Quarterly rpt on consolidated results for the financial period ended 31 Oct 2021

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2021
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Oct 2021
The figures	have not been audited

Attachments

EWI Q4-2021 results.pdf
506.3 kB

Default Currency | Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Oct 2021

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Oct 2021	31 Oct 2020	31 Oct 2021	31 Oct 2020
		$$'000	$$'000	$$'000	$$'000
1	Revenue	34,746	57,384	572,712	672,985
2	Profit/(loss) before tax	-55,523	22,146	50,802	113,891
3	Profit/(loss) for the period	-55,666	17,861	15,875	82,580
4	Profit/(loss) attributable to ordinary equity holders of the parent	-56,256	17,440	13,570	80,326
5	Basic earnings/(loss) per share (Subunit)	-2.34	0.73	0.57	3.35
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	6.00	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 ($$)	1.1700		1.1400	

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	16 Dec 2021
Category	Financial Results
Reference Number	FRA-14122021-00004

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

Interim Financial Report
31 October 2021

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

Interim Financial Report - 31 October 2021

	Page No.
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2-3
Condensed Consolidated Statement of Changes In Equity	4
Condensed Consolidated Statement of Cash Flows	5-6
Notes to the Interim Financial Report	7-12
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	13-20

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 OCTOBER 2021 RM'000	31 OCTOBER 2020 RM'000	31 OCTOBER 2021 RM'000	31 OCTOBER 2020 RM'000
Revenue	34,746	57,384	572,712	672,985
Direct expenses	(30,037)	(47,648)	(452,581)	(572,995)
Gross profit	4,709	9,736	120,131	99,990
Other income	8,602	11,641	34,536	26,122
Marketing expenses	(1,209)	(3,000)	(22,022)	(26,438)
Administrative and general expenses	(8,778)	(87,592)	(66,210)	(122,326)
Unrealised gain/(loss) on foreign exchange	6,907	5,111	(3,530)	960
Finance costs	(15,574)	(11,802)	(59,318)	(41,264)
Share of results in joint ventures	(50,180)	98,052	47,215	176,847
(Loss)/Profit before tax	(55,523)	22,146	50,802	113,891
Taxation	(143)	(4,285)	(34,927)	(31,311)
(Loss)/Profit for the period/year	(55,666)	17,861	15,875	82,580
Other comprehensive income/(loss), net of tax				
Items that may be reclassified to profit or loss subsequently:				
Hedge of net investment	52	8,564	(987)	1,682
Exchange differences on translation of foreign operations	(113,477)	(117,540)	208,016	(28,636)
Total comprehensive (loss)/income for the period/year	(169,091)	(91,115)	222,904	55,626
(Loss)/Profit for the period/year attributable to:				
Owners of the Company	(56,256)	17,440	13,570	80,326
Non-controlling interests	590	421	2,305	2,254
	(55,666)	17,861	15,875	82,580
Total comprehensive (loss)/income for period/year attributable to:				
Owners of the Company	(169,514)	(91,307)	220,226	53,431
Non-controlling interests	423	192	2,678	2,195
	(169,091)	(91,115)	222,904	55,626
(Loss)/Earnings per share attributable to owners of the Company:				
Basic (loss)/earnings per share (sen)	(2.34)	0.73	0.57	3.35
Diluted (loss)/earnings per share (sen)	(2.34)	0.73	0.57	3.35

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

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021
(The figures have not been audited)

