

Quarterly rpt on consolidated results for the financial period ended 31 Oct 2018

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2018
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Oct 2018
The figures	have not been audited

Attachments

[EWI Q4 2018 Results.pdf](#)
460.9 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Oct 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Oct 2018	31 Oct 2017	31 Oct 2018	31 Oct 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	4,886	27	4,904	488
2 Profit/(loss) before tax	69,928	-35,701	29,019	-87,251
3 Profit/(loss) for the period	70,440	-34,303	35,526	-87,474
4 Profit/(loss) attributable to ordinary equity holders of the parent	70,075	-32,557	35,238	-87,633
5 Basic earnings/(loss) per share (Subunit)	2.92	-1.36	1.47	-5.76
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	1.0400		1.0600	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	13 Dec 2018
Category	Financial Results
Reference Number	FRA-12122018-00007

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

Interim Financial Report
31 October 2018

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

Interim Financial Report - 31 October 2018

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ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2018
(The figures have not been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 OCTOBER	31 OCTOBER	31 OCTOBER	31 OCTOBER
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Revenue	4,886	27	4,904	488
Direct expenses	(1,032)	(1,583)	(4,614)	(5,813)
Gross profit/(loss)	3,854	(1,556)	290	(5,325)
Other income	993	8,798	12,276	27,569
Marketing expenses	(1,314)	(4,400)	(10,242)	(5,610)
Administrative and general expenses	(21,580)	(28,620)	(74,775)	(69,983)
Unrealised (loss)/gain on foreign exchange	(2,060)	(11,317)	(6,915)	34,527
Finance costs	(4,329)	-	(8,810)	(31,920)
Share of results in joint ventures	94,364	1,394	117,195	(36,509)
Profit/(Loss) before tax	69,928	(35,701)	29,019	(87,251)
Taxation	512	1,398	6,507	(223)
Profit/(Loss) for the period/year	70,440	(34,303)	35,526	(87,474)
Other comprehensive loss, net of tax				
<i>Item that may be reclassified to profit or loss subsequently:</i>				
Cash flow hedge	(10)	-	(10)	-
Exchange differences on translation of foreign operations	(8,273)	(5,382)	(87,563)	(16,554)
Total comprehensive income/(loss) for the period/year	62,157	(39,685)	(52,047)	(104,028)
Profit/(Loss) for the period/year attributable to:				
Owners of the Company	70,075	(32,557)	35,238	(87,633)
Non-controlling interests	365	(1,746)	288	159
	70,440	(34,303)	35,526	(87,474)
Total comprehensive income/(loss) for the period/year attributable to:				
Owners of the Company	62,278	(37,953)	(51,267)	(104,687)
Non-controlling interests	(121)	(1,732)	(780)	659
	62,157	(39,685)	(52,047)	(104,028)
Earnings/(Loss) per share attributable to owners of the Company:				
Basic earnings/(loss) per share (sen)	2.92	(1.36)	1.47	(5.76)
Diluted earnings/(loss) per share (sen) *	2.92	(1.36)	1.47	(5.76)

* *Anti-dilutive*

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	As At 31 OCTOBER 2018 (UNAUDITED) RM'000	As At 31 OCTOBER 2017 (AUDITED) RM'000
ASSETS		
Non-current assets		
Plant and equipment	6,366	7,169
Goodwill	126,302	126,302
Investment in joint ventures	209,012	104,907
Amounts owing by joint ventures	2,116,983	1,089,481
Deferred tax assets	25,787	19,316
	<u>2,484,450</u>	<u>1,347,175</u>
Current assets		
Properties under development for sale	461,836	366,717
Trade and other receivables	20,972	5,400
Current tax assets	1,188	682
Derivative financial assets	2,004	-
Cash, bank balances and deposits	436,960	992,388
	<u>922,960</u>	<u>1,365,187</u>
TOTAL ASSETS	<u>3,407,410</u>	<u>2,712,362</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Cash flow hedge reserve	(10)	-
Exchange translation reserve	(68,851)	17,644
Accumulated losses	(306,399)	(341,637)
Equity attributable to owners of the Company	<u>2,493,609</u>	<u>2,544,876</u>
Non-controlling interests	15,873	2,768
Total equity	<u>2,509,482</u>	<u>2,547,644</u>
Non-current liabilities		
Borrowings	605,440	48,684
Hire purchase liability	134	-
Deferred tax liabilities	1,883	1,944
	<u>607,457</u>	<u>50,628</u>
Current liabilities		
Trade and other payables	43,473	16,067
Amount owing to a corporate shareholder of a subsidiary	15,465	16,340
Borrowings	230,638	79,913
Hire purchase liability	48	-
Current tax liabilities	847	1,770
	<u>290,471</u>	<u>114,090</u>
Total liabilities	<u>897,928</u>	<u>164,718</u>
TOTAL EQUITY AND LIABILITIES	<u>3,407,410</u>	<u>2,712,362</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.04</u>	<u>1.06</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018
(The figures have not been audited)

