


Quarterly rpt on consolidated results for the financial period ended 31 Jul 2017

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2017
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Jul 2017
The figures	have not been audited

Attachments

 [EWIB-3Q 2017 Results.pdf](#)
242.9 kB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31 Jul 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jul 2017	31 Jul 2016	31 Jul 2017	31 Jul 2016
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	97	288	461	500
2	Profit/(loss) before tax	-22,232	-46,045	-51,550	-163,648
3	Profit/(loss) for the period	-23,547	-45,588	-53,171	-162,658
4	Profit/(loss) attributable to ordinary equity holders of the parent	-24,197	-46,405	-55,076	-165,031
5	Basic earnings/(loss) per share (Subunit)	-1.01	-18.82	-4.50	-76.64
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 (\$\$)		1.0800		0.4400

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

 **Announcement Info**

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	14 Sep 2017
Category	Financial Results
Reference Number	FRA-13092017-00002

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

Interim Financial Report
31 July 2017

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

Interim Financial Report - 31 July 2017

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2017

(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	31 JULY 2017	31 JULY 2016	31 JULY 2017	31 JULY 2016 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	97	288	461	500
Direct expenses	(1,553)	(1,790)	(4,230)	(3,327)
Gross loss	<u>(1,456)</u>	<u>(1,502)</u>	<u>(3,769)</u>	<u>(2,827)</u>
Other income	10,579	13	18,771	5,596
Marketing expenses	(549)	(823)	(1,210)	(1,483)
Administrative and general expenses	(15,206)	(2,829)	(41,363)	(25,263)
Unrealised (loss)/gain on foreign exchange	(2,399)	(17,193)	45,844	(62,190)
Finance costs	-	(16,788)	(31,920)	(41,933)
Share of results in a joint venture	(13,201)	(6,923)	(37,903)	(35,548)
Loss before tax	<u>(22,232)</u>	<u>(46,045)</u>	<u>(51,550)</u>	<u>(163,648)</u>
Taxation	(1,315)	457	(1,621)	990
Loss for the period	<u>(23,547)</u>	<u>(45,588)</u>	<u>(53,171)</u>	<u>(162,658)</u>
Other comprehensive income/(loss), net of tax				
<i>Item that may be reclassified to profit or loss subsequently:</i>				
Exchange differences on translation of foreign operations	8,720	6,138	(11,172)	25,334
Total comprehensive loss for the period	<u>(14,827)</u>	<u>(39,450)</u>	<u>(64,343)</u>	<u>(137,324)</u>
(Loss)/Profit for the period attributable to:				
Owners of the Company	(24,197)	(46,405)	(55,076)	(165,031)
Non-controlling interests	650	817	1,905	2,373
	<u>(23,547)</u>	<u>(45,588)</u>	<u>(53,171)</u>	<u>(162,658)</u>
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	(15,476)	(40,007)	(66,734)	(139,089)
Non-controlling interests	649	557	2,391	1,765
	<u>(14,827)</u>	<u>(39,450)</u>	<u>(64,343)</u>	<u>(137,324)</u>
Loss per share attributable to owners of the Company :				
Basic loss per share (sen)	<u>(1.01)</u>	<u>(18.82)</u>	<u>(4.50)</u>	<u>(76.64)</u>
Diluted loss per share (sen)	<u>(1.01) *</u>	<u>N/A</u>	<u>(4.50) *</u>	<u>N/A</u>

* Anti-dilutive

N/A - Not applicable

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2017 (continued)
(The figures have not been audited)

Notes:

