


Quarterly rpt on consolidated results for the financial period ended 30 Apr 2017

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2017
Quarter	2 Qtr
Quarterly report for the financial period ended	30 Apr 2017
The figures	have not been audited

Attachments

 [EWIB-2Q 2017 Results.pdf](#)
174.8 kB

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

SUMMARY OF KEY FINANCIAL INFORMATION 30 Apr 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Apr 2017	30 Apr 2016	30 Apr 2017	30 Apr 2016
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	37	135	364	212
2	Profit/(loss) before tax	-23,838	-59,773	-29,318	-117,603
3	Profit/(loss) for the period	-24,115	-59,924	-29,624	-117,070
4	Profit/(loss) attributable to ordinary equity holders of the parent	-24,817	-60,824	-30,879	-118,626
5	Basic earnings/(loss) per share (Subunit)	-2.43	-24.67	-4.92	-59.44
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	1.0800		0.4400	

Definition of Subunit:

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

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

 **Announcement Info**

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	15 Jun 2017
Category	Financial Results
Reference Number	FRA-14062017-00006

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

Interim Financial Report
30 April 2017

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

Interim Financial Report - 30 April 2017

	Page No.
Condensed Consolidated Statement of Comprehensive Income	1-2
Condensed Consolidated Statement of Financial Position	3-4
Condensed Consolidated Statement of Changes In Equity	5
Condensed Consolidated Statement of Cash Flows	6-7
Notes to the Interim Financial Report	8-11
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	12-18

ECO WORLD INTERNATIONAL BERHAD

(Company No: 1059850-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2017**

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 APRIL 2017	30 APRIL 2016	30 APRIL 2017	30 APRIL 2016 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	37	135	364	212
Direct expenses	(1,212)	(871)	(2,677)	(1,537)
Gross loss	(1,175)	(736)	(2,313)	(1,325)
Other income	7,794	19	8,192	5,583
Marketing expenses	(316)	(278)	(661)	(660)
Administrative and general expenses	(15,162)	(6,648)	(26,157)	(22,434)
Unrealised gain/(loss) on foreign exchange	12,570	(23,905)	48,243	(44,997)
Finance costs	(15,334)	(10,293)	(31,920)	(25,145)
Share of results in a joint venture	(12,215)	(17,932)	(24,702)	(28,625)
Loss before tax	(23,838)	(59,773)	(29,318)	(117,603)
Taxation	(277)	(151)	(306)	533
Loss for the period	(24,115)	(59,924)	(29,624)	(117,070)
Other comprehensive (loss)/income, net of tax				
<i>Item that may be reclassified to profit or loss subsequently:</i>				
Exchange differences on translation of foreign operations	(4,389)	9,618	(19,892)	19,196
Total comprehensive loss for the period	(28,504)	(50,306)	(49,516)	(97,874)
(Loss)/Profit for the period attributable to:				
Owners of the Company	(24,817)	(60,824)	(30,879)	(118,626)
Non-controlling interests	702	900	1,255	1,556
	(24,115)	(59,924)	(29,624)	(117,070)
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	(29,298)	(51,061)	(51,258)	(99,082)
Non-controlling interests	794	755	1,742	1,208
	(28,504)	(50,306)	(49,516)	(97,874)
Loss per share attributable to owners of the Company :				
Basic loss per share (sen)	(2.43)	(24.67)	(4.92)	(59.44)
Diluted loss per share (sen)	(2.43) *	N/A	(4.92) *	N/A

* Anti-dilutive

N/A - Not applicable

ECO WORLD INTERNATIONAL BERHAD**(Company No: 1059850-A)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2017 (continued)***(The figures have not been audited)**Notes:*