	← Attributable to owners of the Company →					Distributable	Non-controlling interests	Total equity	
	← Non-distributable →			Cash flow hedge reserve	Exchange translation reserve				Accumulated losses
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Cash flow hedge reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	RM'000	RM'000
At 1 November 2017	2,592,451	-	276,418	-	17,644	(341,637)	2,544,876	2,768	2,547,644
Other comprehensive loss for the year:									
- Cashflow hedge	-	-	-	(10)	-	-	(10)	-	(10)
- Exchange differences on translation of foreign operations	-	-	-	-	(86,495)	-	(86,495)	(1,068)	(87,563)
Profit for the year	-	-	-	-	-	35,238	35,238	288	35,526
Total comprehensive (loss)/income for the year	-	-	-	(10)	(86,495)	35,238	(51,267)	(780)	(52,047)
Issuance of preference shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	13,885	13,885
At 31 OCTOBER 2018	2,592,451	-	276,418	(10)	(68,851)	(306,399)	2,493,609	15,873	2,509,482
At 1 November 2016	246,541	49,158	-	-	34,698	(222,514)	107,883	4,788	112,671
Other comprehensive (loss)/income for the year:									
- Exchange differences on translation of foreign operations	-	-	-	-	(17,054)	-	(17,054)	500	(16,554)
(Loss)/Profit for the year	-	-	-	-	-	(87,633)	(87,633)	159	(87,474)
Total comprehensive (loss)/income for the year	-	-	-	-	(17,054)	(87,633)	(104,687)	659	(104,028)
<i>Transactions with owners of the Company:</i>									
Issuance of ordinary shares									
- Share issuance for public offering	2,584,151	-	-	-	-	-	2,584,151	-	2,584,151
- Warrants	(276,418)	-	276,418	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	(1,282)	(1,282)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(1,397)	(1,397)
Transition to no-par value regime	49,158	(49,158)	-	-	-	-	-	-	-
Share issue expenses	(10,981)	-	-	-	-	(31,490)	(42,471)	-	(42,471)
At 31 OCTOBER 2017	2,592,451	-	276,418	-	17,644	(341,637)	2,544,876	2,768	2,547,644

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018
(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2018	31 OCTOBER 2017
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax	29,019	(87,251)
Adjustments for:		
Non-cash items	(108,041)	5,044
Non-operating items	(3,195)	22,850
Operating loss before working capital changes	<u>(82,217)</u>	<u>(59,357)</u>
Changes in properties under development for sale	(113,533)	(36,371)
Changes in receivables	(13,180)	4,095
Changes in payables	25,593	5,546
Cash used in operations	<u>(183,337)</u>	<u>(86,087)</u>
Interest received	295	972
Tax paid	(2,939)	(5,323)
Net cash used in operating activities	<u>(185,981)</u>	<u>(90,438)</u>
Cash Flows From Investing Activities		
Purchase of plant and equipment	(1,431)	(6,344)
Proceeds from disposal of plant and equipment	2	27
Advances to joint ventures	(1,030,287)	(274,865)
Investment in joint ventures	(50,823)	-
Acquisition of a subsidiary	-	150
(Placements)/Withdrawal of deposits, debt service reserve and interest service reserve accounts	(3,655)	6,579
Landholder duty	(269)	(12,249)
Interest received	11,979	21,369
Net cash used in investing activities	<u>(1,074,484)</u>	<u>(265,333)</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	794,254	279,942
Repayment of borrowings	(73,818)	(1,211,264)
Proceeds from issuance of ordinary shares	-	2,584,151
Repayment to a shareholder	-	(153,622)
Repayment to a former shareholder of a subsidiary	-	(11,546)
Repayment to former holding company	-	(630)
Repayment to former holding company of a subsidiary	-	(13,144)
Advances from/(Repayment to) a corporate shareholder of a subsidiary	14,130	(58,270)
Finance costs	(25,744)	(36,092)
Listing expenses	-	(44,413)
Dividend paid to non-controlling interests of a subsidiary	-	(1,397)
Repayment of hire purchase	(23)	-
Net cash generated from financing activities	<u>708,799</u>	<u>1,333,715</u>