- (1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017

	As At 31 JULY 2017 (UNAUDITED) RM'000	As At 31 OCTOBER 2016 ⁽²⁾ (AUDITED) RM'000
ASSETS		
Non-current assets		
Plant and equipment	6,387	2,299
Goodwill	126,302	126,302
Investment in a joint venture	73,089	127,646
Amount owing by a joint venture	1,077,875	745,417
Deferred tax assets	15,198	12,757
	<u>1,298,851</u>	<u>1,014,421</u>
Current assets		
Properties under development for sale	227,785	174,040
Trade and other receivables and prepayments	4,634	7,172
Deferred expenditure	-	10,638
Current tax assets	682	628
Cash and bank balances	1,146,831	18,573
	<u>1,379,932</u>	<u>211,051</u>
TOTAL ASSETS	<u>2,678,783</u>	<u>1,225,472</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	246,541
Share premium	-	49,158
Warrants reserve	276,418	-
Exchange translation reserve	23,040	34,698
Accumulated losses	(309,080)	(222,514)
Equity attributable to owners of the Company	<u>2,582,829</u>	<u>107,883</u>
Non-controlling interests	7,179	4,788
Total equity	<u>2,590,008</u>	<u>112,671</u>
Non-current liabilities		
Borrowings	51,168	-
Deferred tax liabilities	1,967	1,826
	<u>53,135</u>	<u>1,826</u>
Current liabilities		
Trade and other payables and accruals	33,126	16,340
Amounts owing to former holding companies	-	12,954
Amounts owing to a shareholder	-	144,234
Amount owing to a former shareholder of a subsidiary	-	10,660
Borrowings	-	923,867
Current tax liabilities	2,514	2,920
	<u>35,640</u>	<u>1,110,975</u>
Total liabilities	<u>88,775</u>	<u>1,112,801</u>
TOTAL EQUITY AND LIABILITIES	<u>2,678,783</u>	<u>1,225,472</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.08</u>	<u>0.44</u>

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017 (continued)

Notes:

- (1) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2017

(The figures have not been audited)

	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	← Non-Distributable →			Distributable				
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000			
At 1 November 2016	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671
Total other comprehensive (loss)/income for the period	-	-	-	(11,658)	-	(11,658)	486	(11,172)
(Loss)/Profit for the period	-	-	-	-	(55,076)	(55,076)	1,905	(53,171)
Total comprehensive (loss)/income for the period	-	-	-	(11,658)	(55,076)	(66,734)	2,391	(64,343)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares								
- Share subscription	2,584,151	-	-	-	-	2,584,151	-	2,584,151
- Warrants	(276,418)	-	276,418	-	-	-	-	-
Effects from adoption of Companies Act 2016	49,158	(49,158)	-	-	-	-	-	-
Share issue expenses	(10,981)	-	-	-	(31,490)	(42,471)	-	(42,471)
At 31 JULY 2017	2,592,451	-	276,418	23,040	(309,080)	2,582,829	7,179	2,590,008
At 1 November 2015	750	-	-	-	(2,421)	(1,671)	-	(1,671)
Total other comprehensive income/(loss) for the period	-	-	-	25,942	-	25,942	(608)	25,334
(Loss)/ Profit for the period	-	-	-	-	(165,031)	(165,031)	2,373	(162,658)
Total comprehensive income/(loss) for the period	-	-	-	25,942	(165,031)	(139,089)	1,765	(137,324)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares	245,791	49,158	-	-	-	294,949	-	294,949
Acquisition of a subsidiary	-	-	-	-	-	-	2,643	2,643
At 31 JULY 2016 ⁽²⁾	246,541	49,158	-	25,942	(167,452)	154,189	4,408	158,597

Notes:

- (1) *The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2017

(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2017	31 JULY 2016 ⁽²⁾
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(51,550)	(163,648)
Adjustments for :		
Non-cash items	(9,733)	92,867
Non-operating items	19,374	50,601
Operating loss before working capital changes	(41,909)	(20,180)
Changes in properties under development for sale	(34,393)	(3,975)
Changes in receivables	6,281	140
Changes in payables	26,592	(1,388)
Cash used in operations	(43,429)	(25,403)
Interest received	942	25
Tax paid	(3,960)	(2,102)
Net cash used in operating activities	(46,447)	(27,480)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(5,863)	(191)
Proceeds from disposal of plant and equipment	27	-
Advances to a joint venture	(228,805)	(229,879)
Acquisition of subsidiaries	-	6,517
Withdrawal/(Placements) of deposits, debt service reserve and interest service reserve accounts	6,303	(2,128)
Landholder duty	-	(8,691)
Interest received	12,626	30
Net cash used in investing activities	(215,712)	(234,342)
Cash Flows From Financing Activities		
Drawdown of borrowings	279,942	307,882
Repayment of borrowings	(1,211,264)	-
Proceeds from issuance of ordinary shares	2,584,151	119,249
(Repayment to)/Advances from a shareholder	(153,622)	9,069
Repayment to a former shareholder of a subsidiary	(11,546)	-
Repayment to former holding company	(630)	(2)
Repayment to former holding company of a subsidiary	(13,144)	(113,573)
Finance costs	(34,396)	(40,728)
Listing expenses	(44,413)	(6,141)
Net cash generated from financing activities	1,395,078	275,756
Net changes in cash and cash equivalents	1,132,919	13,934
Cash and cash equivalents at 1 November 2016/ 2015	7,719	164
Effect of exchange rate changes	1,642	(3,063)
Cash and cash equivalents at 30 April 2017/ 2016	1,142,280	11,035

