


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

### ECO WORLD INTERNATIONAL BERHAD

|   |                       |
|---|-----------------------|
| Financial Year End                              | 31 Oct 2018           |
| Quarter   | 3 Qtr                 |
| Quarterly report for the financial period ended | 31 Jul 2018           |
| The figures                                     | have not been audited |

#### Attachments

 [EWI Q3 2018 Results.pdf](#)  
243.4 kB

|                         |                       |
|-------------------------|-----------------------|
| <b>Default Currency</b> | <b>Other Currency</b> |
|-------------------------|-----------------------|

Currency: Malaysian Ringgit (MYR)

#### SUMMARY OF KEY FINANCIAL INFORMATION 31 Jul 2018

|   | INDIVIDUAL PERIOD            |                                      | CUMULATIVE PERIOD                  |                                     |
|---|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER         | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE               | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 31 Jul 2018                  | 31 Jul 2017                          | 31 Jul 2018                        | 31 Jul 2017                         |
|   | \$\$'000                     | \$\$'000                             | \$\$'000                           | \$\$'000                            |
| 1 Revenue   | 0                            | 97                                   | 18                                 | 461                                 |
| 2 Profit/(loss) before tax  | 7,829                        | -22,232                              | -40,909                            | -51,550                             |
| 3 Profit/(loss) for the period  | 10,379                       | -23,547                              | -34,914                            | -53,171                             |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | 10,444                       | -24,197                              | -34,837                            | -55,076                             |
| 5 Basic earnings/(loss) per share (Subunit)                           | 0.44                         | -1.01                                | -1.45                              | -4.50                               |
| 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                |                              | 1.0100                               |                                    | 1.0600                              |

|                              |  |  |
|------------------------------|--|--|
| holders of the parent (\$\$) |  |  |
|------------------------------|--|--|

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**

|                         |                                |
|-------------------------|--------------------------------|
| <b>Company Name</b>     | ECO WORLD INTERNATIONAL BERHAD |
| <b>Stock Name</b>       | EWINT                          |
| <b>Date Announced</b>   | 20 Sep 2018                    |
| <b>Category</b>         | Financial Results              |
| <b>Reference Number</b> | FRA-20092018-00003             |

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

**Interim Financial Report**  
**31 July 2018**

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

**Interim Financial Report - 31 July 2018**

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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 2018**

*(The figures have not been audited)*

|  | <b>3 MONTHS ENDED</b> |                     | <b>9 MONTHS ENDED</b> |                     |
|--|-----------------------|---------------------|-----------------------|---------------------|
|  | <b>31 JULY 2018</b>   | <b>31 JULY 2017</b> | <b>31 JULY 2018</b>   | <b>31 JULY 2017</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>       | <b>RM'000</b>         | <b>RM'000</b>       |
| Revenue  | -                     | 97                  | 18                    | 461                 |
| Direct expenses  | (1,068)               | (1,553)             | (3,582)               | (4,230)             |
| <b>Gross loss</b>  | <b>(1,068)</b>        | <b>(1,456)</b>      | <b>(3,564)</b>        | <b>(3,769)</b>      |
| Other income   | 1,412                 | 10,579              | 11,283                | 18,771              |
| Marketing expenses   | (2,710)               | (549)               | (8,928)               | (1,210)             |
| Administrative and general expenses  | (18,969)              | (15,206)            | (53,195)              | (41,363)            |
| Unrealised (loss)/gain on foreign exchange                                   | (2,850)               | (2,399)             | (4,855)               | 45,844              |
| Finance costs  | (4,383)               | -                   | (4,481)               | (31,920)            |
| Share of results in joint ventures   | 36,397                | (13,201)            | 22,831                | (37,903)            |
| <b>Profit/(Loss) before tax</b>  | <b>7,829</b>          | <b>(22,232)</b>     | <b>(40,909)</b>       | <b>(51,550)</b>     |
| Taxation   | 2,550                 | (1,315)             | 5,995                 | (1,621)             |
| Profit/(Loss) for the period   | 10,379                | (23,547)            | (34,914)              | (53,171)            |
| <b>Other comprehensive (loss)/income,<br/>net of tax</b>                     |                       |                     |                       |                     |
| <i>Item that may be reclassified to profit or<br/>loss subsequently:</i>     |                       |                     |                       |                     |
| Exchange differences on translation of<br>foreign operations                 | (4,450)               | 8,720               | (79,290)              | (11,172)            |
| <b>Total comprehensive income/(loss)<br/>for the period</b>                  | <b>5,929</b>          | <b>(14,827)</b>     | <b>(114,204)</b>      | <b>(64,343)</b>     |
| <b>Profit/(Loss) for the period attributable to:</b>                         |                       |                     |                       |                     |
| Owners of the Company  | 10,444                | (24,197)            | (34,837)              | (55,076)            |
| Non-controlling interests  | (65)                  | 650                 | (77)                  | 1,905               |
|  | 10,379                | (23,547)            | (34,914)              | (53,171)            |
| <b>Total comprehensive income/(loss) for<br/>the period attributable to:</b> |                       |                     |                       |                     |
| Owners of the Company  | 6,187                 | (15,476)            | (113,545)             | (66,734)            |
| Non-controlling interests  | (258)                 | 649                 | (659)                 | 2,391               |
|  | 5,929                 | (14,827)            | (114,204)             | (64,343)            |
| <b>Earnings/(Loss) per share attributable to<br/>owners of the Company:</b>  |                       |                     |                       |                     |
| Basic earnings/(loss) per share (sen)  | 0.44                  | (1.01)              | (1.45)                | (4.50)              |
| Diluted earnings/(loss) per share (sen) *                                    | 0.44                  | (1.01)              | (1.45)                | (4.50)              |

