

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

**Interim Financial Report**  
**31 July 2021**

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
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**Interim Financial Report - 31 July 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 JULY 2021**  
*(The figures have not been audited)*

	3 MONTHS ENDED		9 MONTHS ENDED	
	31 JULY 2021	31 JULY 2020	31 JULY 2021	31 JULY 2020
	RM'000	RM'000	RM'000	RM'000
		RESTATE		RESTATE
Revenue	448,909	477,867	1,376,717	1,361,215
Cost of sales	(363,483)	(388,643)	(1,114,727)	(1,093,040)
<b>Gross profit</b>	<b>85,426</b>	<b>89,224</b>	<b>261,990</b>	<b>268,175</b>
Other income	14,275	17,224	41,460	48,262
Selling and marketing expenses	(8,032)	(10,834)	(25,594)	(25,863)
Administrative expenses	(42,925)	(37,933)	(128,917)	(133,375)
Finance costs	(30,072)	(35,656)	(89,073)	(107,638)
Share of results in joint ventures, net of tax	17,519	27,422	107,204	68,119
Share of results in associates, net of tax	(468)	(390)	(1,052)	(953)
<b>Profit before tax</b>	<b>35,723</b>	<b>49,057</b>	<b>166,018</b>	<b>116,727</b>
Income tax expense	(576)	(13,230)	(26,116)	(28,846)
Profit net of tax	35,147	35,827	139,902	87,881
<b>Other comprehensive income, net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(102)	(57)	(201)	(58)
Share of other comprehensive income/(loss) of a joint venture	25,754	28,632	85,674	22,100
<b>Total comprehensive income for the period</b>	<b>60,799</b>	<b>64,402</b>	<b>225,375</b>	<b>109,923</b>
<b>Profit net of tax attributable to:</b>				
Owners of the Company	35,147	35,827	139,902	87,881
Non-controlling interests	-	-	-	-
	<b>35,147</b>	<b>35,827</b>	<b>139,902</b>	<b>87,881</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	60,799	64,402	225,375	109,923
Non-controlling interests	-	-	-	-
	<b>60,799</b>	<b>64,402</b>	<b>225,375</b>	<b>109,923</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic earnings per share (sen)	1.19	1.22	4.75	2.98
Diluted earnings per share (sen) *	1.19	1.22	4.75	2.98

\* 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 JULY 2021**  
(The figures have not been audited)

