

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

Interim Financial Report
30 April 2021

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Interim Financial Report - 30 April 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 30 APRIL 2021

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 APRIL 2021	30 APRIL 2020	30 APRIL 2021	30 APRIL 2020
	RM'000	RM'000	RM'000	RM'000
		RESTATED		RESTATED
Revenue	420,455	345,403	927,808	883,348
Cost of sales	(344,939)	(272,098)	(751,244)	(704,397)
Gross profit	75,516	73,305	176,564	178,951
Other income	12,974	15,750	27,185	31,038
Selling and marketing expenses	(9,123)	(6,208)	(17,562)	(15,029)
Administrative expenses	(38,256)	(38,795)	(85,992)	(95,442)
Finance costs	(31,906)	(34,917)	(59,001)	(71,982)
Share of results in joint ventures, net of tax	48,120	14,698	89,685	40,697
Share of results in associates, net of tax	(142)	(401)	(584)	(563)
Profit before tax	57,183	23,432	130,295	67,670
Income tax expense	(14,862)	(7,886)	(25,540)	(15,616)
Profit net of tax	42,321	15,546	104,755	52,054
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	(106)	(101)	(99)	(1)
Share of other comprehensive income/(loss) of a joint venture	29,038	2,359	59,920	(6,532)
Total comprehensive income for the period	71,253	17,804	164,576	45,521
Profit net of tax attributable to:				
Owners of the Company	42,321	15,546	104,755	52,054
Non-controlling interests	-	-	-	-
	42,321	15,546	104,755	52,054
Total comprehensive income attributable to:				
Owners of the Company	71,253	17,804	164,576	45,521
Non-controlling interests	-	-	-	-
	71,253	17,804	164,576	45,521
Earnings per share attributable to owners of the Company:				
Basic earnings per share (sen)	1.44	0.53	3.56	1.77
Diluted earnings per share (sen) *	1.44	0.53	3.56	1.77

* 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 30 APRIL 2021

	As At 30 APRIL 2021 RM'000 UNAUDITED	As At 31 OCTOBER 2020 RM'000 RESTATE	As At 1 NOVEMBER 2019 RM'000 RESTATE
ASSETS			
Non-current assets			
Property, plant & equipment	176,922	184,953	229,622
Investment properties	19,681	19,641	19,510
Inventories - land held for property development	4,100,298	4,243,824	3,965,190
Investment in associates	73,067	58,242	54,769
Investment in joint ventures	1,424,263	1,305,644	1,206,837
Trade receivables	108,425	119,374	112,171
Lease receivables	3,191	3,739	-
Amount due from joint ventures	926,815	870,654	760,099
Deferred tax assets	105,385	110,269	104,573
	<u>6,938,047</u>	<u>6,916,340</u>	<u>6,452,771</u>
Current assets			
Inventories - property under development	1,096,333	1,293,981	2,024,886
Inventories - completed properties	685,565	710,226	583,588
Trade and other receivables	692,805	849,615	870,224
Lease receivables	1,086	1,065	-
Contract assets	85,862	56,506	68,545
Current tax assets	30,901	42,360	40,197
Deposits	261,113	202,303	221,973
Cash and bank balances	316,233	254,134	378,566
	<u>3,169,898</u>	<u>3,410,190</u>	<u>4,187,979</u>
TOTAL ASSETS	<u>10,107,945</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	42,576	(18,487)	(15,783)
Cash flow hedge reserve	(1,331)	(89)	(543)
Retained earnings	900,335	854,467	694,317
Total equity	<u>4,750,840</u>	<u>4,645,151</u>	<u>4,487,251</u>
Non-current liabilities			
Long term borrowings	1,519,597	1,266,000	1,803,825
Other payables	312,885	319,684	-
Lease liabilities	12,666	12,314	226
Deferred tax liabilities	24,917	40,956	29,298
	<u>1,870,065</u>	<u>1,638,954</u>	<u>1,833,349</u>
Current liabilities			
Trade and other payables	803,321	1,041,139	1,168,422
Contract liabilities	1,018,543	945,799	1,173,894
Bank overdrafts	20,550	25,323	26,330
Short term borrowings	1,628,718	2,025,084	1,949,253
Lease liabilities	4,151	3,905	81
Current tax liabilities	11,757	1,175	2,170
	<u>3,487,040</u>	<u>4,042,425</u>	<u>4,320,150</u>
Total liabilities	<u>5,357,105</u>	<u>5,681,379</u>	<u>6,153,499</u>
TOTAL EQUITY AND LIABILITIES	<u>10,107,945</u>	<u>10,326,530</u>	<u>10,640,750</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.61</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 30 APRIL 2021
(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 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 period	-	-	-	-	104,755	104,755
Other comprehensive income/(loss)	-	-	61,063	(1,242)	-	59,821
Transactions with owners:						
- Dividend paid	-	-	-	-	(58,887)	(58,887)
At 30 April 2021	3,614,865	194,395	42,576	(1,331)	900,335	4,750,840
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	-	-	-	-	52,054	52,054
Other comprehensive (loss)/income	-	-	(8,273)	1,740	-	(6,533)
At 30 April 2020	3,614,865	194,395	(24,056)	1,197	746,371	4,532,772