\* *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 JULY 2018**

|  | <b>As At<br/>31 JULY 2018<br/>(UNAUDITED)<br/>RM'000</b> | <b>As At<br/>31 OCTOBER 2017<br/>(AUDITED)<br/>RM'000</b> |
|--|--|---|
| <b>ASSETS</b>  |  |   |
| <b>Non-current assets</b>  |  |   |
| Plant and equipment  | 6,846  | 7,169   |
| Goodwill   | 126,302  | 126,302   |
| Investment in joint ventures   | 184,810  | 104,907   |
| Amount owing by joint ventures   | 1,786,952  | 1,089,481   |
| Deferred tax assets  | 25,166   | 19,316  |
|  | 2,130,076  | 1,347,175   |
| <b>Current assets</b>  |  |   |
| Properties under development for sale                                      | 412,639  | 366,717   |
| Trade and other receivables  | 11,814   | 5,400   |
| Current tax assets   | 1,362  | 682   |
| Cash, bank balances and deposits   | 294,898  | 992,388   |
|  | 720,713  | 1,365,187   |
| <b>TOTAL ASSETS</b>  | <b>2,850,789</b>   | <b>2,712,362</b>  |
| <b>EQUITY AND LIABILITIES</b>  |  |   |
| <b>Equity</b>  |  |   |
| Share capital  | 2,592,451  | 2,592,451   |
| Warrant reserve  | 276,418  | 276,418   |
| Exchange translation reserve   | (61,064)   | 17,644  |
| Accumulated losses   | (376,474)  | (341,637)   |
| <b>Equity attributable to owners of the Company</b>                        | <b>2,431,331</b>   | <b>2,544,876</b>  |
| Non-controlling interests  | 15,994   | 2,768   |
| <b>Total equity</b>  | <b>2,447,325</b>   | <b>2,547,644</b>  |
| <b>Non-current liabilities</b>   |  |   |
| Borrowings   | 255,035  | 48,684  |
| Deferred tax liabilities   | 1,924  | 1,944   |
|  | 256,959  | 50,628  |
| <b>Current liabilities</b>   |  |   |
| Trade and other payables   | 23,791   | 16,067  |
| Amount owing to a corporate shareholder of a subsidiary                    | 14,825   | 16,340  |
| Borrowings   | 106,894  | 79,913  |
| Current tax liabilities  | 995  | 1,770   |
|  | 146,505  | 114,090   |
| <b>Total liabilities</b>   | <b>403,464</b>   | <b>164,718</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>2,850,789</b>   | <b>2,712,362</b>  |
| <b>Net assets per share attributable to owners<br/>of the Company (RM)</b> | <b>1.01</b>  | <b>1.06</b>   |

(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 PERIOD ENDED 31 JULY 2018**  
*(The figures have not been audited)*