	As At 31 JULY 2021 RM'000	As At 31 OCTOBER 2020 RM'000 RESTATED	As At 1 NOVEMBER 2019 RM'000 RESTATED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	171,854	184,953	229,622
Investment properties	19,681	19,641	19,510
Inventories - land held for property development	4,138,853	4,243,824	3,965,190
Investment in associates	72,633	58,242	54,769
Investment in joint ventures	1,438,155	1,305,644	1,206,837
Trade receivables	101,374	119,374	112,171
Lease receivables	2,912	3,739	-
Amount due from joint ventures	900,193	870,654	760,099
Deferred tax assets	122,484	110,269	104,573
	<u>6,968,139</u>	<u>6,916,340</u>	<u>6,452,771</u>
<b>Current assets</b>			
Inventories - property under development	876,679	1,293,981	2,024,886
Inventories - completed properties	644,327	710,226	583,588
Trade and other receivables	754,833	849,615	870,224
Lease receivables	1,097	1,065	-
Contract assets	95,399	56,506	68,545
Current tax assets	20,474	42,360	40,197
Deposits	249,859	202,303	221,973
Cash and bank balances	320,369	254,134	378,566
	<u>2,963,037</u>	<u>3,410,190</u>	<u>4,187,979</u>
<b>TOTAL ASSETS</b>	<u>9,931,176</u>	<u>10,326,530</u>	<u>10,640,750</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	3,614,865	3,614,865	3,614,865
Warrants reserve	194,395	194,395	194,395
Foreign currency translation reserve	67,266	(18,487)	(15,783)
Cash flow hedge reserve	(369)	(89)	(543)
Retained earnings	876,595	854,467	694,317
<b>Total equity</b>	<u>4,752,752</u>	<u>4,645,151</u>	<u>4,487,251</u>
<b>Non-current liabilities</b>			
Long term borrowings	1,523,125	1,266,000	1,803,825
Other payables	313,022	319,684	-
Lease liabilities	10,714	12,314	226
Deferred tax liabilities	23,579	40,956	29,298
	<u>1,870,440</u>	<u>1,638,954</u>	<u>1,833,349</u>
<b>Current liabilities</b>			
Trade and other payables	804,065	1,041,139	1,168,422
Contract liabilities	1,025,284	945,799	1,173,894
Bank overdrafts	21,715	25,323	26,330
Short term borrowings	1,445,251	2,025,084	1,949,253
Lease liabilities	4,815	3,905	81
Current tax liabilities	6,854	1,175	2,170
	<u>3,307,984</u>	<u>4,042,425</u>	<u>4,320,150</u>
<b>Total liabilities</b>	<u>5,178,424</u>	<u>5,681,379</u>	<u>6,153,499</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>9,931,176</u>	<u>10,326,530</u>	<u>10,640,750</u>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<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 31 JULY 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
<b>At 1 November 2020</b>	3,614,865	194,395	(18,487)	(89)	880,253	4,670,937
Effects of adoption of the Agenda Decision	-	-	-	-	(25,786)	(25,786)
<b>At 1 November 2020 (restated)</b>	3,614,865	194,395	(18,487)	(89)	854,467	4,645,151
Profit for the period	-	-	-	-	139,902	139,902
Other comprehensive income/(loss)	-	-	85,753	(280)	-	85,473
Transactions with owners:						
- Dividend paid	-	-	-	-	(117,774)	(117,774)
<b>At 31 July 2021</b>	3,614,865	194,395	67,266	(369)	876,595	4,752,752
<b>At 1 November 2019</b>	3,614,865	194,395	(15,783)	(543)	745,082	4,538,016
Effects of adoption of the Agenda Decision	-	-	-	-	(50,765)	(50,765)
<b>At 1 November 2019 (restated)</b>	3,614,865	194,395	(15,783)	(543)	694,317	4,487,251
Profit for the period	-	-	-	-	87,881	87,881
Other comprehensive (loss)/income	-	-	23,900	(1,858)	-	22,042
<b>At 31 July 2020</b>	3,614,865	194,395	8,117	(2,401)	782,198	4,597,174