ECO WORLD INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2017 (continued)
(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2017	31 JULY 2016 ⁽²⁾
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Deposits	1,102,784	3,757
Cash and bank balances	44,047	19,294
	<u>1,146,831</u>	<u>23,051</u>
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(4,551)	(12,016)
	<u>1,142,280</u>	<u>11,035</u>

Notes:

- (1) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 March 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The formation of the Group was undertaken through a series of acquisition exercises that were completed in December 2015. Accordingly, the financial results of these acquiree companies have been consolidated in the Group since December 2015.*

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 Accountants’ Report as disclosed in the Prospectus of the Company dated 9 March 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 financial year ended 31 October 2016 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 9 March 2017, except as follows:

- (i) Adoption of the following Amendments to MFRSs, which are relevant and effective for annual periods beginning on or after 1 January 2016:

Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle
Amendments to MFRS 101	Disclosure Initiative

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

- (ii) Adoption of the Companies Act 2016 (“CA 2016”)

The Minister of Domestic Trade, Co-operatives and Consumerism has set 31 January 2017 as the date on which CA 2016 comes into operation except Section 241 and Division 8 of Part III.

Pursuant to the circular issued by Malaysian Institute of Accountants on 2 February 2017, the Companies Commission of Malaysia has clarified that the CA 2016 should be complied with for the preparation of financial statements and the directors’ report and the auditors’ report thereon commencing from the financial year/period ended 31 January 2017.

Following the requirements of the CA 2016, the credit balance in the share premium account had been reclassified to the share capital account as at 31 January 2017. Such credit balances may be utilised for purposes set out in transitional provisions of the CA 2016, within 24 months from 31 January 2017.

A2. Auditors' Report

The preceding audited financial statements for the financial year ended 31 October 2016 were unqualified with emphasis of matter on the Group's ability to continue as a going concern.

The uncertainty of the Group's ability to continue as a going concern has been addressed as the Company has completed its Initial Public Offering ("IPO") on 3 April 2017 with total cash funding raised of RM2,584,151,040 ("IPO Proceeds"). The Board believes that the IPO Proceeds raised are sufficient to meet the working capital requirements of the Group in the foreseeable future. Following the IPO, the Group has reported net assets of RM2,590 million as at 31 July 2017.

A3. Seasonal or Cyclical Factors

The business operations of the Group during the 9 months ended 31 July 2017 have not been materially affected by any seasonal or cyclical factors.

A4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the 9 months ended 31 July 2017 other than the IPO as disclosed in Note A6.

A5. Changes in Estimates

There were no material changes in estimates for the 9 months ended 31 July 2017.

A6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the 9 months ended 31 July 2017 except for the Company completing the IPO which saw the issuance of 2,153,459,200 new ordinary shares ("Shares") at the issue price of RM1.20 each, together with bonus issue of 960,000,000 Warrants on the basis of two (2) Warrants for every five (5) Shares held immediately after the IPO but prior to the listing on Bursa Malaysia.

The total IPO Proceeds was RM2,584,151,040. The Shares and Warrants were listed on the Main Market of Bursa Malaysia on 3 April 2017.

A7. Dividends Paid

There was no payment of dividend during the 9 months ended 31 July 2017.

A8. 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.