	As At 31 OCTOBER 2021 RM'000	As At 31 OCTOBER 2020 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,290	3,098
Right-of-use assets	2,418	4,449
Goodwill	695	10,669
Investment in joint ventures	464,122	672,993
Inventories - land held for development	143,995	132,264
Amounts owing by joint ventures	1,223,249	739,835
Deferred tax assets	-	8,894
	1,836,769	1,572,202
Current assets		
Inventories - property development costs	250,375	652,243
Amounts owing by joint ventures	1,309,087	1,491,755
Trade and other receivables	4,721	52,970
Contract costs	2,038	11,069
Current tax assets	9,164	722
Derivative financial assets	-	2,487
Cash, bank balances and deposits	336,115	284,014
	1,911,500	2,495,260
TOTAL ASSETS	3,748,269	4,067,462
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Hedging reserve	(1,316)	(329)
Exchange translation reserve	134,192	(73,451)
Accumulated losses	(186,447)	(56,017)
Equity attributable to owners of the Company	2,815,298	2,739,072
Non-controlling interests	1,976	9,074
Total equity	2,817,274	2,748,146
Non-current liabilities		
Borrowings	761,904	448,371
Lease liabilities	1,822	3,668
Deferred tax liabilities	3,855	2,576
Derivative financial liabilities	1,387	602
	768,968	455,217

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021 (continued)
(The figures have not been audited)

	As At 31 OCTOBER 2021 RM'000	As At 31 OCTOBER 2020 RM'000
Current liabilities		
Trade and other payables	17,080	24,936
Contract liabilities	1,389	47,500
Borrowings	138,634	779,988
Lease liabilities	919	1,070
Derivative financial liabilities	-	1,035
Current tax liabilities	4,005	9,570
	162,027	864,099
Total liabilities	930,995	1,319,316
TOTAL EQUITY AND LIABILITIES	3,748,269	4,067,462
Net assets per share attributable to owners of the Company (RM)	1.17	1.14

(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 INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

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

	← *Attributable to owners of the Company* →							
	← *Non-distributable* →							
	Share capital RM'000	**Warrant reserve RM'000**	**Hedging reserve RM'000**	**Exchange translation reserve RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 November 2020	2,592,451	276,418	(329)	(73,451)	(56,017)	2,739,072	9,074	2,748,146
Other comprehensive (loss)/income for the year:								
- Hedge of net investment	-	-	(987)	-	-	(987)	-	(987)
- Exchange differences on translation of foreign operations	-	-	-	207,643	-	207,643	373	208,016
Profit for the year	-	-	-	-	13,570	13,570	2,305	15,875
Total comprehensive (loss)/income for the year	-	-	(987)	207,643	13,570	220,226	2,678	222,904
Transactions with owners of the Company:								
Dividend declared to owners of the Company	-	-	-	-	(144,000)	(144,000)	-	(144,000)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(9,776)	(9,776)
At 31 OCTOBER 2021	2,592,451	276,418	(1,316)	134,192	(186,447)	2,815,298	1,976	2,817,274
At 1 November 2019	2,592,451	276,418	(2,011)	(44,874)	(136,343)	2,685,641	8,896	2,694,537
Other comprehensive income/(loss) for the year:								
- Hedge of net investment	-	-	1,682	-	-	1,682	-	1,682
- Exchange differences on translation of foreign operations	-	-	-	(28,577)	-	(28,577)	(59)	(28,636)
Profit for the year	-	-	-	-	80,326	80,326	2,254	82,580
Total comprehensive income/(loss) for the year	-	-	1,682	(28,577)	80,326	53,431	2,195	55,626
Transactions with owners of the Company:								
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(2,017)	(2,017)
At 31 OCTOBER 2020	2,592,451	276,418	(329)	(73,451)	(56,017)	2,739,072	9,074	2,748,146