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

ECO WORLD INTERNATIONAL BERHAD

(Company No: 1059850-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017**

	As At 30 APRIL 2017 (UNAUDITED) RM'000	As At 31 OCTOBER 2016 ⁽²⁾ (AUDITED) RM'000
ASSETS		
Non-current assets		
Plant and equipment	4,751	2,299
Goodwill	126,302	126,302
Investment in a joint venture	97,176	127,646
Amount owing by a joint venture	984,232	745,417
Deferred tax assets	14,511	12,757
	<u>1,226,972</u>	<u>1,014,421</u>
Current assets		
Properties under development for sale	190,445	174,040
Trade and other receivables and prepayments	3,170	7,172
Deferred expenditure	-	10,638
Current tax assets	682	628
Cash and bank balances	1,264,732	18,573
	<u>1,459,029</u>	<u>211,051</u>
TOTAL ASSETS	<u>2,686,001</u>	<u>1,225,472</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	246,541
Share premium	-	49,158
Warrants reserve	276,418	-
Exchange translation reserve	14,319	34,698
Accumulated losses	(284,883)	(222,514)
Equity attributable to owners of the Company	<u>2,598,305</u>	<u>107,883</u>
Non-controlling interests	6,530	4,788
Total equity	<u>2,604,835</u>	<u>112,671</u>
Current liabilities		
Trade and other payables and accruals	25,622	16,340
Amounts owing to former holding companies	-	12,954
Amounts owing to a shareholder	-	144,234
Amount owing to a former shareholder of a subsidiary	-	10,660
Borrowings	48,695	923,867
Current tax liabilities	4,992	2,920
	<u>79,309</u>	<u>1,110,975</u>
Non-current liabilities		
Deferred tax liabilities	1,857	1,826
	<u>1,857</u>	<u>1,826</u>
Total liabilities	<u>81,166</u>	<u>1,112,801</u>
TOTAL EQUITY AND LIABILITIES	<u>2,686,001</u>	<u>1,225,472</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.08</u>	<u>0.44</u>

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017 (continued)

Notes:

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2017

(The figures have not been audited)

	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000			
At 1 November 2016	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671
Total other comprehensive (loss)/income for the period	-	-	-	(20,379)	-	(20,379)	487	(19,892)
(Loss)/Profit for the period	-	-	-	-	(30,879)	(30,879)	1,255	(29,624)
Total comprehensive (loss)/income for the period	-	-	-	(20,379)	(30,879)	(51,258)	1,742	(49,516)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares								
- Share subscription	2,584,151	-	-	-	-	2,584,151	-	2,584,151
- Warrants	(276,418)	-	276,418	-	-	-	-	-
Effects from adoption of Companies Act 2016	49,158	(49,158)	-	-	-	-	-	-
Share issue expenses	(10,981)	-	-	-	(31,490)	(42,471)	-	(42,471)
At 30 APRIL 2017	2,592,451	-	276,418	14,319	(284,883)	2,598,305	6,530	2,604,835
At 1 November 2015	750	-	-	-	(2,421)	(1,671)	-	(1,671)
Total other comprehensive income/ (loss) for the period	-	-	-	19,544	-	19,544	(348)	19,196
(Loss)/ Profit for the period	-	-	-	-	(118,626)	(118,626)	1,556	(117,070)
Total comprehensive income/ (loss) for the period	-	-	-	19,544	(118,626)	(99,082)	1,208	(97,874)
<i>Transactions with owners of the Company:</i>								
Issuance of ordinary shares	245,791	49,158	-	-	-	294,949	-	294,949
Acquisition of a subsidiary	-	-	-	-	-	-	2,643	2,643
At 30 APRIL 2016 ⁽²⁾	246,541	49,158	-	19,544	(121,047)	194,196	3,851	198,047

Notes:

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2017

(The figures have not been audited)

