue | 507,353 | 537,945 | (30,592) |
| Gross profit | 101,048 | 105,646 | (4,598) |
| Share of results of joint ventures | | | |
| - Malaysia | 19,709 | 22,507 | (2,798) |
| - International | 21,856 | 3,492 | 18,364 |
| | 41,565 | 25,999 | 15,566 |
| Profit before interest and tax | 100,207 | 81,303 | 18,904 |
| Profit before tax (PBT) | 73,112 | 44,238 | 28,874 |
| Profit after tax | 62,434 | 36,508 | 25,926 |
| Profit attributable to owners of the Company | 62,434 | 36,508 | 25,926 |

Revenue and gross profit in 1Q 2021 were lower than 1Q 2020 by 5.7% and 4.4% respectively due to lower levels of site activity recorded by the Group's matured projects during the quarter.

The main projects which contributed to revenue and gross profit in 1Q 2021 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* and *Eco Terraces* in Penang.

The Group's share of the results of its joint-ventures increased by 59.9% in 1Q 2021 compared to 1Q 2020. This is mainly due to substantially higher contributions from EcoWorld International Berhad (*EcoWorld International*) following its commencement of handover of Yarra One in Australia and higher sales and handovers by its various projects in the United Kingdom.

Share of results of the Group's Malaysia joint-ventures, namely *Eco Grandeur*, *Eco Business Park V*, *Eco Horizon*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)* was 12.4% lower than 1Q 2020. This is mainly due to the higher volume of development activities being undertaken at *Eco Ardence* and *Eco Grandeur* in 1Q 2020 in conjunction with products which were handed over in FY2020.

Overall, profit after tax for 1Q 2021 increased by 71% as compared to 1Q 2020. Cost savings measures implemented in FY2020, which have reduced the Group's overall cost base going forward, enabled administrative expenses to be reduced by 15.7%. This partly contributed to the increase in profit achieved in the current quarter.

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

| | 3 MONTHS ENDED | | Changes RM'000 |
|--|----------------------|----------------------------------|-------------------|
| | 31/01/2021 RM'000 | 31/10/2020 RM'000 Restated | |
| Revenue | 507,353 | 635,466 | (128,113) |
| Gross profit | 101,048 | 60,832 | 40,216 |
| Share of results of joint ventures | | | |
| - Malaysia | 19,709 | 49,381 | (29,672) |
| - International | 21,856 | 36,031 | (14,175) |
| | 41,565 | 85,412 | (43,847) |
| Profit before interest and tax | 100,207 | 107,120 | (6,913) |
| Profit before tax (PBT) | 73,112 | 82,252 | (9,140) |
| Profit after tax | 62,434 | 74,045 | (11,611) |
| Profit attributable to owners of the Company | 62,434 | 74,045 | (11,611) |

Gross profit was higher in 1Q 2021 mainly due to a RM33 million write down of inventories in 4Q 2020.

The Group's share of the results of the international joint-venture, *EcoWorld International* was higher in 4Q 2020 mainly due to the completion and handover of a higher number 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 Group's share of the results of its Malaysian joint-ventures were also higher in 4Q 2020 due to the realisation of cost savings on certain completed phases by *Eco Ardence* and *Eco Grandeur* having been recognised in that quarter.

3. Prospects for the Current Financial Year

| Location of projects | No. of launched projects ² | 4 months ended 28.02.2021 | | | Cumulative sales ^{1,2} RM'mil | As at 28.02.2021 |
|---|---------------------------------------|-----------------------------|---------------------------|------------------------------------|---|---------------------------------------|
| | | Units launched ² | Units sold ^{1,2} | Sales value ² RM'mil | | Future revenue ³ RM'mil |
| Klang Valley | 8 | 273 | 1,097 | 684.8 | 13,449.4 | 2,094.5 |
| Iskandar Malaysia | 7 | 163 | 100 | 106.7 | 7,023.0 | 727.9 |
| Penang | 3 | - | 175 | 119.9 | 1,331.7 | 168.5 |
| Malaysia | 18 | 436 | 1,372 | 911.4 | 21,804.1 | 2,990.9 |
| United Kingdom | 50.7 | - | 70 | 337.6 | 13,040.8 | 525.1 |
| Australia | 2.4 | 11 | 21 | 70.0 | 1,433.5 | 69.4 |
| Overseas | 53.1 | 11 | 91 | 407.6 | 14,474.3 | 594.5 |
| Total future revenue attributable to EcoWorld Malaysia | | | | | | 3,585.4 |