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 APRIL 2021

(The figures have not been audited)

	6 MONTHS ENDED	
	30 APRIL 2021	30 APRIL 2020
	RM'000	RM'000
		RESTATED
Operating activities		
Profit before tax	130,295	67,670
Adjustments for :		
Non-cash items	(85,430)	(26,359)
Non-operating items	34,928	45,515
Operating cash flows before changes in working capital	79,793	86,826
Changes in inventories - property under development	248,816	176,305
Changes in inventories- completed properties	204,199	163,036
Changes in contract assets/contract liabilities	43,389	(220,892)
Changes in receivables	182,724	311,637
Changes in payables	(243,105)	(165,808)
Cash flows generated from operations	515,816	351,104
Interest received	1,292	3,374
Interest paid	(65,075)	(87,793)
Income tax paid net of refunds	(15,845)	(19,599)
Net cash flows generated from operating activities	436,188	247,086
Investing activities		
Additions to inventories - land held for property development	(57,559)	(97,677)
Purchase of property, plant and equipment and investment properties	(1,970)	(12,429)
Proceeds from disposal of property, plant and equipment	147	3
Deposit paid for acquisition of land	-	(3,049)
Subscription of redeemable preference shares in an associate	(15,444)	-
Advances to joint ventures	(58,000)	(108,700)
Repayment of interest by a joint venture	31,165	45,802
Withdrawal of redemption and debt service reserve accounts	10,111	66,717
Dividends received from a joint venture	6,480	-
Other investments	2,353	2,444
Net cash flows used in investing activities	(82,717)	(106,889)
Financing activities		
Drawdown of bank borrowings	294,959	117,467
Repayment of bank borrowings and lease liabilities	(442,508)	(396,521)
Interest paid	(11,258)	(13,725)
Dividends paid on ordinary shares	(58,887)	-
Net cash flows used in financing activities	(217,694)	(292,779)
Net increase in cash and cash equivalents	135,777	(152,582)
Effect of exchange rate changes	16	(6)
Cash and cash equivalents at 1 November 2020 / 2019	264,314	386,173
Cash and cash equivalents at 30 April 2021 / 2020	400,107	233,585
Cash and cash equivalents comprise the following:		
Deposits	261,113	161,251
Cash and bank balances	316,233	220,753
Bank overdrafts	(20,550)	(27,099)
	556,796	354,905
Less: Deposit pledged, Debt Service Reserve, Redemption Accounts and Escrow Accounts	(156,689)	(121,320)
	400,107	233,585

(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 IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”) and the following new amendments/improvements to MFRSs 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 do not have any material financial impact to the Group. The financial impact arising from the adoption of the Agenda Decision is discussed below.

Agenda Decision

In March 2019, IFRIC concluded that inventories, once made available for intended sale, are not qualifying assets even though they are still under construction. Accordingly, an entity should not capitalise borrowing costs on these inventories in accordance to the principles and requirements in IAS 23 (MFRS 123).