A8. Segmental Reporting (continued)

The segmental analysis for the 9 months ended 31 July 2017 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	-	461	-	461
Inter-segment revenue	16,880	-	-	(16,880)	-
Total revenue	16,880	-	461	(16,880)	461
Segment results	(7,776)	(7,219)	(29,654)	-	(44,649)
Share of results in a joint venture	(37,903)	-	-	-	(37,903)
Depreciation	(48)	(127)	(1,518)	-	(1,693)
Unrealised (loss)/gain on foreign exchange	(1)	(5)	45,850	-	45,844
Other income	27	157	18,587	-	18,771
Finance costs	(18,163)	(9)	(13,748)	-	(31,920)
(Loss)/Profit before tax	(63,864)	(7,203)	19,517	-	(51,550)
Taxation	(1,835)	1,353	(1,139)	-	(1,621)
(Loss)/Profit for the period	(65,699)	(5,850)	18,378	-	(53,171)

<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>	<i>5.5464</i>	<i>3.3170</i>	<i>1.0000</i>

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	1,291,041	270,828	1,116,914	-	2,678,783
Segment liabilities	2,397	77,771	8,607	-	88,775

<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>	<i>5.6068</i>	<i>3.4112</i>	<i>1.0000</i>

Note:

⁽¹⁾ Average rates for the 9 months ended 31 July 2017.

⁽²⁾ Closing rates as at 31 July 2017.

A9. Significant Events after the End of the Interim Financial Period

There were no significant events after 31 July 2017 till 11 September 2017, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6(a)(i).

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 9 months ended 31 July 2017.

A11. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the 9 months ended 31 July 2017.

A12. Commitments and Contingencies

	As at 31/07/2017 RM'000
Approved and contracted for:-	
- Commitment to acquire plant and equipment	31
- Commitment to fund a joint venture, Eco World-Ballymore Holding Company Limited ("EW-Ballymore Holding") by way of share subscription and shareholder's loans (Note a)	620,159
- Commitment for the proposed 80% share subscription by a wholly-owned subsidiary of the Company, Fortune Quest Group Ltd in Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development (Australia) Pty Ltd)	<u>409</u>

Note a

The Company 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 EWI-Ballymore Holding.

The Company's share of the Increased Commitments is GBP90 million (equivalent to approximately RM504.6 million based on exchange rate of GBP1.00 : RM5.6068). 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.

A13. Significant Related Party Transactions

	9 MONTHS ENDED 31/07/2017 RM'000
(i) Transactions with a joint venture	
- Revenue	461
- Advances to joint venture	228,805
- Interest receivable	28,353
(ii) Transactions with a shareholder	
- Advances received	19,500
- Interest charged	2,892
(iii) Transaction of a subsidiary with its former holding company	
- Interest charged	220
(iv) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad where a shareholder of the Company is a director	
- Agent fees paid or payable	150
- Support service fees paid or payable	55
- Purchase of plant and equipment	649
(v) Transaction with a company where a director has interest	
- Rental paid or payable	120
(vi) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	208
(vii) Transactions with related companies of GLL EWI (HK) Limited, a major shareholder of the Company	
- Corporate advisory and placement fee payable	5,556
- Insurance fee payable	17
- Interest charged	1,073
- Interest received	114

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

B1. Review of Group Performance

	3 MONTHS ENDED			9 MONTHS ENDED		
	31/07/2017 RM'000	31/07/2016 RM'000	CHANGES RM'000	31/07/2017 RM'000	31/07/2016 RM'000	CHANGES RM'000
Revenue	97	288	(191)	461	500	(39)
Gross loss	(1,456)	(1,502)	46	(3,769)	(2,827)	(942)
Loss before interest and tax	(22,232)	(29,257)	7,025	(19,630)	(121,715)	102,085
Loss before tax	(22,232)	(46,045)	23,813	(51,550)	(163,648)	112,098
Loss for the period	(23,547)	(45,588)	22,041	(53,171)	(162,658)	109,487
Loss for the period attributable to Owners of the Company	<u>(24,197)</u>	<u>(46,405)</u>	22,208	<u>(55,076)</u>	<u>(165,031)</u>	109,955

(a) Performance of the current quarter against the same quarter in the preceding year (3Q 2017 vs. 3Q 2016)

Revenue for the Group for 3Q 2017 was RM0.10 million, which was lower than the RM0.29 million reported in 3Q 2016. Gross loss for 3Q 2017 was RM1.46 million. The Group recorded a loss before tax ("LBT") of RM22.23 million for 3Q 2017, which was lower than the RM46.05 million reported for 3Q 2016.