|  | ← Attributable to owners of the Company → |                         |                           |  |                              | Total     | Non-controlling interests | Total equity |
|--|---|-------------------------|---------------------------|--|------------------------------|-----------|---------------------------|--------------|
|  | ← Non-distributable →                     |                         |                           | Distributable                          |                              |           |                           |              |
|  | Share capital<br>RM'000                   | Share premium<br>RM'000 | Warrant reserve<br>RM'000 | Exchange translation reserve<br>RM'000 | Accumulated losses<br>RM'000 | RM'000    | RM'000                    | RM'000       |
| <b>At 1 November 2017</b>  | 2,592,451                                 | -                       | 276,418                   | 17,644                                 | (341,637)                    | 2,544,876 | 2,768                     | 2,547,644    |
| Total other comprehensive loss for the period                            | -   | -                       | -                         | (78,708)                               | -                            | (78,708)  | (582)                     | (79,290)     |
| Loss for the period  | -   | -                       | -                         | -                                      | (34,837)                     | (34,837)  | (77)                      | (34,914)     |
| Total comprehensive loss for the period                                  | -   | -                       | -                         | (78,708)                               | (34,837)                     | (113,545) | (659)                     | (114,204)    |
| Issuance of preference shares by subsidiary to non-controlling interests | -   | -                       | -                         | -                                      | -                            | -         | 13,885                    | 13,885       |
| <b>At 31 JULY 2018</b>   | 2,592,451                                 | -                       | 276,418                   | (61,064)                               | (376,474)                    | 2,431,331 | 15,994                    | 2,447,325    |
| <b>At 1 November 2016</b>  | 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 issuance for public offering                                     | 2,584,151                                 | -                       | -                         | -                                      | -                            | 2,584,151 | -                         | 2,584,151    |
| - Warrants   | (276,418)                                 | -                       | 276,418                   | -                                      | -                            | -         | -                         | -            |
| Transition to no-par value regime  | 49,158                                    | (49,158)                | -                         | -                                      | -                            | -         | -                         | -            |
| Share issue expenses   | (10,981)                                  | -                       | -                         | -                                      | (31,490)                     | (42,471)  | -                         | (42,471)     |
| <b>At 31 JULY 2017</b>   | 2,592,451                                 | -                       | 276,418                   | 23,040                                 | (309,080)                    | 2,582,829 | 7,179                     | 2,590,008    |

(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 PERIOD ENDED 31 JULY 2018**

*(The figures have not been audited)*

|   | <b>9 MONTHS ENDED</b> |                     |
|---|-----------------------|---------------------|
|   | <b>31 JULY 2018</b>   | <b>31 JULY 2017</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>       |
| <b>Cash Flows From Operating Activities</b>   |                       |                     |
| Loss before tax   | (40,909)              | (51,550)            |
| Adjustments for:  |                       |                     |
| Non-cash items  | (16,249)              | (9,733)             |
| Non-operating items   | (6,530)               | 19,374              |
| Operating loss before working capital changes   | (63,688)              | (41,909)            |
| Changes in properties under development for sale  | (60,194)              | (34,393)            |
| Changes in receivables  | (4,550)               | 6,281               |
| Changes in payables   | 5,253                 | 26,592              |
| Cash used in operations   | (123,179)             | (43,429)            |
| Interest received   | 36                    | 942                 |
| Tax paid  | (2,455)               | (3,960)             |
| <b>Net cash used in operating activities</b>  | <b>(125,598)</b>      | <b>(46,447)</b>     |
| <b>Cash Flows From Investing Activities</b>   |                       |                     |
| Purchase of plant and equipment   | (1,578)               | (5,863)             |
| Proceeds from disposal of plant and equipment   | 4                     | 27                  |
| Advances to joint ventures  | (715,150)             | (228,805)           |
| Investment in joint ventures  | (99,951)              | -                   |
| (Placements)/Withdrawal of deposits, debt service reserve and interest service reserve accounts | (5,764)               | 6,303               |
| Landholder duty   | (269)                 | -                   |
| Interest received   | 11,245                | 12,626              |
| <b>Net cash used in investing activities</b>  | <b>(811,463)</b>      | <b>(215,712)</b>    |
| <b>Cash Flows From Financing Activities</b>   |                       |                     |
| Drawdown of borrowings  | 317,560               | 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 a corporate shareholder of a subsidiary   | 13,235                | -                   |
| Finance costs   | (14,773)              | (34,396)            |
| Listing expenses  | -                     | (44,413)            |
| <b>Net cash generated from financing activities</b>   | <b>242,204</b>        | <b>1,395,078</b>    |
| <b>Net changes in cash and cash equivalents</b>   | <b>(694,857)</b>      | <b>1,132,919</b>    |
| <b>Cash and cash equivalents at 1 November 2017/ 2016</b>                                       | <b>986,680</b>        | <b>7,719</b>        |
| <b>Effect of exchange rate changes</b>  | <b>(8,397)</b>        | <b>1,642</b>        |
| <b>Cash and cash equivalents at 31 July 2018/ 2017</b>  | <b>283,426</b>        | <b>1,142,280</b>    |



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 JULY 2018 (continued)**  
*(The figures have not been audited)*

|  | <b>9 MONTHS ENDED</b> |                     |
|--|-----------------------|---------------------|
|  | <b>31 JULY 2018</b>   | <b>31 JULY 2017</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>       |
| <b>Cash and cash equivalents comprise the following:</b>                             |                       |                     |
| Deposits   | 110,197               | 1,102,784           |
| Cash and bank balances   | 184,701               | 44,047              |
|  | <u>294,898</u>        | <u>1,146,831</u>    |
| Less: Deposit pledged, debt service reserve and interest<br>service reserve accounts | (11,472)              | (4,551)             |
|  | <u>283,426</u>        | <u>1,142,280</u>    |

(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 9 months ended 31 July 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 9 months ended 31 July 2018.