	6 MONTHS ENDED	
	30 APRIL 2017	30 APRIL 2016 ⁽²⁾
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(29,318)	(117,603)
Adjustments for :		
Non-cash items	(26,384)	68,363
Non-operating items	28,796	33,942
Operating loss before working capital changes	<u>(26,906)</u>	<u>(15,298)</u>
Changes in properties under development for sale	(12,163)	(1,716)
Changes in receivables	8,546	2,131
Changes in payables	4,821	(963)
Cash used in operations	<u>(25,702)</u>	<u>(15,846)</u>
Interest received	864	17
Tax paid	(185)	(646)
Net cash used in operating activities	<u><u>(25,023)</u></u>	<u><u>(16,475)</u></u>
Cash Flows From Investing Activities		
Purchase of plant and equipment	(3,195)	(115)
Proceeds from disposal of plant and equipment	27	-
Advances to a joint venture	(145,531)	(184,462)
Acquisition of subsidiaries	-	6,517
Withdrawal/ (Placements) of deposits, debt service reserve and interest service reserve accounts	2,675	(2,680)
Landholder duty	-	(8,691)
Interest received	3,283	25
Net cash used in investing activities	<u><u>(142,741)</u></u>	<u><u>(189,406)</u></u>
Cash Flows From Financing Activities		
Drawdown of borrowings	230,452	259,339
Repayment of borrowings	(1,161,774)	-
Proceeds from issuance of ordinary shares	2,584,151	119,249
Repayment to a shareholder	(153,622)	(14,002)
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)	(116,494)
Finance costs	(29,527)	(24,617)
Listing expenses	(29,102)	(2,798)
Net cash generated from financing activities	<u><u>1,415,258</u></u>	<u><u>220,677</u></u>
Net changes in cash and cash equivalents	1,247,494	14,796
Cash and cash equivalents at 1 November 2016/ 2015	7,719	164
Effect of exchange rate changes	1,340	(2,108)
Cash and cash equivalents at 30 April 2017/ 2016	<u><u>1,256,553</u></u>	<u><u>12,852</u></u>

ECO WORLD INTERNATIONAL BERHAD

(Company No: 1059850-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2017 (continued)**

(The figures have not been audited)

	6 MONTHS ENDED	
	30 APRIL 2017	30 APRIL 2016 ⁽²⁾
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Deposits	1,203,989	-
Cash and bank balances	60,743	25,420
	<u>1,264,732</u>	<u>25,420</u>
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(8,179)	(12,568)
	<u>1,256,553</u>	<u>12,852</u>

Notes:

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

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

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

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 9 March 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2016 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 9 March 2017, except as follows:

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

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

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

- (ii) Adoption of the Companies Act 2016

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

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

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

A2. Auditors' Report

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

The uncertainty of the Group's ability to continue as a going concern has been addressed as the Company has completed its Initial Public Offering ("IPO") on 3 April 2017 with total funding raised of RM2,584,151,040. The Board believes that the IPO proceeds raised are sufficient to meet the working capital requirements of the Group in the foreseeable future. As a result, the Group has reported net assets of RM2,604.8 million as at 30 April 2017.

A3. Seasonal or Cyclical Factors

The business operations of the Group during the 6 months ended 30 April 2017 have not been materially affected by any seasonal or cyclical factors.

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

There were no unusual items for the 6 months ended 30 April 2017.

A5. Changes in Estimates

There were no material changes in estimates for the 6 months ended 30 April 2017.

A6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the 6 months ended 30 April 2017 except for the Company completing the IPO which saw the issuance of 2,153,459,200 new ordinary shares ("Shares") at the issue price of RM1.20 each, together with bonus issue of 960,000,000 Warrants on the basis of two (2) Warrants for every five (5) Shares held immediately after the IPO but prior to the listing on Bursa Malaysia.

The total cash proceeds raised from the IPO was RM2,584,151,040 ("IPO Proceeds"). The Shares and Warrants were listed on the Main Market of Bursa Malaysia on 3 April 2017.

A7. Dividends Paid

There was no payment of dividend during the 6 months ended 30 April 2017.