(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 INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021
(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2021	31 OCTOBER 2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	50,802	113,891
Adjustments for:		
Non-cash items	(9,418)	(91,734)
Non-operating items	49,011	28,518
Operating profit before working capital changes	90,395	50,675
Changes in inventories	442,961	308,928
Changes in receivables and other current assets	44,743	85,081
Changes in payables and other current liabilities	(9,360)	(56,970)
Changes in contract liabilities	(46,111)	(66,384)
Changes in derivatives	(22,043)	-
Cash generated from operations	500,585	321,330
Interest received	6,040	6,456
Tax paid	(39,327)	(10,402)
Tax refund	-	385
Net cash generated from operating activities	467,298	317,769
Cash Flows From Investing Activities		
Purchase of plant and equipment	(613)	(839)
Proceeds from disposal of plant and equipment	2	91
Advances to joint ventures	(162,560)	(144,253)
(Placement)/Withdrawal of deposits, debt service reserve and interest service reserve accounts	(4,721)	6,336
Dividend received from joint venture	299,297	-
Interest received	4,267	6,290
Net cash generated from/(used in) investing activities	135,672	(132,375)
Cash Flows From Financing Activities		
Drawdown of borrowings	458,816	387,356
Repayment of borrowings	(816,455)	(642,616)
Finance costs	(61,447)	(74,861)
Dividend paid to owners of the Company	(144,000)	-
Dividend paid to non-controlling interests of a subsidiary	(9,777)	(2,017)
Payment of lease liabilities	(842)	(1,048)
Net cash used in financing activities	(573,705)	(333,186)

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021 (continued)
(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2021	**31 OCTOBER 2020**
	RM'000	**RM'000**
Net changes in cash and cash equivalents	29,265	(147,792)
Cash and cash equivalents at 1 November 2020/ 2019	269,975	419,620
Effect of exchange rate changes	18,115	(1,853)
Cash and cash equivalents at 31 October 2021/ 2020	317,355	269,975
Cash and cash equivalents comprise the following:		
Deposits	147,595	132,098
Cash and bank balances	188,520	151,916
	336,115	284,014
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(18,760)	(14,039)
	317,355	269,975

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

The interim financial report does not include all of the information required for a complete set of MFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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 2020, except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee Interpretations ("IC Interpretations"), which are relevant to the Group and effective for annual periods beginning on or after 1 November 2020:

Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 9	Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform
Amendment to MFRS 16	Leases - Covid-19-Related Rent Concessions
Amendments to MFRS 101	Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations do not have any 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 2021 have not been materially affected by any seasonal or cyclical factors.

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

Saved as disclosed in Note B3 in relation to impact of Covid-19 outbreak, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year ended 31 October 2021.

A4. Changes in Estimates

There were no material changes in estimates during the financial year ended 31 October 2021.

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 2021.

A6. Dividends Paid

During the financial year ended 31 October 2021, the Company paid the following dividends:

a) On 28 April 2021, the Company paid interim dividend of 1 sen per share on the 2,400,000,000 ordinary shares in issue, amounting to RM24,000,000 in respect of the financial period ended 31 January 2021.

b) On 23 July 2021, the Company paid special dividend of 5 sen per share on the 2,400,000,000 ordinary shares in issue, amounting to RM120,000,000 in respect of the financial period ended 30 April 2021.

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.

A7. Segmental Reporting (continued)

The segmental analysis for the financial year ended 31 October 2021 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	572,345	1,238	(871)	572,712
Inter-segment revenue	-	-	1,566	(1,566)	-
Total revenue	-	572,345	2,804	(2,437)	572,712
Segment results	(15,001)	87,049	(37,991)	-	34,057
Share of results in joint ventures	47,215	-	-	-	47,215
Depreciation	(285)	(165)	(1,708)	-	(2,158)
Unrealised loss on foreign exchange	-	(1)	(3,529)	-	(3,530)
Other income	-	12,646	11,583	-	24,229
Finance income	33	4,048	6,226	-	10,307
Finance costs	-	(921)	(58,397)	-	(59,318)
Profit/(Loss) before tax	31,962	102,656	(83,816)	-	50,802
Taxation	(2,176)	(32,023)	(728)	-	(34,927)
Profit/(Loss) for the year	29,786	70,633	(84,544)	-	15,875
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.6729*	*3.1101*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	3,005,917	420,865	321,487	-	3,748,269
Segment liabilities	7,391	163,705	759,899	-	930,995
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*5.7051*	*3.1210*	*1.0000*		

Note:
[(1)] *Average rates for the financial year ended 31 October 2021.*
[(2)] *Closing rates as at 31 October 2021.*

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

There were no significant events after 31 October 2021 until 13 December 2021, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6.