### **A4. Changes in Estimates**

There were no material changes in estimates during the 9 months ended 31 July 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 9 months ended 31 July 2018 except for the issuance of the unrated Islamic medium term notes with a nominal value of RM180 million by the Company on 27 April 2018.

### **A6. Dividends Paid**

There was no payment of dividend during the 9 months ended 31 July 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 9 months ended 31 July 2018 is as follows:

|   | <b>United<br/>Kingdom<br/>RM'000</b> | <b>Australia<br/>RM'000</b> | <b>Malaysia<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---|--------------------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------|
| <b>Revenue</b>  |                                      |                             |                            |                                |                         |
| External revenue  | -                                    | -                           | 18                         | -                              | 18                      |
| Inter-segment revenue   | 16,456                               | -                           | 278                        | (16,734)                       | -                       |
| Total revenue   | 16,456                               | -                           | 296                        | (16,734)                       | 18                      |
| Segment results   | (16,793)                             | (19,580)                    | (27,598)                   | -                              | (63,971)                |
| Share of results in joint ventures                                      | 22,831                               | -                           | -                          | -                              | 22,831                  |
| Depreciation  | (217)                                | (591)                       | (908)                      | -                              | (1,716)                 |
| Unrealised gain/(loss) on foreign exchange                              | -                                    | 203                         | (5,058)                    | -                              | (4,855)                 |
| Other income  | 144                                  | 106                         | 11,033                     | -                              | 11,283                  |
| Finance costs   | -                                    | (1)                         | (4,480)                    | -                              | (4,481)                 |
| Profit/(Loss) before tax  | 5,965                                | (19,863)                    | (27,011)                   | -                              | (40,909)                |
| Taxation  | (1,560)                              | 6,314                       | 1,241                      | -                              | 5,995                   |
| Profit/(Loss) for the period  | 4,405                                | (13,549)                    | (25,770)                   | -                              | (34,914)                |
| <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<sup>(1)</sup></i> | <i>5.4072</i>                        | <i>3.0458</i>               | <i>1.0000</i>              |                                |                         |
|   | <b>United<br/>Kingdom<br/>RM'000</b> | <b>Australia<br/>RM'000</b> | <b>Malaysia<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| Segment assets  | 2,274,702                            | 476,535                     | 99,552                     | -                              | 2,850,789               |
| Segment liabilities   | 3,739                                | 102,920                     | 296,805                    | -                              | 403,464                 |
| <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<sup>(2)</sup></i> | <i>5.3447</i>                        | <i>3.0172</i>               | <i>1.0000</i>              |                                |                         |

Note:

<sup>(1)</sup> Average rates for the 9 months ended 31 July 2018.

<sup>(2)</sup> Closing rates as at 31 July 2018.

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

There were no significant events after 31 July 2018 till 13 September 2018, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Notes A9(b) and B6(a)(iv).

## A9. Changes in the Composition of the Group

- (a) There were no changes in the composition of the Group during the 9 months ended 31 July 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 Development”).
    - (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 Development 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.
- (b) During the period between 1 August 2018 until 13 September 2018, being the latest practicable date prior to the date of issue of this interim financial report, the following change in the composition of the Group took place:
- (i) 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.

## A10. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities during the 9 months ended 31 July 2018.

## A11. Commitments and Contingencies

|   | As at<br>31/07/2018<br>RM'000 |
|---|-------------------------------|
| Approved and contracted for:  |                               |
| - Commitment to acquire plant and equipment   | 27                            |
| - 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> ) | 212,363                       |
| (ii) EcoWorld London by way of shareholder’s loan ( <i>Note b</i> )   | 403,364                       |
| (iii) EcoWorld London Development by way of shareholder’s loan ( <i>Note b</i> )  | <u>1,758</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 RM481.02 million based on the exchange rate of GBP1.00 : RM5.3447 as at 31 July 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.

### Note b

The Group and the other joint venture partner are jointly committed to provide additional funding into EcoWorld London or EcoWorld London Development to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies or EcoWorld London Development 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 Development.

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 shares held by the Non-Funding Shareholder in EcoWorld London group of companies or EcoWorld London Development, as the case may be, at a nominal price.