A8. Segmental Reporting

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

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

A8. Segmental Reporting (continued)

The segmental analysis for the 6 months ended 30 April 2017 is as follows:-

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
<u>Revenue</u>					
External revenue	-	-	364	-	364
Inter-segment revenue	11,248	-	-	(11,248)	-
Total revenue	<u>11,248</u>	<u>-</u>	<u>364</u>	<u>(11,248)</u>	<u>364</u>
Segment results	(5,264)	(4,024)	(19,199)	-	(28,487)
Share of results of a joint venture	(24,702)	-	-	-	(24,702)
Depreciation	(8)	(81)	(555)	-	(644)
Unrealised (loss)/gain on foreign exchange	(1)	6	48,238	-	48,243
Other income	18	131	8,043	-	8,192
Finance costs	(18,163)	(9)	(13,748)	-	(31,920)
(Loss)/Profit before tax	<u>(48,120)</u>	<u>(3,977)</u>	<u>22,779</u>	<u>-</u>	<u>(29,318)</u>
Taxation	(1,254)	1,207	(259)	-	(306)
(Loss)/Profit for the period	<u>(49,374)</u>	<u>(2,770)</u>	<u>22,520</u>	<u>-</u>	<u>(29,624)</u>

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

There were no significant events after 30 April 2017 till 8 June 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 6 months ended 30 April 2017.

A11. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the 6 months ended 30 April 2017.

A12. Capital Commitments

	As at 30/04/2017 RM'000
Approved and contracted for:-	
- Commitment to acquire plant and equipment	1,719
- Commitment to fund a joint venture by way of share subscription and shareholder's loans	705,052
- Commitment for share subscription in Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development Sdn Bhd) ("Eco World-Salcon")	<u>390</u>

A13. Contingent Liabilities

There were no changes in contingent liabilities in respect of the Group since the last annual balance sheet date except as disclosed below:

	RM'000
Balance as at 31 October 2016 (GBP 90 million)	459,873 ⁽¹⁾
- Exchange differences	45,306
Balance as at 30 April 2017	<u>505,179⁽²⁾</u>

Note:

(1) Based on the exchange rate of GBP1.00: RM5.1097 as at 31 October 2016.

(2) Based on the exchange rate of GBP1.00: RM5.6131 as at 30 April 2017.

A14. Significant Related Party Transactions

	6 MONTHS ENDED 30/04/2017 RM'000
(i) Transactions with a joint venture	
- Revenue	364
- Advances to joint venture	145,531
- Interest receivable	17,812
(ii) Transactions with a shareholder	
- Advances received	19,500
- Interest charged	2,892
(iii) Transaction of a subsidiary with its former holding company	
- Interest charged	220
(iv) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad where a shareholder of the Company is a director	
- Agent fees paid or payable	150
- Purchase of plant and equipment	649
(v) Transaction with a company where a director has interest	
- Rental paid or payable	75
(vi) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	139
(vii) Transactions with related companies of GLL EWI (HK) Limited, a major shareholder of the Company	
- Corporate advisory and placement fee payable	5,556
- Interest charged	1,073
- Interest received	113

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

B1. Review of Group Performance

(a) Performance of the current quarter against the same quarter in the preceding year (2Q 2017 vs. 2Q 2016)

Revenue for the Group for 2Q 2017 was RM0.04 million, which is 72.6% lower than the RM0.14 million reported in 2Q 2016. Gross loss for 2Q 2017 was RM1.18 million. The Group recorded a loss before tax (“LBT”) of RM23.84 million for 2Q 2017, which is 60.1% lower than the RM59.77 million reported for 2Q 2016.

The Group’s revenue for 2Q 2017 arose from fees for marketing services rendered by a subsidiary to the Group’s joint venture in respect of property sales of its projects in the United Kingdom.

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

The lower LBT incurred for 2Q 2017 was mainly due to unrealised foreign exchange differences as a result of an appreciation in exchange rate of the British Pound (“GBP”) in the current quarter.

(b) Performance of the current period to-date against the same period in the preceding year (2Q PTD 2017 vs. 2Q PTD 2016)

During the 6 months ended 30 April 2017, the Group recorded revenue of RM0.36 million, which is 71.7% higher than the RM0.21 million reported for the 6 months ended 30 April 2016. Gross loss for the current financial period was RM2.31 million. The Group recorded a loss before tax (“LBT”) of RM29.32 million in the current financial period, which is 75.1% lower than RM117.60 million reported for the 6 months ended 30 April 2016.