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

3. Prospects for the Current Financial Year (continued)

EcoWorld Malaysia - Performance in 1Q 2021 and prospects for FY2021

The Group recorded RM706 million in sales in 1Q 2021 which is more than double the RM305 million sales achieved in 1Q 2020. As at 28 February 2021, total year-to-date sales amounted to RM911 million which is encouraging as the sales were achieved notwithstanding the following factors:

- year-end holidays and CNY festivities; and
- Movement Control Order (MCO 2.0) which was implemented by the Government on 13 January 2021 to curb a fresh outbreak Covid-19 in all the 3 regions where the Group operates.

Based on the above, EcoWorld Malaysia is on track to achieve its FY2021 sales target of RM2.875 billion.

The good head-start to FY2021 is attributable to the following:

- Positive response to ongoing promotional campaigns and effectiveness of the Group's digitalisation initiatives enabling improved lead generation and faster sales conversion cycles – this has sustained the recovery in EcoWorld Malaysia's sales momentum which began in 2H 2020 immediately after the first MCO was relaxed by the Government;
- Strategic expansion of the Group's product range which includes the new *duduk* series which has been well-received by homeowners, particularly the Gen-Y and Gen-Z segment of the market;
- Good take-ups of the Group's *Eco Business Park* projects with RM107 million in sales achieved as at 28 February 2021, close to 50% of the RM220 million achieved in the full 12 months of FY2020.

As a result, the Group's Future Revenue position as at 28 February 2021 remains high at RM3.59 billion, providing clear earnings visibility going forward.

In 2Q 2021, EcoWorld Malaysia will be launching *Eco Botanic II*, offering landed homes priced from RM500,000 to RM800,000 in Iskandar Malaysia. This will be followed up by the launch of *Co-Homes* at *Eco Grandeur* in the Klang Valley and *Eco Horizon* in Penang as well as *Ergo Homes* at *Eco Forest* in the Klang Valley. All these products are priced affordably and are hence ideal for the younger generation to begin their homeownership journey with EcoWorld.

On the industrial front, the Group expects its four *Eco Business Parks* in the Senai, Pasir Gudang and Tebrau corridors of Iskandar Malaysia as well as Puncak Alam in the Klang Valley to continue to record steady sales, buoyed by strong local demand particularly from those involved in the warehousing and logistics sectors. With the commencement of the Covid-19 vaccination programme in Malaysia and many other countries in the region, this should hopefully lead to the easing of cross-border business travel which will further boost demand as inquiries from foreign industrialists are translated into sales.

3. Prospects for the Current Financial Year (continued)

EcoWorld International - Performance in 1Q 2021 and prospects for FY2021

EcoWorld International recorded RM312 million in sales in 1Q 2021, similar to 1Q 2020. Up to 28 February 2021, cumulative sales totalled RM408 million. The consistency of sales, notwithstanding a third national lockdown imposed in the UK since December 2020 came from continued strong overseas demand for its London projects. Recovering local demand in Australia also contributed to sales.

EcoWorld International is hopeful that property market conditions in the UK and Australia will improve in the coming quarters following the rollout of mass vaccination programmes against Covid-19. The UK is targeting to vaccinate all of its adult population by July 2021 while Australia is aiming to achieve the same by October 2021. Resumption of cross-border travels and lifting of movement restrictions should also have a positive impact on employment, income and buyer confidence. Pent up demand, coupled with a lack of new launches since the onset of Covid-19 pandemic, may further improve property sales once the level of economic activities normalises.