In previous financial years, borrowing costs incurred were capitalised in inventory – property under development until the physical completion of the units. On 1 November 2020, the Group has changed its accounting policy as a result of the Agenda Decision and accordingly, applied the new policy retrospectively according to the guidance set out therein.

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			
6 months ended 30 April 2020			
Revenue	883,348	-	883,348
Cost of sales	(722,324)	17,927	(704,397)
Gross profit	161,024	17,927	178,951
Other income	28,992	2,046	31,038
Selling and marketing expenses	(15,029)	-	(15,029)
Administrative expenses	(95,442)	-	(95,442)
Finance costs	(50,990)	(20,992)	(71,982)
Share of results in joint ventures, net of tax	42,727	(2,030)	40,697
Share of results in associates, net of tax	(563)	-	(563)
Profit before taxation	70,719	(3,049)	67,670
Income tax expense	(15,811)	195	(15,616)
Profit net of tax	54,908	(2,854)	52,054
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operation	(1)	-	(1)
Share of other comprehensive losses of joint venture	(6,532)	-	(6,532)
Total comprehensive income for the period	48,375	(2,854)	45,521
Earnings per share attributable to owners of the company:			
- Basic earnings per share (sen)	1.86		1.77
- Diluted earning per share (sen) #	1.86		1.77

* *Anti-dilutive*

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 30 April 2020			
Revenue	345,403	-	345,403
Cost of sales	(276,700)	4,602	(272,098)
Gross profit	68,703	4,602	73,305
Other income	14,863	887	15,750
Selling and marketing expenses	(6,208)	-	(6,208)
Administrative expenses	(38,795)	-	(38,795)
Finance costs	(24,478)	(10,439)	(34,917)
Share of results in joint ventures, net of tax	16,683	(1,985)	14,698
Share of results in associates, net of tax	(401)	-	(401)
Profit before taxation	30,367	(6,935)	23,432
Income tax expense	(8,974)	1,088	(7,886)
Profit net of tax	21,393	(5,847)	15,546
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operation	(101)	-	(101)
Share of other comprehensive losses of joint venture	2,359	-	2,359
Total comprehensive income for the period	23,651	(5,847)	17,804
Earnings per share attributable to owners of the company:			
- Basic earnings per share (sen)	<u>0.73</u>		<u>0.53</u>
- Diluted earning per share (sen) #	<u>0.73</u>		<u>0.53</u>

* *Anti-dilutive*

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of cash flows for the 6 months ended 30 April 2020.

2. Seasonal or Cyclical Factors

The business operations of the Group during the 6 months ended 30 April 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 6 months ended 30 April 2021.

4. Changes in Estimates

There were no material changes in estimates for the 6 months ended 30 April 2021.

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 resale of treasury shares during the 6 months ended 30 April 2021, except for the issuance of Sukuk Wakalah under a Sukuk Wakalah Programme with a nominal value of RM180 million by Eco World Capital Services Berhad (formerly known as EF Development Sdn Bhd), a wholly owned subsidiary, on 24 March 2021.

6. Dividend Paid

On 10 February 2021, the Group paid a single tier interim dividend of 2 sen per ordinary share amounting to RM58,887,368 in respect of the financial year ended 31 October 2020.

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 30 April 2021 till 17 June 2021 (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 6 months ended 30 April 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 30 April 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	6 MONTHS ENDED	
	30/04/2021 RM'000	30/04/2020 RM'000
Klang Valley	433,839	452,030
Iskandar Malaysia	407,008	392,120
Penang	86,961	39,198
	<u>927,808</u>	<u>883,348</u>

13. Commitments

	As at 30/04/2021 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	7,678
Commitment to acquire property, plant and equipment	4,348
Commitment to fund development costs of joint ventures	<u>171,069</u>

14. Significant Related Party Transactions

	6 MONTHS ENDED 30/04/2021 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	68
- Sales of development properties to a director of subsidiary company and members of their family	<u>2,466</u>
(ii) Transactions with joint ventures	
- Advances given	58,000
- Dividend received	6,480
- Interest received and receivable	29,326
- Development management fees received and receivable	38,809
- Other resources fees received and receivable	10,282
- Brand licensing fees received and receivable	4,191
- Commission received and receivable	1,238
- Rental received and receivable	90
- Support service fees received and receivable	70
- Property management appointment fees received and receivable	<u>101</u>