(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 JULY 2021**

*(The figures have not been audited)*

	<b>9 MONTHS ENDED</b>	
	<b>31 JULY 2021</b>	<b>31 JULY 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>RESTATE</b>
<b>Operating activities</b>		
Profit before tax	166,018	116,727
Adjustments for :		
Non-cash items	(97,008)	18,655
Non-operating items	53,930	67,153
Operating cash flows before changes in working capital	122,940	202,535
Changes in inventories - property under development	442,915	221,723
Changes in inventories- completed properties	271,142	208,312
Changes in contract assets/contract liabilities	40,593	(276,565)
Changes in receivables	134,023	243,381
Changes in payables	(264,806)	(136,186)
Cash flows generated from operations	746,807	463,200
Interest received	2,485	5,048
Interest paid	(98,084)	(115,254)
Income tax paid net of refunds	(30,393)	(12,970)
<b>Net cash flows generated from operating activities</b>	<b>620,815</b>	<b>340,024</b>
<b>Investing activities</b>		
Additions to inventories - land held for property development	(81,199)	(83,800)
Purchase of property, plant and equipment and investment properties	(3,071)	(19,787)
Proceeds from disposal of property, plant and equipment	311	50,037
Deposit paid for acquisition of land	-	(3,049)
Subscription of redeemable preference shares in an associate	(15,444)	-
Advances to joint ventures	(78,000)	(108,700)
Repayment of interest by a joint venture	92,344	45,802
Withdrawal of redemption and debt service reserve accounts	6,193	35,813
Dividends received from a joint venture	38,880	-
Interest received from deposits	3,505	3,556
<b>Net cash flows used in investing activities</b>	<b>(36,481)</b>	<b>(80,128)</b>
<b>Financing activities</b>		
Drawdown of bank borrowings	309,905	128,713
Repayment of bank borrowings and lease liabilities	(638,410)	(479,090)
Interest paid	(14,485)	(20,374)
Dividends paid on ordinary shares	(117,774)	-
<b>Net cash flows used in financing activities</b>	<b>(460,764)</b>	<b>(370,751)</b>
<b>Net increase in cash and cash equivalents</b>	<b>123,570</b>	<b>(110,855)</b>
<b>Effect of exchange rate changes</b>	<b>22</b>	<b>(4)</b>
<b>Cash and cash equivalents at 1 November 2020 / 2019</b>	<b>264,314</b>	<b>386,173</b>
<b>Cash and cash equivalents at 31 July 2021 / 2020</b>	<b>387,906</b>	<b>275,314</b>
<b>Cash and cash equivalents comprise the following:</b>		
Deposits	249,859	192,765
Cash and bank balances	320,369	261,233
Bank overdrafts	(21,715)	(26,461)
	548,513	427,537
Less: Deposit pledged, Debt Service Reserve, Redemption Accounts and Escrow Accounts	(160,607)	(152,223)
	<b>387,906</b>	<b>275,314</b>

(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 (“the 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.

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:

<b>Consolidated Statement of Financial Position At 31 October 2020</b>	<b>As previously reported (audited) RM'000</b>	<b>Effects of the Agenda Decision RM'000</b>	<b>As restated RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
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>
<b>Current Assets</b>			
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>
<b>TOTAL ASSETS</b>	<b><u>10,353,398</u></b>	<b><u>(26,868)</u></b>	<b><u>10,326,530</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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
<b>Total Equity</b>	<b><u>4,670,937</u></b>	<b><u>(25,786)</u></b>	<b><u>4,645,151</u></b>
<b>Non-Current Liabilities</b>			
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>
<b>Current Liabilities</b>			
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>
<b>Total Liabilities</b>	<b><u>5,682,461</u></b>	<b><u>(1,082)</u></b>	<b><u>5,681,379</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>10,353,398</u></b>	<b><u>(26,868)</u></b>	<b><u>10,326,530</u></b>



## 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 (audited) RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
<b>Consolidated Statement of Financial Position</b>			
<b>At 1 November 2019</b>			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
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>
<b>Current Assets</b>			
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>
<b>TOTAL ASSETS</b>	<b>10,688,454</b>	<b>(47,704)</b>	<b>10,640,750</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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
<b>Total Equity</b>	<b>4,538,016</b>	<b>(50,765)</b>	<b>4,487,251</b>
<b>Non-Current Liabilities</b>			
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>
<b>Current Liabilities</b>			
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>
<b>Total Liabilities</b>	<b>6,150,438</b>	<b>3,061</b>	<b>6,153,499</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,688,454</b>	<b>(47,704)</b>	<b>10,640,750</b>