The Group's revenue for 3Q 2017 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.

Revenue and profits associated with the Group's property development activities will be recognised by its subsidiary and joint venture when the construction of the relevant units are completed and delivered in the 1st half of 2018.

The lower LBT incurred for 3Q 2017 was mainly due to unrealised foreign exchange differences as a result of an appreciation in exchange rate of the British Pound ("GBP") in the current quarter.

(b) Performance of the current period to-date against the same period in the preceding year (3Q PTD 2017 vs. 3Q PTD 2016)

During the 9 months ended 31 July 2017, the Group recorded revenue of RM0.46 million, which was slightly below the RM0.50 million reported for the 9 months ended 31 July 2016. Gross loss for the current financial period was RM3.77 million. The Group recorded a lower LBT of RM51.55 million in the current financial period as compared to the RM163.65 million reported for the 9 months ended 31 July 2016.

The source of revenue and reason for the lower LBT incurred in the current financial period are as mentioned above.

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

	3 MONTHS ENDED		CHANGES
	31/07/2017	30/04/2017	
	RM'000	RM'000	
Revenue	97	37	60
Gross loss	(1,456)	(1,175)	(281)
Loss before interest and tax	(22,232)	(8,504)	(13,728)
Loss before tax	(22,232)	(23,838)	1,606
Loss for the period	(23,547)	(24,115)	568
Loss for the period attributable to Owners of the Company	<u>(24,197)</u>	<u>(24,817)</u>	620

The Group's current quarter revenue was RM0.10 million, which was RM0.06 million lower than the preceding quarter ended 30 April 2017. The Group's current quarter LBT was RM22.23 million, which was RM1.61 million lower than the preceding quarter ended 30 April 2017.

The lower LBT incurred in the current quarter was mainly due to savings on finance cost following full settlement of group borrowings upon receipt of IPO Proceeds in April 2017. However, the impact of the savings was diluted by the unrealised foreign exchange loss recorded as a result of the slight depreciation of the GBP in the current quarter from the previous quarter.

B3. Prospects for the Current Financial Year

PROJECTS	LAND BANKS	10 MONTHS ENDED			CUMULATIVE
	AS AT	31/08/2017			UNBILLED
	31/08/2017	Units	Units	Sales value	SALES
	Total	launched⁽¹⁾	sold⁽¹⁾	RM'mil⁽²⁾	Effective stake⁽³⁾
	(Acres)				RM'mil
London	13.01	-	221	1,310.0	4,612.6
Sydney	1.18	-	6	28.9	888.3
Total	14.19	-	227	1,338.9	5,500.9
Melbourne ⁽⁴⁾	0.53	256	76	220.4	176.3
Grand Total	14.72	256	303	1,559.3	5,677.2

The Group recently completed its proposed acquisition of 80% of the issued share capital in Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development (Australia) Pty Ltd) ("EW-Salcon") as disclosed in Note B6(a)(i).

EW-Salcon is undertaking the development of about 2,128 square metres of freehold land at 16-22, Claremont Street, South Yarra, Victoria, 3141 Australia into a residential-led mixed use development ("Yarra One"). Yarra One comprises a 27-storey tower with 256 residential units complemented by a retail and office podium with the potential to deliver about AUD243 million in GDV.

Yarra One has been previewed over the last few months to potential customers in various major cities including Kuala Lumpur, Singapore, Jakarta and Hong Kong. Following these previews, sales of AUD64.8 million were recorded based on contracts exchanged as at 31 August 2017.

Including the sales secured on Yarra One, EWI achieved RM1,559.3 million⁽²⁾ worth of sales in the first 10 months of FY2017, out of which RM1,498.5 million⁽⁵⁾ were locked-in during the first three quarters of the financial year.