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

1. Review of Group Performance

	3 MONTHS ENDED			6 MONTHS ENDED		
	30/04/2021 RM'000	30/04/2020 RM'000 Restated	Changes RM'000	30/04/2021 RM'000	30/04/2020 RM'000 Restated	Changes RM'000
Revenue	420,455	345,403	75,052	927,808	883,348	44,460
Gross profit	75,516	73,305	2,211	176,564	178,951	(2,387)
Share of results of joint ventures						
- Malaysia	38,602	10,193	28,409	58,311	32,700	25,611
- International	9,518	4,505	5,013	31,374	7,997	23,377
	48,120	14,698	33,422	89,685	40,697	48,988
Profit before interest and tax	89,089	58,349	30,740	189,296	139,652	49,644
Profit before tax (PBT)	57,183	23,432	33,751	130,295	67,670	62,625
Profit after tax	42,321	15,546	26,775	104,755	52,054	52,701
Profit attributable to owners of the Company	42,321	15,546	26,775	104,755	52,054	52,701

(a) 2Q 2021 vs 2Q 2020

Revenue in 2Q 2021 were higher than 2Q 2020 by 21.7% due to higher sales achieved during the quarter. The gross profit margin however decreased from 21.2% to 18.0% due to additional incentives given to purchasers to accelerate the clearance of completed/near completion inventories.

The main projects which contributed to revenue and gross profit in 2Q 2021 were *Eco Majestic*, *Eco Forest*, *Eco Sanctuary* and *Eco Sky* in the Klang Valley, *Eco Botanic*, *Eco Botanic 2*, *Eco Spring*, *Eco Summer*, *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 227.4% in 2Q 2021 compared to 2Q 2020. This is mainly due to substantially higher contributions from the Group's Malaysia joint-ventures, namely *Eco Grandeur*, *Eco Business Park V*, *Eco Horizon*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)*.

The share of results from these projects was 279% higher than 2Q 2020, in line with:

- i) the high sales achieved over the last 4 quarters; and
- ii) more work progress achieved on site in 2Q 2021 vs 2Q 2020 which was affected by MCO 1.0.

Cost savings realised on several matured phases at *Eco Ardence* and *Eco Grandeur* in 2Q 2021 also contributed to the improved profitability.

Contributions from EcoWorld International Berhad (*EcoWorld International*) was also higher in the current quarter due to continued revenue and profit recognition of EcoWorld International's project in Melbourne, Yarra One following progressive handover of units sold to customers.

Arising from the above, profit after tax for 2Q 2021 increased by 172.2% as compared to 2Q 2020.

1. Review of Group Performance (continued)

(b) 2Q YTD 2021 vs 2Q YTD 2020

Despite the Group recording a 5.0% increase in revenue in 2Q YTD 2021, gross profit margin decreased from 20.3% to 19.0% mainly due to additional incentives given to purchasers to accelerate the clearance of completed/near completion inventories .

As in 2Q 2021, the Group's Malaysian joint-ventures recorded higher share of profits in 2Q YTD 2021. Collectively they recorded a total of RM822.1 million in revenue in 2Q YTD 2021 of which the Group's effective share, based on its equity stakes in the respective joint-ventures, amounted to RM404.0 million. The Group's share of results from EcoWorld International was also higher due to larger numbers of units handed over to customers in 2Q YTD 2021 as compared to 2Q YTD 2020.

Overall, profit after tax for 2Q YTD 2021 increased by 101.2% as compared to 2Q YTD 2020.