## 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
<b>Statement of Comprehensive Income</b>			
<b>9 months ended 31 July 2020</b>			
Revenue	1,361,215	-	1,361,215
Cost of sales	(1,145,644)	52,604	(1,093,040)
Gross profit	215,571	52,604	268,175
Other income	44,486	3,776	48,262
Selling and marketing expenses	(25,863)	-	(25,863)
Administrative expenses	(133,375)	-	(133,375)
Finance costs	(74,993)	(32,645)	(107,638)
Share of results in joint ventures, net of tax	70,199	(2,080)	68,119
Share of results in associates, net of tax	(953)	-	(953)
<b>Profit before taxation</b>	<b>95,072</b>	<b>21,655</b>	<b>116,727</b>
Income tax expense	(26,359)	(2,487)	(28,846)
<b>Profit net of tax</b>	<b>68,713</b>	<b>19,168</b>	<b>87,881</b>
<b>Other comprehensive income, net of tax:</b>			
Exchange differences on translation of foreign operation	(58)	-	(58)
Share of other comprehensive losses of joint venture	22,100	-	22,100
<b>Total comprehensive income for the period</b>	<b>90,755</b>	<b>19,168</b>	<b>109,923</b>
<b>Earnings per share attributable to owners of the company:</b>			
- Basic earnings per share (sen)	2.33		2.98
- Diluted earning per share (sen) #	2.33		2.98

\* *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
<b>Statement of Comprehensive Income</b>			
<b>3 months ended 31 July 2020</b>			
Revenue	477,867	-	477,867
Cost of sales	(423,320)	34,677	(388,643)
Gross profit	54,547	34,677	89,224
Other income	15,494	1,730	17,224
Selling and marketing expenses	(10,834)	-	(10,834)
Administrative expenses	(37,933)	-	(37,933)
Finance costs	(24,003)	(11,653)	(35,656)
Share of results in joint ventures, net of tax	27,472	(50)	27,422
Share of results in associates, net of tax	(390)	-	(390)
<b>Profit before taxation</b>	<b>24,353</b>	<b>24,704</b>	<b>49,057</b>
Income tax expense	(10,548)	(2,682)	(13,230)
<b>Profit net of tax</b>	<b>13,805</b>	<b>22,022</b>	<b>35,827</b>
<b>Other comprehensive income, net of tax:</b>			
Exchange differences on translation of foreign operation	(57)	-	(57)
Share of other comprehensive losses of joint venture	28,632	-	28,632
<b>Total comprehensive income for the period</b>	<b>42,380</b>	<b>22,022</b>	<b>64,402</b>
<b>Earnings per share attributable to owners of the company:</b>			
- Basic earnings per share (sen)	0.47		1.22
- Diluted earning per share (sen) #	0.47		1.22

\* *Anti-dilutive*

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of cash flows for the 9 months ended 31 July 2020.

## 2. Seasonal or Cyclical Factors

The business operations of the Group during the 9 months ended 31 July 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 9 months ended 31 July 2021.

## 4. Changes in Estimates

There were no material changes in estimates for the 9 months ended 31 July 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 9 months ended 31 July 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. Dividends 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.

On 23 July 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 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

There were no significant events after 31 July 2021 till 10 September 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 9 months ended 31 July 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 July 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:-

	<b>9 MONTHS ENDED</b>	
	<b>31/07/2021</b>	<b>31/07/2020</b>
<b>Location</b>	<b>RM'000</b>	<b>RM'000</b>
Klang Valley	609,739	748,443
Iskandar Malaysia	646,230	564,613
Penang	120,748	48,159
	<u>1,376,717</u>	<u>1,361,215</u>

## 13. Commitments

	<b>As at</b>
	<b>31/07/2021</b>
	<b>RM'000</b>
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	3,942
Commitment to fund development costs of joint ventures	<u>151,069</u>

**14. Significant Related Party Transactions**

**9 MONTHS  
ENDED  
31/07/2021  
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	82
- Sales of development properties to a director of a subsidiary company and her family member	2,466
	<hr/>
(ii) Transactions with joint ventures	
- Advances given	78,000
- Dividends received	38,880
- Interest received and receivable	43,882
- Development management fees received and receivable	52,622
- Other resources fees received and receivable	15,255
- Brand licensing fees received and receivable	5,549
- Commission received and receivable	1,383
- Rental received and receivable	135
- Support service fees received and receivable	105
- Property management appointment fees received and receivable	101
- Disposal of motor vehicles	198
	<hr/> <hr/>
(iii) Transactions with an associate	
- Disposal of office equipment, furniture & fitting and computer equipment	34
- Secondment fees paid and payable	101
	<hr/> <hr/>