ECO WORLD INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018 (continued)
(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2018	31 OCTOBER 2017
	RM'000	RM'000
Net changes in cash and cash equivalents	(551,666)	977,944
Cash and cash equivalents at 1 November 2017/ 2016	986,680	7,719
Effect of exchange rate changes	(7,417)	1,017
Cash and cash equivalents at 31 October 2018/ 2017	427,597	986,680
 Cash and cash equivalents comprise the following:		
Deposits	403,776	962,205
Cash and bank balances	33,184	30,183
	436,960	992,388
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(9,363)	(5,708)
	427,597	986,680

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the year ended 31 October 2017, except for the adoption of the following Amendments to MFRSs, which are relevant to the Group and effective for annual periods beginning on or after 1 November 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle

The adoption of the above Amendments to MFRSs is not expected to have a material impact to the Interim Financial Statements of the Group.

A2. Seasonal or Cyclical Factors

The business operations of the Group during the financial year ended 31 October 2018 have not been materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year ended 31 October 2018.

A4. Changes in Estimates

There were no material changes in estimates during the financial year ended 31 October 2018.

A5. Debt 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 financial year ended 31 October 2018 except for the issuance of the unrated Islamic medium term notes with nominal values of RM180 million and RM350 million by the Company on 27 April 2018 and 25 October 2018 respectively.

A6. Dividends Paid

There was no payment of dividend during the financial year ended 31 October 2018.

A7. Segmental Reporting

The Group's operating and reportable segments are business units operating in different geographical locations:

- (i) United Kingdom - the areas of operation are principally property development activities and provision of advisory and project monitoring services;
- (ii) Australia - the area of operation is principally property development activities; and
- (iii) Malaysia - the areas of operation are investment holding and promotional and marketing services.

The segmental analysis for the financial year ended 31 October 2018 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	-	4,904	-	4,904
Inter-segment revenue	21,319	-	676	(21,995)	-
Total revenue	21,319	-	5,580	(21,995)	4,904
Segment results	(26,595)	(23,887)	(32,016)	-	(82,498)
Share of results in joint ventures	117,195	-	-	-	117,195
Depreciation	(285)	(722)	(1,222)	-	(2,229)
Unrealised loss on foreign exchange	(1)	(2,775)	(4,139)	-	(6,915)
Other income	179	148	11,949	-	12,276
Finance costs	-	(3)	(8,807)	-	(8,810)
Profit/(Loss) before tax	90,493	(27,239)	(34,235)	-	29,019
Taxation	(2,036)	8,307	236	-	6,507
Profit/(Loss) for the year	88,457	(18,932)	(33,999)	-	35,526

<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>
<i>Exchange ratio of 1 unit of foreign currency to RM⁽¹⁾</i>	5.3959	3.0300	1.0000

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	2,467,015	527,905	412,490	-	3,407,410
Segment liabilities	3,719	118,213	775,996	-	897,928

<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>
<i>Exchange ratio of 1 unit of foreign currency to RM⁽²⁾</i>	5.3333	2.9660	1.0000

Note:

⁽¹⁾ Average rates for the financial year ended 31 October 2018.

⁽²⁾ Closing rates as at 31 October 2018.

A8. Significant Events after the End of the Interim Financial Period

There were no significant events after 31 October 2018 till 6 December 2018, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6(a)(v).

A9. Changes in the Composition of the Group

- (a) There were no changes in the composition of the Group during the financial year ended 31 October 2018, except as follows:
- (i) On 8 November 2017, Fortune Quest Group Ltd (“Fortune Quest”), a wholly-owned subsidiary of the Company has incorporated a subsidiary, Eco World (Macquarie) Pty Ltd (“EcoWorld Macquarie”). EcoWorld Macquarie was incorporated in Australia as a limited by shares company under the Corporations Act 2001, with 100 ordinary issued and paid-up shares of AUD1.00 each. As a result, EcoWorld Macquarie became a wholly-owned subsidiary of the Group.
 - (ii) Acquisition by Eco World Investment Co Ltd, a wholly-owned subsidiary of the Company, of 1 ordinary share of GBP1.00 each in Eco World Be Co Ltd (“EcoWorld Be”) on 23 November 2017. As a result, EcoWorld Be became a wholly-owned subsidiary of the Group.
 - (iii) On 16 March 2018, EcoWorld Be acquired the following companies pursuant to the Proposed Acquisition (as defined in Note B6(a) below);
 - (a) 700 ordinary shares of GBP1.00 each in Eco World London Holdings Limited (formerly known as Be Eco World Holdings Limited) (“EcoWorld London”).
 - (b) 350 ordinary “A” shares of GBP1.00 each and 350 ordinary “B” shares of GBP1.00 each in Eco World London Development Company Limited (formerly known as Be Eco World Development Management Company Limited) (“EcoWorld London DMCo”).
 - (c) 7 ordinary shares of GBP1.00 each in Be Eco World Investment Company Limited (“Be EcoWorld Investment”).