B3. Prospects for the Current Financial Year (continued)

Total cumulative sales, however, rose RM1,968.0 million since the end of FY2016⁽⁶⁾ to RM7,258.9 million as at 31 August 2017, due to the strengthening of the GBP and AUD against RM during this period. RM6,150.2 million of the cumulative sales were attributed to the Group's three projects in London, United Kingdom (UK), while the remaining RM1,108.7 million arose from the two Australian projects. The Group's share of cumulative unbilled sales as at 31 August 2017 (based on its effective stake in the development entities) amounted to RM5,677.2 million.

For the remaining two months of FY2017, the Group will be working towards achieving its sales target of RM2.5 billion. Several international roadshows to promote its UK projects have been planned in tandem with local marketing campaigns targeting Londoners as they return from their summer vacations. Down south in Australia, Yarra One will be officially launched in Melbourne with marketing efforts focused on attracting local Australian buyers. This is to take advantage of the attractive stamp duty incentives recently introduced by the several state governments to assist local home buyers, particularly those buying for the first time, which took effect from 1 July 2017.

On the development front, all three of EWI's projects in London have seen satisfactory construction progress and the Group is on track to achieve its maiden handover by FY2018. In Sydney, the main construction package for West Village has been awarded in the third quarter and works are expected to commence by the fourth quarter of the current financial year.

Going forward, the Group continues to believe that London will retain its status as one of the world's foremost global cities and a leading economic, financial, educational and cultural destination. In this regard, it is notable that there are anecdotal signs of recovery in demand not just for new home sales but also for office space, despite ongoing uncertainties surrounding Brexit. London's emergence as a world leader in digital technology during this period also augurs well for its future growth which, along with other strong underlying fundamentals, will continue to bolster demand for property in the city.

Accordingly, the Group will continue to seek out well-located development sites in London and Australia, where it has established a strong track-record and customer following, to complement its recent acquisition in Melbourne, Australia. This is in line with its corporate objective of building up a well-diversified property portfolio with a good spread of projects at various stages of development and price points to ensure both business sustainability and broad market appeal.

Notes:

- ⁽¹⁾ *The total units launched and total units sold represent only the private residential units. Units sold include brought forward units from prior year launches.*
- ⁽²⁾ *Based on the exchange rate of GBP1.00 : RM5.5160 and AUD1.00 : RM3.3993 as at 30 August 2017.*
- ⁽³⁾ *Share of cumulative unbilled sales based on effective stake in joint venture and subsidiaries as at 31 August 2017.*
- ⁽⁴⁾ *The acquisition of Melbourne project was completed on 11 September 2017.*
- ⁽⁵⁾ *Based on the exchange rate of GBP1.00 : RM5.6068 and AUD1.00 : RM3.4112 as at 31 July 2017.*
- ⁽⁶⁾ *Cumulative sales as at end of FY2016 were calculated based on the exchange rate of GBP1.00 : RM5.1097 and AUD1.00 : RM3.1929 as at 31 October 2016.*

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 July 2017.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2017	31/07/2016	31/07/2017	31/07/2016
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter	769	-	1,414	-
- in respect of prior years	1	(175)	1	(175)
Foreign tax				
- current quarter	595	830	1,849	2,393
- in respect of prior years	(30)	54	(30)	54
Deferred tax				
Malaysian tax				
- current quarter	4	(202)	(526)	(779)
- in respect of prior years	106	1	250	1
Foreign tax				
- current quarter	(157)	(965)	(1,364)	(2,488)
- in respect of prior year	27	-	27	4
	<u>1,315</u>	<u>(457)</u>	<u>1,621</u>	<u>(990)</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 11 September 2017:
- (i) On 10 April 2017, Fortune Quest Group Ltd ("Fortune Quest"), a wholly-owned subsidiary of the Company, entered into a conditional share sale and purchase agreement ("Share SPA") with Salcon Development Sdn Bhd ("Salcon Development"), a wholly-owned subsidiary of Salcon Berhad, for the proposed acquisition of 80 ordinary shares in Eco World-Salcon representing 80% of the issued share capital of Eco World-Salcon ("Acquisition Shares") for a total purchase consideration of AUD120,000. In addition to the purchase consideration, Fortune Quest shall, on completion of the sale and purchase of the Acquisition Shares ("Completion"), repay a sum equivalent to 80% of the total advances owing by EW-Salcon to Salcon Development.