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

**1. Review of Group Performance**

	3 MONTHS ENDED			9 MONTHS ENDED		
	31/07/2021 RM'000	31/07/2020 RM'000 Restated	Changes RM'000	31/07/2021 RM'000	31/07/2020 RM'000 Restated	Changes RM'000
Revenue	448,909	477,867	(28,958)	1,376,717	1,361,215	15,502
Gross profit	85,426	89,224	(3,798)	261,990	268,175	(6,185)
Share of results of joint ventures						
- Malaysia	12,184	17,468	(5,284)	70,495	50,168	20,327
- International	5,335	9,954	(4,619)	36,709	17,951	18,758
	17,519	27,422	(9,903)	107,204	68,119	39,085
Profit before interest and tax	65,795	84,713	(18,918)	255,091	224,365	30,726
Profit before tax (PBT)	35,723	49,057	(13,334)	166,018	116,727	49,291
Profit after tax	35,147	35,827	(680)	139,902	87,881	52,021
Profit attributable to owners of the Company	35,147	35,827	(680)	139,902	87,881	52,021

**(a) 3Q 2021 vs 3Q 2020**

The main projects which contributed to revenue and gross profit in 3Q 2021 were *Eco Majestic*, *Eco Forest*, and *Eco Sanctuary* 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 Terraces* in Penang.

Despite the implementation of the Movement Control Order (MCO) 3.0 in May 2021 followed by the Full MCO (FMCO) in June 2021, revenue was only slightly lower than 3Q 2020 by 6.1%. This was mainly due to more completed or near completed properties being sold by the Group in the current quarter which enabled a higher percentage of revenue to be immediately recognised upon completion of sale of the units.

The Group's share of the results of its Malaysian joint-ventures came from *Eco Grandeur*, *Eco Business Park V*, *Eco Horizon*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)*. Total contributions were 30.3% lower in 3Q 2021 compared to 3Q 2020 as progress on construction sites slowed down due to restrictions imposed on site activities during MCO 3.0 and FMCO coupled with the completion of Eco Horizon's Phase 1 development in 1Q 2021.

Contributions from EcoWorld International Berhad (*EcoWorld International*) was also lower in the current quarter due to the handover of fewer units sold to customers at Yarra One and lower share of results from its UK joint venture as a result of a revision of project margins. Higher finance costs charged out following cessation of capitalisation upon completion of Yarra One & West Village also reduced profits in 3Q 2021.

Arising from the above, profit before tax for 3Q 2021 was 27% lower as compared to 3Q 2020. However, the Group's profit after tax was only 2% lower than 3Q 2020 due to the reversal of certain overprovisions for income tax in respect of prior years and deferred tax in the current quarter (see note 5 below).

## 1. Review of Group Performance (continued)

### (b) 3Q YTD 2021 vs 3Q YTD 2020

3Q YTD 2021 revenue increased by 1.1%, however gross profit margin decreased slightly from 19.7% to 19.0% mainly due to additional incentives given to purchasers to accelerate the clearance of completed/near completion inventories.

The share of profits from the Malaysian joint-ventures in 3Q YTD 2021 is 40.5% higher than in 3Q YTD 2020. Collectively they recorded a total of RM1,039.4 million in revenue in 3Q YTD 2021 of which the Group's effective share, based on its equity stakes in the respective joint-ventures, amounted to RM523.8 million.

The Group's share of results from EcoWorld International was also higher due to higher cumulative profits contributed from the Australian projects and UK joint ventures in 3Q YTD 2021 as compared to in 3Q YTD 2020.

Overall, this has resulted in the Group's profit before tax for 3Q YTD 2021 being 42% higher as compared to 3Q YTD 2020.