**A12. Significant Related Party Transactions**

|  | <b>9 MONTHS<br/>ENDED<br/>31/07/2018<br/>RM'000</b> |
|--|---|
| (i) Transactions with joint ventures   |   |
| - Advances to joint ventures   | 714,943   |
| - Interest receivable  | 38,661  |
| - Revenue  | 18  |
| (ii) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad (“EW Berhad”) where a director of the Company is also a director of EW Berhad |   |
| - Agent fees paid or payable   | 127   |
| - Support service fees paid or payable   | 71  |
| (iii) Transaction with a joint venture of EW Berhad where a director of the Company is also a director of EW Berhad  |   |
| - Rental paid or payable   | 743   |
| (iv) Transaction with a company where a director has interest  |   |
| - Rental paid or payable   | 135   |
| (v) Transaction with a company where a subsidiary director has interest  |   |
| - Consultancy fee paid or payable  | 539   |
| (vi) Transaction with a corporate shareholder of a subsidiary  |   |
| - Advances received  | 13,235  |
| (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       |                      |                   | 9 MONTHS ENDED       |                      |                   |
|--|----------------------|----------------------|-------------------|----------------------|----------------------|-------------------|
|  | 31/07/2018<br>RM'000 | 31/07/2017<br>RM'000 | CHANGES<br>RM'000 | 31/07/2018<br>RM'000 | 31/07/2017<br>RM'000 | CHANGES<br>RM'000 |
| Revenue  | -                    | 97                   | (97)              | 18                   | 461                  | (443)             |
| Gross loss   | (1,068)              | (1,456)              | 388               | (3,564)              | (3,769)              | 205               |
| Share of results<br>in joint ventures  | 36,397               | (13,201)             | 49,598            | 22,831               | (37,903)             | 60,734            |
| Profit/(Loss)<br>before interest<br>and tax                                    | 12,212               | (22,232)             | 34,444            | (36,428)             | (19,630)             | (16,798)          |
| Profit/(Loss)<br>before tax  | 7,829                | (22,232)             | 30,061            | (40,909)             | (51,550)             | 10,641            |
| Profit/(Loss) for<br>the period  | 10,379               | (23,547)             | 33,926            | (34,914)             | (53,171)             | 18,257            |
| Profit/(Loss) for<br>the period<br>attributable to<br>owners of the<br>Company | <u>10,444</u>        | <u>(24,197)</u>      | <u>34,641</u>     | <u>(34,837)</u>      | <u>(55,076)</u>      | <u>20,239</u>     |

**(a) Performance of the current quarter against the same quarter in the preceding year (3Q 2018 vs. 3Q 2017)**

During the current quarter, the Group recorded a profit before tax ("PBT") of RM7.83 million for 3Q 2018 compared to the loss before tax ("LBT") of RM22.23 million reported for 3Q 2017.

The PBT reported in 3Q 2018 was mainly due to recognition of revenue and profit by one of 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 RM36.40 million as its attributable share of results from its joint ventures as opposed to the share of loss of RM13.20 million taken up in the previous year.

There was no revenue recorded by the Group's subsidiaries in 3Q 2018. The 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. Gross loss incurred by the Group's subsidiaries for 3Q 2018 was RM1.07 million which was lower than RM1.46 million reported in 3Q 2017.

**B1. Review of Group Performance (continued)****(b) Performance of the current year to-date against the same year in the preceding year (3Q YTD 2018 vs. 3Q YTD 2017)**

During the 9 months ended 31 July 2018, the Group recorded revenue of RM0.02 million, which was lower than the RM0.46 million reported for the 9 months ended 31 July 2017. Gross loss for the current financial period was RM3.56 million.

The Group recorded a lower LBT of RM40.91 million in the current financial period as compared to the RM51.55 million reported for the 9 months ended 31 July 2017.

The lower LBT incurred in the current financial period was mainly due to the commencement of revenue and profit recognition by its joint venture mentioned in Note B1(a) above. The smaller percentage change in LBT as compared to the change in the Group's share of results in joint ventures was due to an unrealised gain on foreign exchange of RM45.84 million having been included in the results for the 9 months ended 31 July 2017.

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

|  | <b>3 MONTHS ENDED</b> |                   |                |
|--|-----------------------|-------------------|----------------|
|  | <b>31/07/2018</b>     | <b>30/04/2018</b> | <b>CHANGES</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     | <b>RM'000</b>  |
| Revenue  | -                     | -                 | -              |
| Gross loss   | (1,068)               | (846)             | (222)          |
| Share of results in joint ventures                                 | 36,397                | (4,935)           | 41,332         |
| Profit/(Loss) before interest and tax                              | 12,212                | (29,885)          | 42,097         |
| Profit/(Loss) before tax   | 7,829                 | (29,983)          | 37,812         |
| Profit/(Loss) for the period                                       | 10,379                | (28,875)          | 39,254         |
| Profit/(Loss) for the period attributable to owners of the Company | <u>10,444</u>         | <u>(29,076)</u>   | 39,520         |

There was no revenue recorded in both current and preceding quarters. The Group's current quarter PBT was RM7.83 million, which was RM37.81 million higher than the LBT recorded in preceding quarter ended 30 April 2018.