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 2021, except as follows:

(i) incorporation of Eco World-Ballymore Asset Management Company Limited on 19 November 2020 as a wholly owned subsidiary of Eco-World Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company Limited became an indirect 75% owned joint venture company of the Group;

(ii) incorporation of Eco World Holding Company (UK) Limited and Eco World Nominee (UK) Limited on 25 February 2021 as wholly-owned subsidiaries of Eco World Investment Co Ltd. As a result, both Eco World Holding Company (UK) Limited and Eco World Nominee (UK) Limited became wholly-owned subsidiaries of the Group; and

(iii) incorporation of Eco World Quayside Limited on 21 October 2021 as wholly-owned subsidiary of Eco World Holding Company (UK) Limited. As a result, Eco World Quayside Limited became a wholly-owned subsidiary of the Group.

(b) There were no changes in the composition of the Group during the period between 1 November 2021 until 13 December 2021, 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 2021 are as follows:

	Notional Amount RM'000	**Fair Value Assets/ (Liabilities) RM'000**
Cross currency swaps		
- Between 1 to 5 years	10,935	(1,387)
	10,935	(1,387)

(b) Fair value of financial liabilities

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

A11. Commitments and Contingencies

	As at 31/10/2021 RM'000
Approved and contracted for:	
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("EW-Ballymore Holding") by way of share subscription and shareholder's loans (*Note a*)	168,572
(ii) EcoWorld London by way of shareholder's loan *(Note b)*	13,937
(iii) EcoWorld London DMCo by way of shareholder's loan *(Note b)*	1,877

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 RM513.46 million based on the exchange rate of GBP1.00 : RM5.7051 as at 31 October 2021). 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.

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 31/10/2021 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	198,949
	- Repayment of advances by joint ventures	(36,309)
	- Dividend received from joint venture	299,297
	- Sales commission received/receivable from joint ventures	1,238
	- Cost back charge to joint ventures	207
(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	1,377
	- Support service fees paid or payable	143
	- Rental paid or payable	180
(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	1,011

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		
	31/10/2021 RM'000	31/10/2020 RM'000	CHANGES RM'000	31/10/2021 RM'000	31/10/2020 RM'000	CHANGES RM'000
Gross profit	4,709	9,736	(5,027)	120,131	99,990	20,141
Share of results in joint ventures	(50,180)	98,052	(148,232)	47,215	176,847	(129,632)
(Loss)/Profit before interest and tax	(39,949)	33,948	(73,897)	110,120	155,155	(45,035)
(Loss)/Profit before tax	(55,523)	22,146	(77,669)	50,802	113,891	(63,089)
(Loss)/Profit for the period/year	(55,666)	17,861	(73,527)	15,875	82,580	(66,705)
(Loss)/Profit for the period/year attributable to owners of the Company	(56,256)	17,440	(73,696)	13,570	80,326	(66,756)

(a) 4Q 2021 vs. 4Q 2020

Gross profit for 4Q 2021 was RM4.71 million, which was RM5.03 million lower than the gross profit recorded in 4Q 2020 of RM9.74 million. The lower gross profit reported in 4Q 2021 was mainly due to lower revenue and profit recognition from Yarra One and West Village due to lesser handover of units sold to customers.

Revenue for the Group for 4Q 2021 was RM34.75 million. The revenue arose from West Village and Yarra One following progressive handover of units sold to customers and 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 ("UK").

Revenue recorded by the Group's joint-ventures totalled RM588.15 million (4Q 2020: RM 1,507.07 million), of which the Group's effective share (unconsolidated) amounted to RM415.97 million (4Q 2020: RM 1,109.14 million).

During the current quarter, the Group recorded a loss before tax ("LBT") of RM55.52 million, as compared to profit before tax ("PBT") of RM22.15 million reported for 4Q 2020. The LBT reported in 4Q 2021 was mainly due to share of losses in joint ventures in the current quarter as opposed to share of profits in joint ventures in the previous corresponding quarter and higher finance cost following cessation of capitalisation of finance cost on general borrowings in tandem with the completion and handover of units in Yarra One.