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

	3 MONTHS ENDED		Changes RM'000
	31/07/2021 RM'000	30/04/2021 RM'000	
Revenue	448,909	420,455	28,454
Gross profit	85,426	75,516	9,910
Share of results of joint ventures			
- Malaysia	12,184	38,602	(26,418)
- International	5,335	9,518	(4,183)
	<u>17,519</u>	<u>48,120</u>	<u>(30,601)</u>
Profit before interest and tax	65,795	89,089	(23,294)
Profit before tax (PBT)	35,723	57,183	(21,460)
Profit after tax	35,147	42,321	(7,174)
Profit attributable to owners of the Company	35,147	42,321	(7,174)

The Group's revenue and gross profit for 3Q 2021 were higher as compared 2Q 2021. This was mainly due to higher sales of completed or near completion products in 3Q 2021 (thus enabling a higher revenue and gross profit to be recognised in the current quarter).

Share of results of its Malaysian joint ventures was however lower than 2Q 2021 due to the reasons stated in 1(a) above.

EcoWorld International's results were also lower than 2Q 2021 due to lower share of results from its joint ventures.



### 3. Prospects for the Current Financial Year

Location of projects	No. of launched projects <sup>2</sup>	10 months ended 31.08.2021			Cumulative sales <sup>1,2</sup> RM'mil	As at 31.08.2021
		Units launched <sup>2</sup>	Units sold <sup>1,2</sup>	Sales value <sup>2</sup> RM'mil		Future revenue <sup>3</sup> RM'mil
Klang Valley	8	857	2,751	1,847	14,612	2,360.9
Iskandar Malaysia	8	1,129	1,238	969	7,885	1,153.9
Penang	3	224	475	294	1,506	200.3
<b>Malaysia</b>	<b>19</b>	<b>2,210</b>	<b>4,464</b>	<b>3,110</b>	<b>24,003</b>	<b>3,715.1</b>

Location of projects	Land Bank Acres <sup>2</sup>	10 months ended 31.08.2021			Cumulative sales <sup>1,2</sup> RM'mil	As at 31.08.2021
		Units sold <sup>1,2</sup>	Sales value <sup>2</sup> RM'mil	Future revenue <sup>3</sup> RM'mil		
United Kingdom	50.7	204	968	13,556	365.7	
Australia	2.4	23	72	1,365	20.7	
<b>Overseas</b>	<b>53.1</b>	<b>227</b>	<b>1,040</b>	<b>14,921</b>	<b>386.4</b>	

**Total future revenue attributable to EcoWorld Malaysia**

<b>4,101.5</b>
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<sup>1</sup> Includes sales of units from prior year launches

<sup>2</sup> Includes projects and sales (by units & value) of joint ventures

<sup>3</sup> Represents revenue expected to be recognised in the future from secured sales of subsidiaries and joint ventures based on EcoWorld Malaysia's equity interest

The Group and its Malaysian JVs recorded sales totalling RM2.873 billion in 3Q YTD 2021. By 31 August 2021, sales increased further to RM3.110 billion, enabling the Group to surpass its full year sales target for FY2021 of RM2.875 billion.

A comparison of sales achieved vs FY2020 by region and project type is set out below:

Region	FY2020 full year sales	Sales for the 10 months to 31 Aug 2021	
	Amount	Amount	As a percentage of FY2020 full year sales
	RM'mil	RM'mil	%
Klang Valley	1,555	1,847	118
Iskandar Malaysia	608	969	159
Penang	139	294	212
<b>Total Malaysia</b>	<b>2,302</b>	<b>3,110</b>	<b>135</b>

Project type	FY2020 full year sales	Sales for the 10 months to 31 Aug 2021	
	Amount	Amount	As a percentage of FY2020 full year sales
	RM'mil	RM'mil	%
Residential and commercial	2,082	2,713	130
Eco Business Parks I, II, III & V	220	397	180
<b>Total Malaysia</b>	<b>2,302</b>	<b>3,110</b>	<b>135</b>

Sales increased by more than RM1 billion in the 4 months since 2Q 2021 which enabled the Group's future revenue from its Malaysian projects to remain high at RM3.72 billion as at 31 August 2021. Including the share of the future revenue from EcoWorld International, the total share of future revenue attributable to the Group stands at RM4.1 billion as at 31 August 2021.