As a result, EcoWorld London, EcoWorld London DMCo and Be EcoWorld Investment became 70% owned joint ventures of the Group.
 - (iv) Following the completion of Stage 1 Acquisition (as defined in Note B6(a)(i) below), a share for share exchange was undertaken on 22 May 2018 such that Be EcoWorld Investment is structured as the immediate holding company of EcoWorld London. Be EcoWorld Investment and EcoWorld London remain as 70% owned joint ventures of the Group.
 - (v) On 30 May 2018, EcoWorld London acquired the entire share capital in Be Here Holdings Limited (“Be Here”) pursuant to the Aberfeldy Village Acquisition (as defined in Note B6(a)(iii) below). As a result, Be Here became a wholly-owned subsidiary of EcoWorld London.
 - (vi) On 20 August 2018, EcoWorld London acquired the entire share capital in Be Living 1 Limited (“Be Living 1”) pursuant to the Kew Bridge Acquisition (as defined in Note B6(a)(iv) below). As a result, Be Living 1 became a wholly-owned subsidiary of EcoWorld London.
- (b) There were no changes in the composition of the Group during the period between 1 November 2018 until 6 December 2018, being the latest practicable date from the date of issue of this interim financial report.

A10. Fair Value of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 31 October 2018 are as follows:

	Notional Amount RM'000	Fair Value Assets RM'000
Cross currency swap		
- Less than 1 year	<u>125,520</u>	<u>2,004</u>

(b) Fair value of financial liabilities

There were no gain or losses arising from fair value changes of financial liabilities during the financial year ended 31 October 2018.

A11. Commitments and Contingencies

	As at 31/10/2018 RM'000
Approved and contracted for:	
- Balance consideration for acquisition of 25 apartment units located at 1-3 Lachlan Avenue, Macquarie Park, Sydney NSW 2113, Australia	95,048
- Commitment to acquire plant and equipment	26
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("EW-Ballymore Holding") by way of share subscription and shareholder's loans (<i>Note a</i>)	178,386
(ii) EcoWorld London by way of shareholder's loan (<i>Note b</i>)	122,798
(iii) EcoWorld London DMCo by way of shareholder's loan (<i>Note b</i>)	<u>1,755</u>

Note a

The Group and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event that EW-Ballymore Holding is unable, on its own, to repay its banking facilities when due ("Increased Commitments"). The Increased Commitments shall be in the ratio of 75:25 based on the current proportion of the joint venture partners' existing equity interests in EW-Ballymore Holding.

The Group's share of the Increased Commitments is GBP90 million (equivalent to approximately RM480.0 million based on the exchange rate of GBP1.00 : RM5.3333 as at 31 October 2018). If funding in excess of the Increased Commitments is required to satisfy any claims from the banking facilities, the Company shall have the obligation to fund the excess amount should the other joint venture partner not fund its proportionate share. Any funding provided in excess of the Increased Commitments by one partner will result in a corresponding adjustment to the equity interest in the joint venture.

A11. Commitments and Contingencies (continued)*Note b*

The Group and the other joint venture partner are jointly committed to provide additional funding into EcoWorld London or EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies or EcoWorld London DMCo under any 3rd party finance agreement (“Additional Funding”). Any Additional Funding shall be in the ratio of 70:30 based on the current proportion of the joint venture partners’ existing equity interests in EcoWorld London and EcoWorld London DMCo.

If a joint venture partner (“Funding Shareholder”) funds the other partner’s (“Non-Funding Shareholder”) share of the Additional Funding (“Shortfall”) and the Non-Funding Shareholder does not fund the Shortfall within the stipulated timeframe, the Funding Shareholder has an option to acquire all of the shares held by the Non-Defaulting Shareholder in EcoWorld London group of companies or EcoWorld London DMCo, as the case may be, at a discount or a portion of such shares at a nominal price.