The share of losses in joint ventures in 4Q 2021 was mainly due to the following:

- Additional incentives given to purchasers of completed units within the EcoWorld Ballymore portfolio and higher commission to agents to accelerate sales - this resulted in stronger sales and higher reservations received (refer Section B3 for further details on sales & reservations);

- Management's decision to provide for a £3.6m (approx. RM20.2 million) impairment of inventories based on current net selling prices (after taking into consideration the additional incentives mentioned above);

B1. Review of Group Performance (continued)

(a) 4Q 2021 vs. 4Q 2020 (continued)

- Write-off of £4.6m (approx. RM26.2 million) planning costs incurred mainly due to a decision to not proceed with the acquisition of the Gurnell project under the EcoWorld London portfolio;

- Higher realisation of fair value adjustments amounting to RM10.6 million upon update of the respective JV's total Gross Development Value (GDV) arising from the above decisions made.

As a result, the Group recorded a loss after tax of RM55.67 million for 4Q 2021 as compared to a profit after tax of RM17.86 million in 4Q 2020.

(b) 4Q YTD 2021 vs. 4Q YTD 2020

The Group recorded a PBT of RM50.80 million in the current financial year, as compared to PBT of RM113.89 million reported for 4Q YTD 2020.

Revenue for the Group for 4Q YTD 2021 was RM572.71 million. The revenue arose from West Village and Yarra One following completion and handover of units sold to customers and fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in UK.

Revenue recorded by the Group's joint-ventures totalled RM2,964.59 million (4Q YTD 2020: RM3,039.55 million), of which the Group's effective share (unconsolidated) amounted to RM2,156.21 million (4Q YTD 2020: RM2,224.59 million).

The lower PBT reported in the current financial year was mainly due to lower share of results in joint ventures, reclassification of hedging reserves to administrative and general expenses upon unwinding of cross currency swaps and higher finance costs following cessation of capitalisation of finance cost on general borrowings in tandem with the completion and handover of units in Yarra One. There was a lower impairment of goodwill in relation to investment in a UK joint venture and higher profit contribution from projects in Australia which helped to offset the lower share of results from JV.

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

	3 MONTHS ENDED		
	31/10/2021	**31/07/2021**	**CHANGES**
	RM'000	**RM'000**	**RM'000**
Gross profit	4,709	27,446	(22,737)
Share of results in joint ventures	(50,180)	15,413	(65,593)
(Loss)/Profit before interest and tax	(39,949)	25,049	(64,998)
(Loss)/Profit before tax	(55,523)	10,332	(65,855)
(Loss)/Profit for the period	(55,666)	2,992	(58,658)
(Loss)/Profit for the period attributable to owners of the Company	(56,256)	2,489	(58,745)

The Group's current quarter LBT was RM55.52 million, which was RM65.86 million lower than the PBT recorded in preceding quarter ended 31 July 2021 of RM10.33 million.

The losses recorded in the current quarter as opposed to profits in preceding quarter was mainly due to share of losses in joint venture in the current quarter as opposed to share of profits in joint venture in the preceding quarter and lower results from West Village and Yarra One. The losses this quarter were partly offset by unrealised gain on foreign exchange recorded in the current quarter as opposed unrealised loss on foreign exchange in preceding quarter and higher other income in current quarter.

B3. Sales Achieved and Prospects for the Next Financial Year

PROJECTS	LANDBANK	CUMULATIVE SALES	12 MONTHS ENDED 31/10/2021[1]		Effective Future Revenue[3]
	As at 31/10/2021 (Acres)	As at 31/10/2021 RM'mil	Units Sold[2]	Sales value RM'mil	RM'mil
London	50.7	13,821	268	1,277	1,161
Sydney	1.9	920	47	121	6
Melbourne	0.5	508	(16)	(22)	9
Total[5]	**53.1**	**15,249**	**299**	**1,377**	**1,176**