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

The continued strong sales momentum experienced by the Group throughout 3Q 2021, notwithstanding closure of its sales galleries since 12 May 2021 due to the nationwide MCO 3.0 and FMCO, is testament to Team EcoWorld's agility in pursuing on-line leads aggressively, supported by:

- Extensive, targeted and localised social media marketing efforts to drive better communication and engagement with homebuyers across a wide range of digital platforms;
- Active promotion of EcoWorld Malaysia's commercial and industrial products which garnered strong take-ups from business owners and investors;
- Effectiveness of the Group's digitalisation initiatives (from frontline to backroom processes) which enabled systematic follow-through with potential customers and conversion of leads into sales online.

In 3Q 2021, the EcoWorld Corporate Vaccination programme was initiated covering not just Team EcoWorld but also their family members and members of EcoWorld Malaysia's key supply chain, in particular its contractors and all their workers, both local and foreign. Over 8,000 individuals were vaccinated under this programme in line with the Government's efforts to reach the target of having 80% of the nation's population immunised in the shortest time possible.

With 100% of staff who are medically eligible for vaccination and more than 80% of site workers now fully vaccinated, all of EcoWorld Malaysia's construction sites are able to operate at full capacity, enabling the Group to catch up on work progress. The reopening of its sales galleries, subject to strict SOPs and regular Covid-19 self-testing to ensure the safety of both visitors and staff members, will also enable EcoWorld Malaysia to proceed with plans for the launch of several new phases before the end of the year.

On the financial front, the Group's continued financial discipline and commitment to achieve cost efficiencies through digitalisation and improvement of work processes have contributed positively toward profits achieved. Further, many of the Group's projects have matured with the bulk of the major infrastructure and lifestyle amenities already completed during the initial development phase - this enables higher net cashflow to be recouped from launches of each new phase within these projects. Along with substantial cash inflows being continually generated from high sales, particularly of completed and near completed stocks, there has been a steady improvement in both gross and net gearing ratios to 0.63 times and 0.51 times respectively as at 31 July 2021, as detailed in Note 7 below. Additionally, EcoWorld Malaysia's balance sheet continues to strengthen as total borrowings have been reduced from RM3.32 billion as at 31 October 2020 to RM2.99 billion as at 31 July 2021.

Moving ahead, Malaysia's rapid vaccination rate has placed the country on track to achieve the targeted 60% immunisation rate by the end of September 2021 which should enable the reopening of nearly all economic sectors based on the Government's National Recovery Plan. The Board believes that this will provide a strong boost to both consumer and business confidence going forward, thus setting the stage for an economic rebound in 2022 which EcoWorld Malaysia is well positioned to take advantage of.

Overseas, sales performance of EcoWorld International's projects in Australia and the UK continued to register improvement in 3Q 2021. EcoWorld International recorded RM338 million sales in 3Q 2021 and a further RM81 million in August 2021, bringing year-to-date sales to RM1.04 billion. This, plus reserves of RM285 million, adds up to a total of RM1,326 million as at 31 August 2021.

House prices in Inner London as at June 2021 were 2.5% higher than one year ago and demand for residential property in London, a major employment centre, is expected to recover further, driven by gradual return of workers to offices. Similarly, house prices in Sydney and Melbourne rose by 5% in the 12 months to July 2021 and whilst the recent reimposition of lockdown measures may have affected demand, sentiment should improve as the vaccination rate increases.

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

With regards to construction, supply chain disruption and labour shortages are causing delays and driving cost pressures in the UK construction industry. However, construction progress of the Group's active projects in London are still largely on track with most remaining projects expected to commence handover in 2021 and FY2022.