A12. Significant Related Party Transactions

	12 MONTHS ENDED 31/10/2018 RM'000
(i) Transactions with joint ventures	
- Advances to joint ventures	1,029,865
- Interest receivable	59,170
- Revenue	3,906
(ii) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad (“EW Berhad”) where certain directors of the Company are also the directors of EW Berhad	
- Agent fees paid or payable	834
- Support service fees paid or payable	144
(iii) Transaction with a joint venture of EW Berhad where certain directors of the Company are also the directors of EW Berhad	
- Rental paid or payable	1,018
(iv) Transaction with a company where a director has interest	
- Rental paid or payable	180
(v) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	834
(vi) Transaction with a corporate shareholder of a subsidiary	
- Advances received	14,130
(vii) Transaction with related companies of GLL EWI (HK) Limited, a substantial shareholder of the Company	
- Interest received	12

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	3 MONTHS ENDED			12 MONTHS ENDED		
	31/10/2018 RM'000	31/10/2017 RM'000	CHANGES RM'000	31/10/2018 RM'000	31/10/2017 RM'000	CHANGES RM'000
Revenue	4,886	27	4,859	4,904	488	4,416
Gross profit/(loss)	3,854	(1,556)	5,410	290	(5,325)	5,615
Share of results in joint ventures	94,364	1,394	92,970	117,195	(36,509)	153,704
Profit/(Loss) before interest and tax	74,257	(35,701)	109,958	37,829	(55,331)	93,160
Profit/(Loss) before tax	69,928	(35,701)	105,629	29,019	(87,251)	116,270
Profit/(Loss) for the period/year	70,440	(34,303)	104,743	35,526	(87,474)	123,000
Profit/(Loss) for the period/year attributable to owners of the Company	<u>70,075</u>	<u>(32,557)</u>	102,632	<u>35,238</u>	<u>(87,633)</u>	122,871

(a) Performance of the current quarter against the same quarter in the preceding year (4Q 2018 vs. 4Q 2017)

Revenue for the Group for 4Q 2018 was RM4.89 million, which was higher than RM0.03 million reported in 4Q 2017. The revenue arose from fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the United Kingdom. Gross profit recorded by the Group's subsidiaries for 4Q 2018 was RM3.85 million compared to gross loss of RM1.56 million reported for 4Q 2017.

During the current quarter, the Group recorded a profit before tax ("PBT") of RM69.93 million for 4Q 2018 compared to the loss before tax ("LBT") of RM35.70 million reported for 4Q 2017.

The PBT reported in 4Q 2018 was mainly due to recognition of revenue and profit by its joint venture projects in the United Kingdom following completion and commencement of handover of units sold to customers. This enabled the Group to recognise RM94.36 million as its attributable share of profit from its joint ventures as opposed to the share of profit of RM1.39 million taken up in the previous year.

(b) Performance of the current year to-date against the same year in the preceding year (4Q YTD 2018 vs. 4Q YTD 2017)

During the current financial year ended 31 October 2018, the Group recorded revenue of RM4.90 million, which was higher than RM0.49 million reported for the financial year ended 31 October 2017. Gross profit for the current financial year was RM0.29 million.

The Group recorded a PBT of RM29.02 million in the current financial year compared to the LBT of RM87.25 million reported for the financial year ended 31 October 2017.

The PBT reported in the current financial year was mainly due to the commencement of revenue and profit recognition by its joint venture mentioned in Note B1(a) above.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	3 MONTHS ENDED		
	31/10/2018	31/07/2018	CHANGES
	RM'000	RM'000	RM'000
Revenue	4,886	-	4,886
Gross profit/(loss)	3,854	(1,068)	4,922
Share of results in joint ventures	94,364	36,397	57,967
Profit before interest and tax	74,257	12,212	62,045
Profit before tax	69,928	7,829	62,099
Profit for the period	70,440	10,379	60,061
Profit for the period attributable to owners of the Company	<u>70,075</u>	<u>10,444</u>	59,631

The Group recorded revenue of RM4.89 million in current quarter. There was no revenue recorded in preceding quarter. The Group's current quarter PBT was RM69.93 million, which was RM62.10 million higher than the PBT recorded in preceding quarter ended 31 July 2018.

The higher PBT recorded in the current quarter was mainly due to the reason mentioned in Note B1(a) above.