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

	3 MONTHS ENDED		Changes RM'000
	30/04/2021 RM'000	31/01/2021 RM'000	
Revenue	420,455	507,353	(86,898)
Gross profit	75,516	101,048	(25,532)
Share of results of joint ventures			
- Malaysia	38,602	19,709	18,893
- International	9,518	21,856	(12,238)
	48,120	41,565	6,555
Profit before interest and tax	89,089	100,207	(11,118)
Profit before tax (PBT)	57,183	73,112	(15,929)
Profit after tax	42,321	62,434	(20,113)
Profit attributable to owners of the Company	42,321	62,434	(20,113)

The Group's revenue and gross profit for 2Q 2021 were lower as compared 1Q 2021. This was mainly due to higher sales of products which were close to completion achieved in 1Q 2021 (thus enabling a higher proportion of revenue and gross profit to be recognised in that quarter).

Share of results of its Malaysian joint ventures was however higher than 1Q 2021 due to the reasons stated in 1(a) above. EcoWorld International's results were however lower than 1Q 2021 due to lower revenue and profit recognition from Yarra One in the current quarter arising from the smaller number of units handed over to customers and lower share of results from its joint ventures.

3. Prospects for the Current Financial Year

Location of projects	No. of launched projects ²	7 months ended 31.05.2021			Cumulative sales ^{1,2} RM'mil	As at 31.05.2021
		Units launched ²	Units sold ^{1,2}	Sales value ² RM'mil		Future revenue ³ RM'mil
Klang Valley	8	857	2,293	1,541	14,306	2,403.9
Iskandar Malaysia	8	1,015	1,001	718	7,634	1,136.0
Penang	3	224	447	271	1,483	227.8
Malaysia	19	2,096	3,741	2,530	23,423	3,767.7

Location of projects	Land Bank Acres ²	Units sold ^{1,2}	Sales value ² RM'mil	Cumulative sales ^{1,2} RM'mil	As at 31.05.2021
					Future revenue ³ RM'mil
United Kingdom	50.7	144	715	13,580	405.8
Australia	2.4	9	38	1,399	36.2
Overseas	53.1	153	753	14,979	442.0

Total future revenue attributable to EcoWorld Malaysia

4,209.7

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

EcoWorld Malaysia - Performance in 2Q 2021 and prospects for FY2021

The Group recorded RM2.02 billion in sales in 2Q YTD 2021 which is significantly higher than the RM333 million sales achieved in 2Q YTD 2020. Sales in 2Q 2021 was RM1.32 billion, which is almost double the sales of RM706 million achieved in 1Q 2021. By 31 May 2021, YTD sales increased further to RM2.53 billion.

This caused the Group's future revenue from Malaysian projects alone to increase substantially from RM2.99 billion as at 28 February 2021 to RM3.77 billion as at 31 May 2021. Including its share of the future revenue from EcoWorld International, the total share of future revenue attributable to the Group stands at RM4.2 billion as at 31 May 2021.

The RM2.53 billion sales secured up to 31 May 2021 have exceeded the total sales achieved in the whole of FY2020, as follows:

Region	As at 31 May 2021 (7 months) RM'mil	As at 31 Oct 2020 (12 months) RM'mil	7 mths FY2021 YTD as a % of FY2020 sales
Klang Valley	1,541	1,555	99%
Iskandar Malaysia	718	608	118%
Penang	271	139	195%
Total Malaysia	2,530	2,302	110%

Further, the RM2.530 billion sales secured up to 31 May 2021 have also reached 88% of the Group's full year Malaysian sales target of RM2.875 billion.

3. Prospects for the Current Financial Year (continued)

EcoWorld Malaysia - Performance in 2Q 2021 and prospects for FY2021 (continued)

The recovery in sales experienced by the Group in 2Q YTD 2021 may be attributed to the following factors:

- Effective customer engagement via digital platforms and extensive use of data intelligence and analytics to better understand specific customer needs and requirements have further enhanced the Group's new product development process. This resulted in strong take-ups on the launch of the following new projects / products in 2Q 21:
 - *Eco Botanic 2* in Iskandar Malaysia
 - *Co-Home* at *Eco Horizon* and *Eco Grandeur*
 - 2nd phase of *ErgoHomes & Garden Homes* at *Eco Forest*
- Steady sales recorded by nearly all of EcoWorld Malaysia's ongoing township developments in the Klang Valley, Iskandar Malaysia and Penang as homeowners are increasingly drawn to the many unique selling points comprised within EcoWorld's Signature DNA and the comprehensive lifestyle amenities available within a 10 km radius of each project.
- Continued strong demand for the Group's industrial business parks. As at 31 May 2021, total sales achieved by the Group's four Eco Business Park Projects amounted to RM227 million which is already higher than the RM220 million achieved in the whole of FY2020.