As at 31 August 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
<b>The Group</b>	<b>20</b>	<b>8,325.3</b>	<b>4,363.0</b>

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

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

### 5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2021	31/07/2020	31/07/2021	31/07/2020
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for current quarter	28,775	2,629	47,811	24,862
- in respect of prior years	(10,189)	8,735	10,087	7,079
Deferred tax				
- for current quarter	(21,093)	10,771	(19,035)	6,586
- in respect of prior years	3,083	(8,905)	(12,747)	(9,681)
	<u>576</u>	<u>13,230</u>	<u>26,116</u>	<u>28,846</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 10 September 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 31 July 2021 and 31 October 2020 were as follows:-

	As at 31 July 2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Revolving credits	128,254	449,169	577,423
Term loans	358,789	253,746	612,535
Bridging loans	268,614	7,242	275,856
Medium term notes	268,426	-	268,426
Hire purchase (included in lease liabilities)	71	90	161
	<u>1,024,154</u>	<u>710,247</u>	<u>1,734,401</u>
<b>Unsecured</b>			
Revolving credits	-	735,094	735,094
Medium term notes	499,042	-	499,042
Overdraft	-	21,715	21,715
	<u>499,042</u>	<u>756,809</u>	<u>1,255,851</u>
	<u>1,523,196</u>	<u>1,467,056</u>	<u>2,990,252</u>
	As at 31 October 2020		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
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>
<b>Unsecured</b>			
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 July 2021	As at 31 October 2020
	%	%
Floating interest rate borrowings	4.23	4.24
Fixed interest rate borrowings	6.22	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 9 months ended 31 July 2021.

The Group's gearing ratios are as follows:

	As at 31 July 2021	As at 31 October 2020
Gross Gearing	0.63	0.71
Net Gearing	0.51	0.62

## 8. Material Litigation

The Group was not engaged in any material litigation as at 10 September 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

On 24 June 2021, 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 2021, which was paid on 23 July 2021.

Other than that, the Group did not declare or pay any dividend during the 9 months ended 31 July 2021.

## 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:

	<b>3 MONTHS ENDED</b>		<b>9 MONTHS ENDED</b>	
	<b>31/07/2021</b>	<b>31/07/2020 Restated</b>	<b>31/07/2021</b>	<b>31/07/2020 Restated</b>
Profit for the period attributable to owners of the Company (RM'000)	<u>35,147</u>	<u>35,827</u>	<u>139,902</u>	<u>87,881</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>1.19</u>	<u>1.22</u>	<u>4.75</u>	<u>2.98</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		9 MONTHS ENDED	
	31/07/2021	31/07/2020 Restated	31/07/2021	31/07/2020 Restated
Profit for the period attributable to owners of the Company (RM'000)	35,147	35,827	139,902	87,881
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) *	1.19	1.22	4.75	2.98

# 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

	<b>9 MONTHS ENDED</b>
	<b>31/07/2021</b>
	<b>RM'000</b>
i) Advances provided to:	
- BBCC Development Sdn Bhd	48,000
- 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”)	115,100
- Eco Horizon	62,065
	=====
	<b>As at 31/07/2021</b>
	<b>RM'000</b>
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	429,995
- Eco Horizon	312,106
	=====

There has been no material impact on the earnings and net tangible assets of the Group for the 9 months ended 31 July 2021 arising from the above-mentioned guarantees.

## 13. Notes to the Statement of Comprehensive Income

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

	<b>3 MONTHS</b>	<b>9 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31/07/2021</b>	<b>31/07/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	11,484	33,380
Other income including investment income	2,791	8,080
Interest expense	(30,072)	(89,073)
Depreciation and amortisation	(5,876)	(17,906)
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)	119	203
Gain or loss on derivatives	-	-
Exceptional items	-	-
	<u>                    </u>	<u>                    </u>

By order of the Board  
Chua Siew Chuan  
Company Secretary  
17 September 2021