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

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

The Group’s current quarter revenue was RM0.04 million, which is RM0.29 million lower than the preceding quarter ended 31 January 2017. The Group’s current quarter LBT was RM23.84 million, which is RM18.36 million higher than the preceding quarter ended 31 January 2017.

The higher LBT incurred in the current financial period was mainly due to lower unrealised foreign exchange gain recorded as a result of lower appreciation in foreign exchange rate of the GBP in the current quarter and higher administrative expenses incurred in relation to the completion of the IPO.

B3. Prospects for the Current Financial Year

The Group continued to record steady sales, with RM1,051.4 million locked-in during the 1st half of FY2017. As at 31 May 2017, total sales achieved in FY2017 amounted to RM1,132 million - this brings total cumulative sales as at 31 May 2017 up to RM6,738 million. The sales secured are expected to deliver revenues (to the relevant entities developing these projects) of which about RM5,932.6 million⁽¹⁾ (GBP1,084.6 million) are from the projects in the United Kingdom and about RM805.4 million⁽¹⁾ (AUD253 million) is from the project in Australia.

Interest in all three of EWI's projects in the United Kingdom remain healthy bolstered by good construction progress on site and positive developments in the surrounding areas where the projects are located. London City Island also won four notable awards during the year, namely the *Best New Place to Live* (London Planning Awards), *Development of the Year* (RESI Awards), *Grand Prix Award & Best Regeneration Project* (London Evening Standard) and *Residential Development Award* (Wharf Property). These prestigious awards have further enhanced the project's positioning as the cultural heart of East London which is fast becoming a residential address of choice for savvy young Londoners and investors alike.

The Group's plans for the 2nd half of FY2017 include completion of the proposed acquisition of 80% of the issued share capital in Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development (Australia) Pty Ltd) ("EW-Salcon") which is disclosed below in Note B6 (a)(i).

EW-Salcon will be undertaking the development of about 2,128 square metres of freehold land at 16-22, Claremont Street, South Yarra, Victoria, 3141 Australia into a residential-led mixed use development ("Yarra One"). Yarra One comprises a 27-storey tower with 268 residential units complemented by a retail and office podium with the potential to deliver about AUD243.5 million in GDV.

Upon completion of the acquisition of EW-Salcon, sales from Yarra One is expected to contribute towards the achievement of the Group's overall sales target for FY2017 of RM2.5 billion which is approximately 11% higher than the sales achieved in FY2016 of RM2.252 billion.

In addition to the above, the Group will continue to seek out well located development sites in its three main target cities of London, Sydney and Melbourne where it has established a strong track-record and customer following to replenish its landbank. This is in line with its corporate objective of building up a well-diversified property portfolio with a good spread of projects at various stages of development and price points to ensure both business sustainability and broad market appeal.

Note:

(1) *Based on the exchange rate of GBP1.00: RM5.4698 and AUD1.00: RM3.188 as at 31 May 2017.*

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 30 April 2017.

B5. Taxation

Taxation comprises:-

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000	RM'000	RM'000	RM'000
Current tax				
Malaysian tax				
- current quarter	645	-	645	-
United Kingdom tax				
- current quarter	702	900	1,254	1,563
Deferred tax				
Malaysian tax				
- current quarter	(335)	(504)	(530)	(577)
- in respect of prior years	-	-	144	-
Australian tax				
- current quarter	(735)	(249)	(1,207)	(1,523)
- in respect of prior year	-	4	-	4
	<u>277</u>	<u>151</u>	<u>306</u>	<u>(533)</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) The following are the corporate proposals that have been announced by the Company which are not yet completed as at 8 June 2017, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

- (i) On 10 April 2017, Fortune Quest Group Ltd ("Fortune Quest"), a wholly-owned subsidiary of the Company, entered into a conditional share sale and purchase agreement ("Share SPA") with Salcon Development Sdn Bhd ("Salcon Development"), a wholly-owned subsidiary of Salcon Berhad, for the proposed acquisition of 80 ordinary shares in Eco World-Salcon representing 80% of the issued share capital of Eco World-Salcon ("Acquisition Shares") for a total purchase consideration of AUD120,000. In addition to the purchase consideration, Fortune Quest shall, on completion of the sale and purchase of the Acquisition Shares ("Completion"), repay a sum equivalent to 80% of the total advances owing by EW-Salcon to Salcon Development.