Notes:
(1) Sales values based on exchange rates of £1:RM5.7051 and A$1:3.1210 as at 31 October 2021.
(2) Refer to number of units exchanged only.
(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at 31 October 2021.
(4) Source: UK Office for National Statistics
(5) Total may not add up because of rounding

FY2021 has remained challenging for the Group. Lockdowns, border closures and higher stamp duties following the expiry of the UK stamp duty holiday in June 2021 have had an adverse impact on property demand. In light of the subdued market conditions, attractive promotional packages were offered to drive sales to accelerate cash recoupment via the sale of completed units, particularly within the EcoWorld Ballymore portfolio.

As a result, EcoWorld International was able to record RM418 million sales in the fourth quarter of FY2021, bringing 12-months sales to RM1,377 million. Embassy Gardens, which won The Edge Malaysia Outstanding Overseas Project Awards recently, was the highest contributor that generated RM792 million sales during the financial year. The Group's sales momentum continued in November 2021 as the Group recorded another RM116 million sales in the month giving the Group a good start into the new financial year.

The stable sales performance is also attributable to the Group's placemaking efforts that have differentiated its projects from the competition. The launch of sky pool, suspended between two residential towers in Embassy Gardens, attracted news coverage by more than 100 media outlets, which in turn generated strong demand from many buyers. Embassy Gardens contributed more than half of the Group's sales in FY2021 and the project is expected to remain as a major contributor of sales to the Group in FY2022.

During FY2021, the Group handed over about 700 private apartment units in the UK and Australia to purchasers. This generated significant cash inflows which enabled the Group to distribute dividends and pare down borrowings. As at 31 October 2021, the Group has handed over close to 2,700 private apartment units since 2018.

Accordingly, whilst uncertainties still remain in both the UK and Australian property markets, EcoWorld International is in a relatively good position as it has entered into the cash generative phase of its development life-cycle as seen below:

- Both its Australian projects, West Village and Yarra One are completed, with RM500 million cash generated from operations in FY2021;

- The EcoWorld Ballymore portfolio comprising London City Island, Wardian and Embassy Gardens are substantially completed. Despite the accounting loss recorded by the JV for the reasons mentioned in Section B1a. above, substantial cash was generated from the sale of completed units enabling RM299 million dividends to be paid to EcoWorld International in FY2021;

- The Group still has an effective future revenue of RM1.2 billion, of which a majority portion is expected to be realized in FY2022, upon the handover of the final phase of Embassy Gardens, Block A03 (The Modern). Coupled with future sales of completed units, this will further improve the Group's cash generation capabilities;

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

- EcoWorld London's focus on the local UK mid-market segment and build-to-rent (BtR) properties will not require substantial capital investments going forward;

- As at 31 October 2021 the following key financial metrics have continued to improve:

    - Net gearing further reduced to 0.20 times (vs 0.35 times as at 31 October 2020) following repayment of RM357 million of borrowings (net of drawdowns) during the year
    - Cash position increased to RM336 million (from RM284 million as at 31 October 2020) after taking into consideration payment of dividends of RM144 million to EcoWorld International's shareholders.

In view of the above, EcoWorld International's key focus in FY2022 is to sell the remaining units in EcoWorld-Ballymore and Australia and repatriate the profits and invested capital of these projects.

With a sales target of RM2.0 billion to be achieved mainly from completed units, coupled with continued financial discipline implemented Group-wide (as evidenced by the markedly lower administrative and general expenses incurred in FY2021), EcoWorld International's cash and net debt position is expected to further improve in FY2022. This will place it in a strong position to:

- Select & evaluate new opportunities for growth as the market recovers, cross-border restrictions relax and economic conditions improve enabling London to return to its historic strength as the world's foremost real estate investment destination;