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



**B3. Sales Achieved and Prospects for the Current Financial Year**

| PROJECTS              | LANDBANK<br>AS AT<br>31/08/2018 | 10 MONTHS ENDED<br>31/08/2018 |               |                                      | CUMULATIVE<br>SALES                     | UNBILLED<br>SALES                        |
|-----------------------|---------------------------------|-------------------------------|---------------|--------------------------------------|---|--|
|                       | Total<br>(Acres)                | Units<br>launched             | Units<br>sold | Sales value<br>RM'mil <sup>(1)</sup> | Total achieved<br>RM'mil <sup>(2)</sup> | Effective stake<br>RM'mil <sup>(3)</sup> |
| London <sup>(4)</sup> | 50.3                            | 31                            | 231           | 847                                  | 7,332                                   | 4,855                                    |
| Sydney                | 1.2                             | -                             | 14            | 38                                   | 853                                     | 853                                      |
| Melbourne             | 0.5                             | -                             | 47            | 141                                  | 369                                     | 295                                      |
| <b>Total</b>          | <b>52.0</b>                     | <b>31</b>                     | <b>292</b>    | <b>1,026</b>                         | <b>8,554</b>                            | <b>6,003</b>                             |

EcoWorld International achieved two significant milestones in the third quarter of FY2018. First, the Group commenced the handover of units in Amelia Tower of London City Island in July 2018. This marks the Group's first project to be handed over, three years after the EcoWorld brand was launched internationally in 2015. Amelia Tower has a take-up rate of 99% and many units were signed up for rental within a week of handover, which augurs well for the prospects of the entire London City Island development as well as the EcoWorld brand name in the London property market.

The successful completion of Amelia Tower enabled the Group to achieve its second important milestone of reporting its maiden quarterly net profit attributable to shareholders of RM10.44 million. More units in London City Island and Embassy Gardens are scheduled for handover in the fourth quarter of FY2018 which will contribute positively to the Group's profitability. As at 3 September 2018, 168 purchasers in London City Island have received their keys and this number will continue to build up over the remaining weeks of FY2018.

The Board is also pleased to share that the Group recorded RM1,026 million sales in the first ten months of FY2018. Its projects in London<sup>(4)</sup> contributed RM847 million while those in Australia generated RM179 million. As at 31 August 2018, the Group's effective share of unbilled sales stands at RM6.0 billion.

On the corporate front, EcoWorld London, the new joint venture between EcoWorld International and the Willmott Dixon Group acquired its eighth site (Kew Bridge) on 20 August 2018, raising the gross development value of the Group's UK projects to GBP4.1 billion with a total development pipeline of over 8,000 units.

Shortly thereafter on 29 August 2018, EcoWorld London announced the entry into Heads of Terms with Invesco Real Estate, a North American Pension Fund, for the sale and forward funding of more than 1,000 new Build to Rent (BtR) homes on two sites in Kew and Barking. Valued at nearly GBP400 million, this will be one of the most significant BtR deals ever undertaken in the UK.

EcoWorld London targets to complete the sale by October 2018 which is expected to contribute towards achieving EcoWorld International's sales target of RM3 billion for FY2018. The strong and growing demand for BtR developments and the suitability of several of the sites within EcoWorld London's existing portfolio for such projects bodes well for the continued growth and sustainability of the Group's UK business.

EcoWorld London is also working towards acquiring the remaining Stage 2 sites as disclosed in Note B6(a) from Be Living, as and when the relevant conditions precedent are met. Meanwhile, EcoWorld International targets to complete its acquisition of the Macquarie Park site in Sydney by late-2018. Located close to Sydney's second largest business district and one of the largest employment business and technology precincts in the Southern Hemisphere, the site is planned for redevelopment into a 125-unit residential apartment with a small component of retail with an estimated GDV of AUD139 million.

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

All of the above establishes a healthy pipeline of new projects for EcoWorld International covering a wide range of products at different price-points spread across several geographical locations – this provides the Group with a strong foundation on which to anchor its growth ambitions and assures the long-term viability of its business model.