EcoWorld International successfully completed and handed over its first Build-to-rent (BtR) residential block in Barking Wharf in November 2020. As work on sites were permitted throughout the recent UK lockdown period it is also on track to handover the 3 remaining blocks in stages in FY2021. Based on current construction programmes, EcoWorld International expects the handover of apartment units in Millbrook Park Phase 2 and Embassy Gardens Block A03 to commence in the second half of FY2021.

In 1Q 2021 EcoWorld International declared its maiden interim dividend of 1 sen per share. As the completion of projects enable revenue recognition and generate cashflows, EcoWorld International intends to distribute more profits to shareholders in the future.

As at 28 February 2021, the Group's land bank is as follows:-

| Location of projects | No of projects | Land bank (acres) | |
|----------------------|----------------|--------------------|----------------|
| | | Original land size | Undeveloped |
| Klang Valley | 8 | 4,735.3 | 2,515.5 |
| Iskandar Malaysia | 8 | 3,126.1 | 1,676.4 |
| Penang | 4 | 463.9 | 327.1 |
| The Group | 20 | 8,325.3 | 4,519.0 |

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 January 2021.

5. Income Tax

Income Tax comprises:-

| | 3 MONTHS ENDED | |
|-----------------------------|-----------------------|-------------------|
| | 31/01/2021 | 31/01/2020 |
| | RM'000 | RM'000 |
| | | Restated |
| Current tax | | |
| - for current quarter | 11,693 | 14,580 |
| - in respect of prior years | 1,613 | (1,656) |
| Deferred tax | | |
| - for current quarter | (410) | (4,419) |
| - in respect of prior years | (2,218) | (775) |
| | <u>10,678</u> | <u>7,730</u> |

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

6. Status of Corporate Proposals

There were no corporate proposals previously announced by the Company that remained uncompleted as at 25 March 2021, the date of issue of this interim financial report.

The below corporate proposal was previously announced by the Company has been completed since the last interim financial report.:-

On 15 December 2019, Melia Spring Sdn. Bhd. ("Melia Spring"), a wholly-owned subsidiary, entered into the following agreements:

- (i) a conditional development agreement ("Development Agreement") with Permodalan Darul Ta'zim Sdn. Bhd. ("PDT") where PDT agreed to nominate Melia Spring to purchase a piece of freehold land ("the Land") from River Retreat Sdn. Bhd. ("RRSB") and for Melia Spring to develop the Land; and
- (ii) a conditional sale and purchase agreement ("SPA") with RRSB for Melia Spring to acquire the Land from RRSB for a base land price of RM304,920,000.

The SPA and Development Agreement became unconditional on 6 October 2020 and the sale and purchase of the Land was completed on 26 February 2021.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 January 2021 and 31 October 2020 were as follows:-

| | As at 31 January 2021 | | |
|---|-----------------------|----------------------|----------------------------|
| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| Revolving credits | 114,782 | 580,243 | 695,025 |
| Term loans | 456,931 | 369,177 | 826,108 |
| Bridging loans | 254,645 | 22,981 | 277,626 |
| Medium term notes | 89,772 | 99,952 | 189,724 |
| Hire purchase (included in lease liabilities) | 117 | 87 | 204 |
| | <u>916,247</u> | <u>1,072,440</u> | <u>1,988,687</u> |
| Unsecured | | | |
| Revolving credits | - | 748,982 | 748,982 |
| Medium term notes | 498,850 | - | 498,850 |
| Overdraft | - | 26,517 | 26,517 |
| | <u>498,850</u> | <u>775,499</u> | <u>1,274,349</u> |
| | <u>1,415,097</u> | <u>1,847,939</u> | <u>3,263,036</u> |
| | | | |
| | As at 31 October 2020 | | |
| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| Revolving credits | 118,159 | 607,257 | 725,416 |
| Term loans | 328,800 | 541,096 | 869,896 |
| Bridging loans | 230,544 | 52,850 | 283,394 |
| Medium term notes | 89,745 | 99,863 | 189,608 |
| Hire purchase (included in lease liabilities) | 139 | 86 | 225 |
| | <u>767,387</u> | <u>1,301,152</u> | <u>2,068,539</u> |
| Unsecured | | | |
| Revolving credits | - | 724,018 | 724,018 |
| Medium term notes | 498,752 | - | 498,752 |
| Overdraft | - | 25,323 | 25,323 |
| | <u>498,752</u> | <u>749,341</u> | <u>1,248,093</u> |
| | <u>1,266,139</u> | <u>2,050,493</u> | <u>3,316,632</u> |