- Be able to make further distributions to shareholders after setting aside a portion of the capital recouped from its completed projects to be reinvested for future growth.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 October 2021.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2021 RM'000	31/10/2020 RM'000	31/10/2021 RM'000	31/10/2020 RM'000
Current tax				
Malaysian tax				
- current quarter/year	248	-	728	-
Foreign tax				
- current quarter/year	(2,455)	6,951	20,593	18,961
- in respect of prior years	3,239	46	3,299	46
Deferred tax				
Malaysian tax				
- current quarter/year	-	-	-	371
Foreign tax				
- current quarter/year	2,154	1,898	13,362	16,555
- in respect of prior years	(3,043)	(4,610)	(3,055)	(4,622)
	143	4,285	34,927	31,311

The effective tax rate of Malaysia operations 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. The effective foreign tax rate of the Group's subsidiaries in Australia and UK are approximately the statutory tax rate of 30% and 19% respectively.

B6. Status of Corporate Proposals

Save for the proposed acquisitions of the remaining two Stage 2 sites namely Tulse Hill and Ealing under of the joint venture with Be Living Holdings Limited which are pending fulfilment of conditions precedent, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 13 December 2021.

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 October 2021 were as follows:

	As at 31/10/2021				As at 31/10/2020
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000	RM Equivalent '000
Short term borrowings					
- Term loan	Secured	AUD	-	-	300,037
- Revolving credit	Unsecured	GBP	24,300	138,634	130,513
- Medium term notes	Unsecured	RM	-	-	349,438
				138,634	779,988
Long term borrowings					
- Term loan	Secured	AUD	48,320	150,807	-
- Term loan	Unsecured	GBP	13,621	77,709	-
- Revolving credit	Unsecured	GBP	15,000	84,418	-
- Medium term notes	Unsecured	RM	-	448,970	448,371
				761,904	448,371
Total borrowings					
- Term loan	Secured	AUD	48,320	150,807	300,037
- Term loan	Unsecured	GBP	13,621	77,709	-
- Revolving credit	Unsecured	GBP	39,300	223,052	130,513
- Medium term notes	Unsecured	RM	-	448,970	797,809
				900,538	1,228,359

As at 31 October 2021, the Group's medium term notes and term loans comprise facilities based on fixed and floating rates to finance the projects in UK and Australia and are denominated in RM and GBP.

B8. Material Litigation

The Group was not engaged in any material litigation as at 13 December 2021, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

Other than the dividend as disclosed in note A6, no dividend has been proposed by the Board of Directors for the financial year ended 31 October 2021.

B10. Earnings Per Share Attributable to Owners of the Company

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

Basic (loss)/earnings per share have been calculated by dividing the Group's (loss)/profit 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	
	31/10/2021	31/10/2020	31/10/2021	31/10/2020
(Loss)/Profit for the period/year attributable to owners of the Company (RM'000)	(56,256)	17,440	13,570	80,326
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Basic (Loss)/Earnings Per Ordinary Share (sen)	(2.34)	0.73	0.57	3.35

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

Diluted (loss)/earnings per share have been calculated by dividing the Group's (loss)/profit 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 (loss)/earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted (loss)/earnings per share.

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2021	31/10/2020	31/10/2021	31/10/2020
(Loss)/Profit for the period/year attributable to owners of the Company (RM'000)	(56,256)	17,440	13,570	80,326
Weighted average number of ordinary shares for Basic Earnings Per Ordinary Share ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Effect of potential exercise of Warrants ('000)	#	#	#	#
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000	2,400,000	2,400,000
Diluted (Loss)/Earnings Per Ordinary Share (sen)	(2.34)	0.73	0.57	3.35

Notes:

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

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2020 were unqualified.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/10/2021 RM'000	12 MONTHS ENDED 31/10/2021 RM'000
Interest income	2,268	10,307
Interest expense	(15,574)	(59,318)
Depreciation and amortisation	(443)	(2,158)
Foreign exchange gain/(loss)		
- realised	6,018	10,883
- unrealised	6,907	(3,530)
Hedge of net investment reclassified to profit and loss	-	(21,580)
Impairment of goodwill	(208)	(10,288)

By order of the Board
Tan Ai Ning
Company Secretary
16 December 2021