Notes:

- (1) Based on the exchange rate of GBP1.00 : RM5.3459 and AUD1.00 : RM2.9959 as at 30 August 2018. As at 31 July 2018, the YTD Sales Value achieved stood at RM907 million (RM701 million (UK) + RM206 million (Aust)) from 205 units (UK) + 68 units (Aust) sold.
- (2) Cumulative sales as at 31 August 2018 represent contracts exchanged of RM8.315 billion and reserved units of RM239 million. (As at 31 July 2018, cumulative sales stood at RM8.441 billion, representing contracts exchanged of RM7.002 billion (UK) + RM1.221 billion (Aust) and reserved units of RM182 million (UK) + RM36 million (Aust)).
- (3) Share of unbilled sales based on effective stake in joint venture and subsidiaries as at 31 August 2018 and excluding reserved units. As at 31 July 2018, the share of unbilled sales based on effective stake stood at RM5.937 billion (RM4.788 billion (UK) + RM1.149 billion (Aust)).
- (4) Includes South Woking, Kensal Rise & Maida Hill, Millbrook Park, Barking Wharf, Barking Site, Nantly House, Aberfeldy Village and Kew Bridge.

### B4. Variance of Actual Profit from Forecast Profit

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

### B5. Taxation

Taxation comprises:

|                             | 3 MONTHS ENDED |              | 9 MONTHS ENDED |              |
|-----------------------------|----------------|--------------|----------------|--------------|
|                             | 31/07/2018     | 31/07/2017   | 31/07/2018     | 31/07/2017   |
|                             | RM'000         | RM'000       | RM'000         | RM'000       |
| Current tax                 |                |              |                |              |
| Malaysian tax               |                |              |                |              |
| - current quarter           | -              | 769          | -              | 1,414        |
| - in respect of prior years | (394)          | 1            | (394)          | 1            |
| Foreign tax                 |                |              |                |              |
| - current quarter           | 423            | 595          | 1,443          | 1,849        |
| - in respect of prior years | -              | (30)         | (1)            | (30)         |
| Deferred tax                |                |              |                |              |
| Malaysian tax               |                |              |                |              |
| - current quarter           | (215)          | 4            | (844)          | (526)        |
| - in respect of prior years | (3)            | 106          | (3)            | 250          |
| Foreign tax                 |                |              |                |              |
| - current quarter           | (1,593)        | (157)        | (5,428)        | (1,364)      |
| - in respect of prior years | (768)          | 27           | (768)          | 27           |
|                             | <u>(2,550)</u> | <u>1,315</u> | <u>(5,995)</u> | <u>1,621</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 13 September 2018:

### Acquisition of 70% equity interest in 12 development projects and a development management entity in UK

- (i) On 8 November 2017, our 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 our Company, entered into a conditional sale and purchase agreement with Be Living to acquire 70% equity interests in EcoWorld London and EcoWorld London Development (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<sup>(a)</sup>), 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.
- (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

- (i) On 24 November 2017, Eco World (Macquarie) Pty Ltd (“EcoWorld Macquarie”), an indirect wholly-owned subsidiary of our 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”) for a purchase consideration of AUD33.8 million (equivalent to RM105.86 million<sup>(b)</sup>).

On 5 February 2018, the Option Agreement has become unconditional and on 6 September 2018, EcoWorld Macquarie has exercised the call option to buy the Properties from the Vendors. EcoWorld Macquarie had on the same day entered into a definitive sale and purchase agreement with each of the Vendors to purchase the Properties (“SPA”).

**B6. Status of Corporate Proposals (continued)**

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 to facilitate completion of the SPAs by 9 November 2018. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million<sup>(b)</sup>).

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 : RM3.1320 as at 23 November 2017, being the last full market day prior to the announcement dated 24 November 2017.*

- (b) Utilisation of IPO Proceeds as at 31 July 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:

| <b>Purpose</b>                                    | <b>Proposed utilisation<br/>RM'mil</b> | <b>Actual utilisation<br/>RM'mil</b> | <b>Re-allocation<br/>RM'mil</b> | <b>Balance unutilised<br/>RM'mil</b> | <b>Intended timeframe for utilisation from completed date</b> |
|---|--|--------------------------------------|---------------------------------|--------------------------------------|---|
| Debt repayment                                    |  |                                      |                                 |                                      |   |
| - Repayment of bank borrowings                    | 1,211                                  | (1,159)                              | (52)                            | -                                    | Within 6 months   |
| - Repayment of advances                           | 156                                    | (143)                                | (13)                            | -                                    | Within 6 months   |
| <b>Subtotal</b>                                   | <b>1,367</b>                           | <b>(1,302)</b>                       | <b>(65)</b>                     | <b>-</b>                             |   |
| Settlement of the acquisition of EW Investment    | 38                                     | (38)                                 | -                               | -                                    | Within 1 month  |
| Working capital and/or future land acquisition(s) | 1,126                                  | (1,122)                              | 76                              | 80                                   | Within 36 months  |
| Estimated listing expenses                        | 53                                     | (42)                                 | (11)                            | -                                    | Within 3 months   |
| <b>Total</b>                                      | <b>2,584</b>                           | <b>(2,504)</b>                       | <b>-</b>                        | <b>80</b>                            |   |