The Share SPA was completed on 11 September 2017.

B6. Status of Corporate Proposals (continued)

(b) Utilisation of IPO Proceeds as at 31 July 2017 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	(116)	76	1,086	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
Total	2,584	(1,498)	-	1,086	

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 July 2017 were as follows:

	As at 31/07/2017			As at 31/10/2016
	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	AUD	-	57,461
	Secured	GBP	-	606,870
	Secured	RM	-	259,536
				923,867
Long term borrowings	Secured	AUD	15,000	-
				51,168
Total borrowings	Secured	AUD	-	57,461
		GBP	-	606,870
		RM	-	259,536
			51,168	923,867

Total borrowings of RM1,159 million were repaid in April 2017 upon receipt of IPO Proceeds as disclosed in Note B6(b).

As at 31 July 2017, the Group's term loan comprises a facility based on floating rate to finance the project in Australia denominated in AUD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 11 September 2017, 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 9 months ended 31 July 2017.

B10. Loss Per Share Attributable to Owners of the Company

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

Loss per share has been calculated by dividing the Group's loss for the period 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		9 MONTHS ENDED	
	31/07/2017	31/07/2016	31/07/2017	31/07/2016
Loss for the period attributable to owners of the Company (RM'000)	<u>(24,197)</u>	<u>(46,405)</u>	<u>(55,076)</u>	<u>(165,031)</u>
Number of ordinary shares at beginning of the period ('000)	2,400,000	246,541	246,541	750
Effect of share issued pursuant to:				
- Issuance of ordinary shares ('000)	<u>-</u>	<u>-</u>	<u>978,128</u>	<u>214,585</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>246,541</u>	<u>1,224,669</u>	<u>215,335</u>
Basic Loss Per Ordinary Share (sen)	<u>(1.01)</u>	<u>(18.82)</u>	<u>(4.50)</u>	<u>(76.64)</u>

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

Diluted earnings per share has been calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value.

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

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2017	31/07/2016	31/07/2017	31/07/2016
Loss for the period attributable to owners of the Company (RM'000)	<u>(24,197)</u>	<u>(46,405)</u>	<u>(55,076)</u>	<u>(165,031)</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,400,000	246,541	1,224,669	215,335
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>N/A</u>	<u>#</u>	<u>N/A</u>
Weighted average number of ordinary shares ('000)	<u>2,400,000</u>	<u>246,541</u>	<u>1,224,669</u>	<u>215,335</u>
Diluted Loss Per Ordinary Share (sen)	<u>(1.01)*</u>	<u>N/A</u>	<u>(4.50)*</u>	<u>N/A</u>

Notes:

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

* *Anti-dilutive*

N/A - Not applicable

B11. Realised and Unrealised Profits or Losses

The breakdown of the Group's accumulated losses as at 31 July 2017 into realised and unrealised profits or losses pursuant to Bursa Malaysia's directive, is as follows:

	As at 31/07/2017 RM'000	As at 31/10/2016 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(312,332)	(222,799)
- Unrealised	<u>(13,423)</u>	<u>(61,692)</u>
	(325,755)	(284,491)
Total share of accumulated (losses)/profits from a joint venture:		
- Realised	(108,716)	(64,185)
- Unrealised	<u>16,886</u>	<u>10,258</u>
	(91,830)	(53,927)
Consolidation adjustments	<u>108,505</u>	<u>115,904</u>
Total Group accumulated losses as per consolidated accounts	<u>(309,080)</u>	<u>(222,514)</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in Bursa Malaysia's directive and should not be applied for any other purposes.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/07/2017 RM'000	9 MONTHS ENDED 31/07/2017 RM'000
Interest income	9,422	13,569
Other income including investment income	-	14
Interest expense	-	(31,920)
Depreciation and amortisation	(1,049)	(1,693)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain or (loss)	(1,242)	51,032
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

*Notes:**N/A - Not applicable*

By order of the Board

Tan Ai Ning
Company Secretary
14 September 2017