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

On financial results, there may be some inadvertent slow down in earnings recognition in the upcoming quarters due to the Government's imposition of reduced levels of business and site operations as part of the Full Movement Control Order (FMCO). However, this should merely be a timing issue as the Group's future revenue of RM4.2 billion is able to provide both near-term cashflow and earnings visibility. Once the FMCO is lifted and travelling restrictions are relaxed, consumer and business confidence are expected to recover strongly. When that happens, the positive sales momentum which the Group has been able to sustain over the last 4 consecutive quarters, notwithstanding various repeated MCO restrictions, will certainly receive a further boost leading to improved prospects for the Group.

In the meantime, the Group's continued financial discipline and focus on the digitalisation of operations to drive further cost efficiencies have enabled both selling and administrative expenses to be well contained in 2Q YTD 2021. Borrowing costs have also reduced in tandem with the reduction of the Group's gross gearing ratio from 0.70 times in 31 January 2021 to 0.67 times in 30 April 2021. The Group's net gearing as at 30 April 2021 remained at 0.55 times.

Whilst the ongoing Covid-19 pandemic continues to pose challenges, proactive steps taken by Management to improve the Group's agility and competitiveness as well as strengthen its resilience, will stand the Group in good stead to emerge much stronger post-pandemic. On the vaccination front, the Group is actively pursuing the establishment of a corporate vaccination programme, based on the available options announced to date by the Federal and State Government, to help accelerate vaccination for Team EcoWorld. This will greatly boost the Group's ability to operate safely and also contribute towards the Government's efforts to reach the target of having 80% of the nation's population immunised faster, in order for economic activities to resume as soon as possible.

3. Prospects for the Current Financial Year (continued)

EcoWorld International - Performance in 2Q 2021 and prospects for FY2021

EcoWorld International recorded RM283 million sales in the 2Q 2021 followed by a further RM117 million in May 2021, bringing year-to-date value of sales contracts exchanged to RM753 million as at 31 May 2021. This, plus reserves of RM259 million, adds up to a total of RM1,012 million. Sales of EcoWorld London, which focuses on the outer zones of London, has seen a substantial increase in 2Q 2021 compared to the same quarter in FY2020. In Australia, the West Village project has also seen a marked increase over the same period. The reopening of economic sectors following mass vaccinations in the UK and the effective containment of the pandemic in Australia has boosted confidence among consumers and homebuyers. This is reflected in the improved sales performance which is also a clear indicator that the property markets are beginning to recover following the slump caused by Covid-19.

However, international borders remain closed for the vast majority of the global population. This continued to affect sales of projects that traditionally receive strong demand from overseas buyers. Sales performance of the projects in inner London, developed through the EcoWorld-Ballymore joint venture, was therefore relatively muted due to postponement of international marketing events. Similarly, Yarra One in Melbourne recorded net rescissions, mainly by some foreign investors.

EcoWorld International believes that sales performance will improve in the coming quarters as rollout of vaccination programmes continue in many of the Group's global customer markets which will enable physical marketing activities to be carried out in international locations. Improving Covid-19 situations in these and other key markets will also allow the Group to launch more marketing events to capture the seasonally stronger demand during summer months in the northern hemisphere.

As at 31 May 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	2,460.4
Iskandar Malaysia	8	3,126.1	1,592.7
Penang	4	463.9	309.9
The Group	20	8,325.3	4,363.0

On the corporate front, EcoWorld International announced that it had achieved the first repatriation of profits from its EcoWorld-Ballymore joint venture in April 2021. Accordingly, EcoWorld International has declared a special dividend of 5 sen per share in 2Q 2021. The Group's share of this dividend is RM32.4 million.