B3. Sales Achieved in Financial Year 2018 and Prospects for the Next Financial Year

PROJECTS	LANDBANK AS AT 31/10/2018	12 MONTHS ENDED 31/10/2018			CUMULATIVE SALES	UNBILLED SALES
	Total (Acres)	Units launched	Units sold	Sales value RM'mil⁽¹⁾	Total achieved RM'mil⁽²⁾	Effective stake RM'mil⁽³⁾
London ⁽⁴⁾	50.3	1,324	1,364	3,054	9,530	5,455
Sydney	1.2	-	17	46	853	851
Melbourne	0.5	-	55	162	388	309
Total	52.0	1,324	1,436	3,262	10,771	6,615

The Board is pleased to share that EcoWorld International secured RM3,262 million of new sales in FY2018 which is higher than the RM3.0 billion sales target set for FY2018 and over 60% more than the RM2.0 billion achieved in FY2017.

The markedly improved sales performance in FY2018, achieved amidst highly challenging market conditions, demonstrates the following:

- London's continued strong pulling power as a global city capable of attracting substantial investment from experienced international property players, despite ongoing Brexit uncertainties,
- Management's strategic foresight in entering the highly resilient UK mid-mainstream market with a growing Built-to-Rent (BtR) subsector through its 70% owned EcoWorld London joint-venture.

In this regard, over RM2 billion of the sales for FY2018 was contributed by EcoWorld London pursuant to a GBP389 million en-bloc deal with Invesco Real Estate ("IRE") to supply 1,084 BtR homes in London. The Heads of Terms for this deal was signed in August 2018 less than 6 months from the date EcoWorld London completed its acquisition of 70% of the Willmott Dixon residential development business and the relevant legal agreements formalised in December 2018.

B3. Sales Achieved in Financial Year 2018 and Prospects for the Next Financial Year (continued)

As part of the BtR agreements, the Group will let and manage the rental homes on behalf of IRE when the BtR units are completed in 2021. This is a significant step towards realising the Group's ambitions of becoming a market leader in the BtR segment and rapidly expanding its presence in the property management business in the UK. To further grow the BtR business, EcoWorld London has identified several of its existing sites that are potentially suitable to be developed for BtR. Development plans for these sites are being devised and planning permissions being sought.

The strong sales achieved in FY2018 has raised the Group's unbilled sales to RM6,615 million as at 31 October 2018, from RM5,849 million as at 31 October 2017. These unbilled sales are expected to be converted into revenue largely over the next three financial years.

Moving forward into FY2019, market conditions are expected to remain soft at best, until Brexit concerns are resolved. Accordingly, management will concentrate on expanding the BtR footprint in London as a key growth driver for the Group in the medium term. This will be supported by private residential developments that cater mainly to owner-occupiers in the mid-mainstream UK market as well as sale of the remaining units from its original 3 projects in the UK and 2 projects in Australia to local and international individual buyers.

With clear earnings visibility secured for FY2019-2021 through the record high unbilled sales as at 31 October 2018, the Board has therefore approved a sales target of RM6 billion to be achieved by the Group over the next 2 financial years i.e. from FY2019- FY2020.

This is to ensure that management has the requisite time to negotiate the best possible terms on potential en-bloc BtR sales to institutional investors. The longer 2-year time-frame will also provide greater latitude in the scheduling of sale and launches of products for the retail market thereby enabling optimal value to be extracted from the Group's valuable landbank in both the United Kingdom and Australia.

On the corporate front, the Group has successfully acquired 25 apartment units in Macquarie Park, Sydney, on 9 November 2018 to further grow its development pipeline. This allows the Group to commence the Strata Renewal Process to acquire the remaining 5 units in the same apartment block for redevelopment. Concurrently, the Group aims to apply for planning permission for the redevelopment and launch the project in FY2020.

Notes:

- (1) Based on the exchange rate of GBP1.00 : RM5.3333 and AUD1.00 : RM2.966 as at 31 October 2018.*
- (2) Cumulative sales as at 31 October 2018 represent contracts exchanged of RM8.586 billion and reserved units of RM2.185 billion.*
- (3) Share of unbilled sales based on effective stake in joint venture and subsidiaries as at 31 October 2018, includes BtR transaction related to Kew Bridge and Barking Wharf and excludes other reserved units.*
- (4) Units launched, units sold, and sales value of FY2018 include sales of 1,084 BtR units in Kew Bridge and Barking Wharf*