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

| | As at 31 January 2021 | As at 31 October 2020 |
|-----------------------------------|-----------------------|-----------------------|
| | % | % |
| Floating interest rate borrowings | 4.26 | 4.24 |
| Fixed interest rate borrowings | 6.50 | 6.50 |

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

The decrease in borrowings is mainly due to repayments during the 3 months ended 31 January 2021.

The Group's gearing ratios are as follows:

| | As at 31 January 2021 | As at 31 October 2020 |
|---------------|-----------------------|-----------------------|
| Gross Gearing | 0.70 | 0.71 |
| Net Gearing | 0.55 | 0.62 |

8. Material Litigation

The Group was not engaged in any material litigation as at 25 March 2021 (the date of issue of this interim financial report).

9. Dividends Declared

On 17 December 2020, the Group declared an interim single tier dividend of 2.0 sen per ordinary share amounting to RM58,887,368 in respect of the financial year ended 31 October 2020, which was paid on 10 February 2021.

Other than that, the Group did not declare or pay any dividend since the end of the previous financial year.

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 | |
|--|-----------------------|--------------------------------|
| | 31/01/2021 | 31/01/2020 Restated |
| Profit for the period attributable to owners of the Company (RM'000) | 62,434 | 36,508 |
| Weighted average number of ordinary shares ('000) | 2,944,369 | 2,944,369 |
| Basic Earnings Per Ordinary Share (sen) | 2.12 | 1.24 |

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 | |
|---|-----------------------|--------------------------------|
| | 31/01/2021 | 31/01/2020 Restated |
| Profit for the period attributable to owners of the Company (RM'000) | 62,434 | 36,508 |
| Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000) | 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 |
| Diluted Earnings Per Ordinary Share (sen) * | 2.12 | 1.24 |

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 2020 were unqualified.

12. Provision of Financial Assistance

| | 3 MONTHS ENDED |
|--|-------------------------|
| | 31/01/2021 |
| | RM'000 |
| i) Advances provided to: | |
| - BBCC Development Sdn Bhd | 8,000 |
| - Eco Horizon Sdn Bhd ("Eco Horizon") | 30,000 |
| ii) Guarantees given by the Company to secure the bank borrowings of: | |
| - Paragon Pinnacle Sdn Bhd ("Paragon Pinnacle") | 57,900 |
| - Eco Horizon | 31,565 |
| | ===== |
| | As at 31/01/2021 |
| | 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 Sdn Bhd: | |
| - Paragon Pinnacle | 430,445 |
| - Eco Horizon | 312,078 |
| | ===== |

There has been no material impact on the earnings and net tangible assets of the Group for the 3 months ended 31 January 2021 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 |
| | 31/01/2020 |
| | RM'000 |
| Interest income | 11,796 |
| Other income including investment income | 2,415 |
| Interest expense | (27,095) |
| Depreciation and amortisation | (6,357) |
| Provision for write off of receivables | - |
| Write down of inventories | - |
| Gain or loss on disposal of quoted or unquoted investments or properties | - |
| Impairment of assets | - |
| Foreign exchange loss | (22) |
| Gain or loss on derivatives | - |
| Exceptional items | - |
| | <hr/> |

By order of the Board
Chua Siew Chuan
Company Secretary
25 March 2021