## B7. Group Borrowings and Debt Securities

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

|                       | As at<br>31/07/2018   |                             |        | As at<br>31/10/2017      |                          |
|-----------------------|-----------------------|-----------------------------|--------|--------------------------|--------------------------|
|                       | Secured/<br>Unsecured | Foreign<br>Currency<br>'000 |        | RM<br>Equivalent<br>'000 | RM<br>Equivalent<br>'000 |
| Short term borrowings |                       |                             |        |                          |                          |
| - Term loan           | Secured               | GBP                         | 20,000 | 106,894                  | -                        |
| - Term loan           | Secured               | AUD                         | -      | -                        | 79,913                   |
|                       |                       |                             |        | 106,894                  | 79,913                   |
| Long term borrowings  |                       |                             |        |                          |                          |
| - Term loan           | Secured               | AUD                         | 25,290 | 76,301                   | 48,684                   |
| - Medium term notes   | Unsecured             | RM                          | -      | 178,734                  | -                        |
|                       |                       |                             |        | 255,035                  | 48,684                   |
| Total borrowings      |                       |                             |        |                          |                          |
| - Term loan           | Secured               | GBP                         | 20,000 | 106,894                  | -                        |
| - Term loan           | Secured               | AUD                         | 25,290 | 76,301                   | 128,597                  |
| - Medium term notes   | Unsecured             | RM                          | -      | 178,734                  | -                        |
|                       |                       |                             |        | 361,929                  | 128,597                  |

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

The increase in borrowings arising from the issuance of the Islamic medium term notes of RM180.0 mil and drawdown of term loan of GBP20.0 mil to facilitate the payment for EcoWorld London acquisitions and future general working capital.

## B8. Material Litigation

The Group was not engaged in any material litigation as at 13 September 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 9 months ended 31 July 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 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   |                  | 9 MONTHS ENDED   |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31/07/2018       | 31/07/2017       | 31/07/2018       | 31/07/2017       |
| Profit/(Loss) for the period attributable to owners of the Company (RM'000) | <u>10,444</u>    | <u>(24,197)</u>  | <u>(34,837)</u>  | <u>(55,076)</u>  |
| Number of ordinary shares at beginning of the period ('000)                 | 2,400,000        | 2,400,000        | 2,400,000        | 246,541          |
| Effect of share issued pursuant to:   |                  |                  |                  |                  |
| - Issuance of ordinary shares ('000)  | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>978,128</u>   |
| Weighted average number of ordinary shares ('000)                           | <u>2,400,000</u> | <u>2,400,000</u> | <u>2,400,000</u> | <u>1,224,669</u> |
| Basic Earnings/(Loss) Per Ordinary Share (sen)                              | <u>0.44</u>      | <u>(1.01)</u>    | <u>(1.45)</u>    | <u>(4.50)</u>    |

## (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 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   |                  | 9 MONTHS ENDED   |                  |
|--|------------------|------------------|------------------|------------------|
|  | 31/07/2018       | 31/07/2017       | 31/07/2018       | 31/07/2017       |
| Profit/(Loss) for the period attributable to owners of the Company (RM'000)                    | <u>10,444</u>    | <u>(24,197)</u>  | <u>(34,837)</u>  | <u>(55,076)</u>  |
| Weighted average number of ordinary shares for Basic Earnings/(Loss) Per Ordinary Share ('000) | 2,400,000        | 2,400,000        | 2,400,000        | 1,224,669        |
| 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>1,224,669</u> |
| Diluted Earnings/(Loss) Per Ordinary Share (sen) *   | <u>0.44</u>      | <u>(1.01)</u>    | <u>(1.45)</u>    | <u>(4.50)</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):

|  | <b>3 MONTHS<br/>ENDED<br/>31/07/2018<br/>RM'000</b> | <b>9 MONTHS<br/>ENDED<br/>31/07/2018<br/>RM'000</b> |
|--|---|---|
| Interest income  | 1,410   | 11,281  |
| Other income including investment income                                 | -   | -   |
| Interest expense   | (4,383)   | (4,481)   |
| Depreciation and amortisation  | (606)   | (1,716)   |
| 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  | (2,854)   | (7,688)   |
| Gain or loss on derivatives  | -   | -   |
| Exceptional items  | -   | -   |

By order of the Board  
Tan Ai Ning  
Company Secretary  
20 September 2018