Barring unforeseen circumstances, the Share SPA is expected to be rendered unconditional and the Completion is expected to occur by fourth quarter of FY2017.

B6. Status of Corporate Proposals (continued)

(b) Utilisation of proceeds raised from corporate proposals as at 30 April 2017 are as follows:

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

Purpose	Proposed utilisation RM'mil	Actual utilisation RM'mil	Re-allocation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completed date
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
Subtotal	1,367	(1,302)	(65)	-	
Settlement of the acquisition of EW Investment	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(8)	65	1,183	Within 36 months
Estimated listing expenses	53	(27)	-	26	Within 3 months
Total	2,584	(1,375)	-	1,209	

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 30 April 2017 were secured, repayable within 12 months and denominated in Australian Dollar.

B8. Material Litigation

The Group was not engaged in any material litigation as at 8 June 2017 (being the latest practicable date which is not earlier than 7 days 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 6 months ended 30 April 2017.

B10. Loss Per Share Attributable to Owners of the Company

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

Loss per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:-

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
Loss for the period attributable to owners of the Company (RM'000)	<u>(24,817)</u>	<u>(60,824)</u>	<u>(30,879)</u>	<u>(118,626)</u>
Number of ordinary shares at beginning of the period ('000)	246,541	246,541	246,541	750
Effect of share issued pursuant to:				
- Issuance of ordinary shares ('000)	<u>774,277</u>	<u>-</u>	<u>380,722</u>	<u>198,811</u>
Weighted average number of ordinary shares ('000)	<u>1,020,818</u>	<u>246,541</u>	<u>627,263</u>	<u>199,561</u>
Basic Loss Per Ordinary Share (sen)	<u>(2.43)</u>	<u>(24.67)</u>	<u>(4.92)</u>	<u>(59.44)</u>

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

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

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
Loss for the period attributable to owners of the Company (RM'000)	<u>(24,817)</u>	<u>(60,824)</u>	<u>(30,879)</u>	<u>(118,626)</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	1,020,818	246,541	627,263	199,561
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>N/A</u>	<u>#</u>	<u>N/A</u>
Weighted average number of ordinary shares ('000)	<u>1,020,818</u>	<u>246,541</u>	<u>627,263</u>	<u>199,561</u>
Diluted Loss Per Ordinary Share (sen)	<u>(2.43)*</u>	<u>N/A</u>	<u>(4.92)*</u>	<u>N/A</u>

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

Notes:

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

* *Anti-dilutive*

N/A - Not applicable

B11. Realised and Unrealised Profits or Losses

The breakdown of the Group's accumulated losses as at 30 April 2017 into realised and unrealised profits or losses pursuant to Bursa Malaysia's directive, is as follows:-

	As at 30/04/2017 RM'000	As at 31/10/2016 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(305,304)	(222,799)
- Unrealised	(11,695)	(61,692)
	<u>(316,999)</u>	<u>(284,491)</u>
Total share of accumulated (losses)/profits from a joint venture:		
- Realised	(93,279)	(64,185)
- Unrealised	14,650	10,258
	<u>(78,629)</u>	<u>(53,927)</u>
Consolidation adjustments	110,745	115,904
Total Group accumulated losses as per consolidated accounts	<u><u>(284,883)</u></u>	<u><u>(222,514)</u></u>

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

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

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 30/04/2017 RM'000	6 MONTHS ENDED 30/04/2017 RM'000
Interest income	4,127	4,147
Other income including investment income	-	14
Interest expense	(15,334)	(31,920)
Depreciation and amortisation	(379)	(644)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain or (loss)	16,237	52,274
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

Notes:

N/A - Not applicable

By order of the Board

Tan Ai Ning
Company Secretary