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 October 2018.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2018	31/10/2017	31/10/2018	31/10/2017
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter/year	23	206	23	1,620
- in respect of prior years	-	-	(394)	1
Foreign tax				
- current quarter/year	488	416	1,931	2,265
- in respect of prior years	-	-	(1)	(30)
Deferred tax				
Malaysian tax				
- current quarter/year	982	(162)	138	(688)
- in respect of prior years	-	-	(3)	250
Foreign tax				
- current quarter/year	(1,710)	(1,842)	(7,138)	(3,206)
- in respect of prior years	(295)	(16)	(1,063)	11
	<u>(512)</u>	<u>(1,398)</u>	<u>(6,507)</u>	<u>223</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to the inclusion of certain non-taxable items in the income statement. Correspondingly, expenditure which relates to the derivation of non-taxable income by the Group has been treated as permanent losses for tax purposes.

B6. Status of Corporate Proposals

- (a) Save and except for the following corporate proposal, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 6 December 2018:

Acquisition of 70% equity interest in 12 development projects and a development management entity in UK ("Proposed Acquisition")

- (i) On 8 November 2017, the Company entered into heads of agreement with Be Living Holdings Limited ("Be Living") to acquire a 70% equity interest in 12 development projects in Greater London and the South East of England and a development management entity.

On 15 December 2017, EcoWorld Be, an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Be Living to acquire 70% equity interests in EcoWorld London and EcoWorld London DMCo (collectively, "Stage 1 Acquisition").

- (ii) On 16 March 2018, the Stage 1 Acquisition was completed for a provisional purchase consideration of GBP63.76 million (equivalent to about RM348.47 million^(a)), which includes entities that hold 6 development projects. EcoWorld London had on the same day entered into conditional sale and purchase agreements with Be Living for the acquisition of interests in entities that hold or will hold another 6 development projects ("Stage 2 Acquisition"). Please refer to the separate announcement dated 19 March 2018 for further details on the Stage 2 Acquisition.

B6. Status of Corporate Proposals (continued)

- (iii) On 30 May 2018, the acquisition of Be Here, the entity that holds the Aberfeldy Village project (“Aberfeldy Village Acquisition”) was completed, forming part of the Stage 2 Acquisition, for a provisional purchase consideration of GBP13.09 million. Of this amount, GBP9.16 million (equivalent to about RM48.52 million) was paid by EcoWorld Be based on its 70% equity interest in EcoWorld London, whilst the remaining 30% was paid by Be Living.
- (iv) On 20 August 2018, the acquisition of Be Living 1, the entity that holds the Kew Bridge project (“Kew Bridge Acquisition”) was completed, forming part of the Stage 2 Acquisition, for a provisional purchase consideration of GBP15.51 million. Of this amount, GBP10.86 million (equivalent to about RM56.68 million) was paid by EcoWorld Be based on its 70% equity interest in EcoWorld London, whilst the remaining 30% was paid by Be Living.

Acquisition of apartment units to be developed as “Macquarie Park Project” in Sydney, Australia

- (v) On 24 November 2017, EcoWorld Macquarie, an indirect wholly-owned subsidiary of the Company, entered into a conditional put and call option agreement (“Option Agreement”) with the owners of 25 apartment units (“Vendors”) in respect of the acquisition of such units in the strata scheme comprised by Strata Plan 6481 (“Strata Scheme”), located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia (“Properties”).

On 5 February 2018, the Option Agreement has become unconditional. EcoWorld Macquarie had subsequently entered into a definitive sale and purchase agreement with each of the Vendors to acquire the Properties. The acquisition of the Properties was completed on 9 November 2018 following the full settlement of the total purchase consideration of AUD33.8 million (equivalent to RM102.45 million^(b)).

EcoWorld Macquarie has commenced the strata renewal process to acquire the remaining 5 apartment units and is running this process in tandem with negotiation with the owners of the remaining 5 apartment units. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM121.26 million^(b)).

Following acquisition of all apartment units in the Strata Scheme, EcoWorld Macquarie proposes to redevelop the land into a residential-led with a small commercial component development to be known as the “Macquarie Park Project”.