Premised on the above and its own improving financial position, the Group has declared an interim dividend of 2 sen per share in 2Q 2021. Details of the interim dividend are set out in item 9 below.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 30 April 2021.

5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2021	30/04/2020	30/04/2021	30/04/2020
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for current quarter	7,343	7,653	19,036	22,233
- in respect of prior years	18,663	-	20,276	(1,656)
Deferred tax				
- for current quarter	2,468	234	2,058	(4,185)
- in respect of prior years	(13,612)	(1)	(15,830)	(776)
	<u>14,862</u>	<u>7,886</u>	<u>25,540</u>	<u>15,616</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 proposal previously announced by the Company that remained uncompleted as at 17 June 2021, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 April 2021 and 31 October 2020 were as follows:-

	As at 30 April 2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	111,032	532,700	643,732
Term loans	402,576	320,113	722,689
Bridging loans	238,697	40,836	279,533
Medium term notes	268,348	-	268,348
Hire purchase (included in lease liabilities)	94	89	183
	<u>1,020,747</u>	<u>893,738</u>	<u>1,914,485</u>
Unsecured			
Revolving credits	-	735,069	735,069
Medium term notes	498,944	-	498,944
Overdraft	-	20,550	20,550
	<u>498,944</u>	<u>755,619</u>	<u>1,254,563</u>
	<u>1,519,691</u>	<u>1,649,357</u>	<u>3,169,048</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 30 April 2021	As at 31 October 2020
	%	%
Floating interest rate borrowings	4.21	4.24
Fixed interest rate borrowings	6.35	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 6 months ended 30 April 2021.

The Group's gearing ratios are as follows:

	As at 30 April 2021	As at 31 October 2020
Gross Gearing	0.67	0.71
Net Gearing	0.55	0.62

8. Material Litigation

The Group was not engaged in any material litigation as at 17 June 2021 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

9. Dividend Declared

- (a) The Board of Directors has declared an interim dividend in respect of the financial year ending 31 October 2021:

Amount per share	: 2.0 sen single tier dividend
Entitlement to dividend based on record of depositors as at	: 9 July 2021
Date payable	: 23 July 2021

- (b) Total dividend for the current financial period: 2 sen single tier dividend

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		6 MONTHS ENDED	
	30/04/2021	30/04/2020 Restated	30/04/2021	30/04/2020 Restated
Profit for the period attributable to owners of the Company (RM'000)	<u>42,321</u>	<u>15,546</u>	<u>104,755</u>	<u>52,054</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>
Basic Earnings Per Ordinary Share (sen)	<u>1.44</u>	<u>0.53</u>	<u>3.56</u>	<u>1.77</u>

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.

10. Earnings Per Share Attributable To Owners of The Company (continued)

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		6 MONTHS ENDED	
	30/04/2021	30/04/2020 Restated	30/04/2021	30/04/2020 Restated
Profit for the period attributable to owners of the Company (RM'000)	<u>42,321</u>	<u>15,546</u>	<u>104,755</u>	<u>52,054</u>
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)	<u>#</u>	<u>#</u>	<u>#</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>
Diluted Earnings Per Ordinary Share (sen) *	<u>1.44</u>	<u>0.53</u>	<u>3.56</u>	<u>1.77</u>

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

	6 MONTHS ENDED
	30/04/2021
	RM'000
i) Advances provided to:	
- BBCC Development Sdn Bhd	28,000
- 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	62,065
	<u> </u>
	As at 30/04/2021
	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	438,324
- Eco Horizon	318,125
	<u> </u>

There has been no material impact on the earnings and net tangible assets of the Group for the 6 months ended 30 April 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	6 MONTHS
	ENDED	ENDED
	30/04/2021	30/04/2021
	RM'000	RM'000
Interest income	10,100	21,896
Other income including investment income	2,874	5,289
Interest expense	(31,906)	(59,001)
Depreciation and amortisation	(5,673)	(12,030)
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	-	-
Foreign exchange gain or (loss)	106	84
Gain or loss on derivatives	-	-
Exceptional items	-	-
	<u> </u>	<u> </u>

By order of the Board
Chua Siew Chuan
Company Secretary
24 June 2021