Notes:

- (a) *Based on the exchange rate of GBP1.00 : RM5.4654 as at 16 March 2018, being the last full market day prior to the announcement dated 19 March 2018.*
- (b) *Based on the exchange rate of AUD1.00 : RM3.0315 as at 8 November 2018, being the last full market day prior to the announcement dated 9 November 2018.*

B6. Status of Corporate Proposals (continued)

(b) Utilisation of IPO Proceeds as at 31 October 2018 are as follows:

Gross proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. The status of the utilisation of these proceeds is as set out below:

Purpose	Proposed utilisation RM'mil	Actual utilisation RM'mil	Re-allocation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completed date
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
Subtotal	1,367	(1,302)	(65)	-	
Settlement of the acquisition of EW Investment	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(1,161)	76	41	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
Total	2,584	(2,543)	-	41	

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 October 2018 were as follows:

	As at 31/10/2018			As at 31/10/2017	
	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000	RM Equivalent '000	
Short term borrowings					
- Term loan	Secured	AUD	-	-	79,913
- Term loan	Unsecured	GBP	20,000	105,668	-
- Revolving credit	Unsecured	USD	30,000	124,970	-
				230,638	79,913
Long term borrowings					
- Term loans	Secured	AUD	26,371	78,216	48,684
- Medium term notes	Unsecured	RM	-	527,224	-
				605,440	48,684
Total borrowings					
- Term loans	Secured	AUD	26,371	78,216	128,597
- Term loan	Unsecured	GBP	20,000	105,668	-
- Revolving credit	Unsecured	USD	30,000	124,970	-
- Medium term notes	Unsecured	RM	-	527,224	-
				836,078	128,597

B7. Group Borrowings and Debt Securities (continued)

As at 31 October 2018, the Group's term loans and revolving credit comprise facilities based on floating rates to finance the projects in United Kingdom and Australia and are denominated in GBP, AUD and USD.

During the financial year, the Group raised the following facilities to facilitate the payment for EcoWorld London acquisitions and future general working capital:

- 1) Unrated Islamic medium term notes in nominal value of RM530 million, in total, at fixed rates; and
- 2) Term loan of GBP20.0 million and revolving credit of USD30.0 million at floating rates.

B8. Material Litigation

The Group was not engaged in any material litigation as at 6 December 2018, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

No dividend has been declared or recommended for payment by the Company during the financial year ended 31 October 2018.

B10. Earnings/(Loss) Per Share Attributable to Owners of the Company

- (a) Basic earnings/(loss) per share attributable to owners of the Company

Basic earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares in issue is calculated as follows:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2018	31/10/2017	31/10/2018	31/10/2017
Profit/(Loss) for the period/year attributable to owners of the Company (RM'000)	70,075	(32,557)	35,238	(87,633)
Number of ordinary shares at beginning of the period/year ('000)	2,400,000	2,400,000	2,400,000	246,541
Effect of share issued pursuant to:				
- Issuance of ordinary shares ('000)	-	-	-	1,274,376
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	1,520,917
Basic Earnings/(Loss) Per Ordinary Share (sen)	2.92	(1.36)	1.47	(5.76)

B10. Earnings/(Loss) Per Share Attributable to Owners of the Company (continued)

(b) Diluted earnings/(loss) per share attributable to owners of the Company

Diluted earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the period/year attributable to owners of the Company by the weighted average number of ordinary 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/(loss) per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings/(loss) per share.

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2018	31/10/2017	31/10/2018	31/10/2017
Profit/(Loss) for the period/year attributable to owners of the Company (RM'000)	<u>70,075</u>	<u>(32,557)</u>	<u>35,238</u>	<u>(87,633)</u>
Weighted average number of ordinary shares for Basic Earnings/(Loss) Per Ordinary Share ('000)	2,400,000	2,400,000	2,400,000	1,520,917
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>#</u>	<u>#</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>1,520,917</u>
Diluted Earnings/(Loss) Per Ordinary Share (sen) *	<u>2.92</u>	<u>(1.36)</u>	<u>1.47</u>	<u>(5.76)</u>

Notes:

The calculation of diluted earnings/(loss) per ordinary share does not assume the potential exercise of Warrants as the effect on profit/(loss) per ordinary share is anti-dilutive

* *Anti-dilutive*

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2017 were unqualified.

B12. Notes to the Statement of Comprehensive Income

Comprehensive income/(loss) has been arrived at after crediting/(charging):

	3 MONTHS ENDED 31/10/2018 RM'000	12 MONTHS ENDED 31/10/2018 RM'000
Interest income	993	12,274
Other income including investment income	-	-
Interest expense	(4,329)	(8,810)
Depreciation and amortisation	(513)	(2,229)
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 loss	(2,060)	(9,748)
Gain or loss on derivatives	-	-
Exceptional items	-	-

By order of the Board
 Tan Ai Ning
 Company Secretary
 13 December 2018