

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

Interim Financial Report
31 January 2023

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ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2023
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2023	31 JANUARY 2022
	RM'000	RM'000
Revenue	484,734	533,423
Cost of sales	(358,402)	(419,036)
Gross profit	<u>126,332</u>	<u>114,387</u>
Other income	21,639	14,084
Selling and marketing expenses	(6,303)	(8,459)
Administrative expenses	(43,089)	(41,933)
Finance costs	(30,308)	(24,260)
Share of results in joint ventures, net of tax	18,157	27,279
Share of results in associates, net of tax	(6,627)	(1,821)
Profit before tax	<u>79,801</u>	<u>79,277</u>
Income tax expense	(22,801)	(15,913)
Profit net of tax	57,000	63,364
Other comprehensive income, net of tax		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	365	(32)
Share of other comprehensive loss of a joint venture	(18,315)	(15,509)
Total comprehensive income for the period	<u>39,050</u>	<u>47,823</u>
Profit net of tax attributable to:		
Owners of the Company	57,000	63,364
Non-controlling interests	-	-
	<u>57,000</u>	<u>63,364</u>
Total comprehensive income attributable to:		
Owners of the Company	39,050	47,823
Non-controlling interests	-	-
	<u>39,050</u>	<u>47,823</u>
Earnings per share attributable to owners of the Company:		
Basic earnings per share (sen)	1.94	2.15
Diluted earnings per share (sen) *	1.94	2.15

* *Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 October 2022 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023

	As At 31 JANUARY 2023 RM'000 UNAUDITED	As At 31 OCTOBER 2022 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	145,900	149,986
Investment property	20,038	19,973
Inventories - land held for property development	3,403,217	3,789,092
Investment in associates	63,648	67,448
Investment in joint ventures	1,279,406	1,292,396
Trade receivables	54,020	61,665
Lease receivables	1,370	1,710
Amount due from joint ventures	988,101	982,167
Deferred tax assets	102,231	102,911
Deposits	20,000	20,000
	<u>6,077,931</u>	<u>6,487,348</u>
Current assets		
Inventories - property under development	927,099	596,879
Inventories - completed properties	316,429	360,760
Contract assets	143,809	97,391
Current tax assets	92,067	81,087
Trade and other receivables	363,736	458,973
Lease receivables	1,339	1,326
Deposits	536,128	229,727
Cash and bank balances	453,058	1,086,235
	<u>2,833,665</u>	<u>2,912,378</u>
TOTAL ASSETS	<u>8,911,596</u>	<u>9,399,726</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	3,614,868	3,614,868
Foreign currency translation reserve	(17,948)	10
Cash flow hedge reserve	(217)	(225)
Retained earnings	1,121,931	1,123,818
Total equity	<u>4,718,634</u>	<u>4,738,471</u>
Non-current liabilities		
Loans and borrowings	1,642,585	1,726,987
Lease liabilities	6,830	7,151
Other payables	199,822	289,674
Deferred tax liabilities	96,334	81,284
	<u>1,945,571</u>	<u>2,105,096</u>
Current liabilities		
Trade and other payables	796,444	893,741
Contract liabilities	534,563	579,421
Bank overdrafts	22,582	21,432
Loans and borrowings	887,514	1,056,312
Lease liabilities	4,254	3,879
Current tax liabilities	2,034	1,374
	<u>2,247,391</u>	<u>2,556,159</u>
Total liabilities	<u>4,192,962</u>	<u>4,661,255</u>
TOTAL EQUITY AND LIABILITIES	<u>8,911,596</u>	<u>9,399,726</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.60</u>	<u>1.61</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2022 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2023
(The figures have not been audited)

	Share capital	Warrant	Foreign	Cash flow	Retained	Total
	RM'000	reserve	currency	hedge reserve	earnings	equity
	RM'000	RM'000	translation	RM'000	RM'000	RM'000
	RM'000	RM'000	reserve	RM'000	RM'000	RM'000
At 1 November 2022	3,614,868	-	10	(225)	1,123,818	4,738,471
Profit for the period	-	-	-	-	57,000	57,000
Other comprehensive (loss)/income	-	-	(17,958)	8	-	(17,950)
Transaction with owners:						
- Dividend paid	-	-	-	-	(58,887)	(58,887)
At 31 January 2023	3,614,868	-	(17,948)	(217)	1,121,931	4,718,634
At 1 November 2021	3,614,865	194,395	36,966	(355)	919,433	4,765,304
Profit for the period	-	-	-	-	63,364	63,364
Other comprehensive (loss)/income	-	-	(15,718)	177	-	(15,541)
Transaction with owners:						
- Dividend paid	-	-	-	-	(58,887)	(58,887)
At 31 January 2022	3,614,865	194,395	21,248	(178)	923,910	4,754,240

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2022 and the accompanying explanatory notes.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2023**

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2023	31 JANUARY 2022 (RESTATEd)
	RM'000	RM'000
Operating activities		
Profit before tax	79,801	79,277
Adjustments for :		
Non-cash items	(5,428)	(22,800)
Non-operating items	11,128	12,753
Operating cash flows before changes in working capital	85,501	69,230
Changes in inventories - property under development	74,863	107,011
Changes in inventories- completed properties	56,361	146,511
Changes in contract assets/contract liabilities	(91,277)	(13,005)
Changes in receivables	109,825	59,272
Changes in payables	(80,465)	(79,579)
Cash flows generated from operations	154,808	289,440
Interest received	3,246	444
Interest paid	(25,129)	(19,033)
Income taxes paid	(20,387)	(15,359)
Net cash flows generated from operating activities	112,538	255,492
Investing activities		
Additions to inventories - land held for property development	(136,767)	(42,328)
Purchase of property, plant and equipment and investment properties	(659)	(1,649)
Proceeds from disposal of property, plant and equipment	42	137
Subscription of shares in an associate	(2,826)	-
Advances to joint ventures	-	(25,000)
Repayment of interest by a joint venture	10,687	10,687
Placement of deposit pledged and/or with maturity of more than 3 months	(3,806)	(2)
Dividend received from a joint venture	2,000	-
Interest received from deposits	3,518	1,541
Net cash flows used in investing activities	(127,811)	(56,614)
Financing activities		
Drawdown of borrowings	52,561	140,565
Repayment of borrowings and lease liabilities	(307,773)	(297,652)
Interest paid	(2,331)	(3,611)
Dividend paid on ordinary shares	(58,887)	-
Net cash flows used in financing activities	(316,430)	(160,698)
Net (decrease)/increase in cash and cash equivalents	(331,703)	38,180
Effect of exchange rate changes	(29)	4
Cash and cash equivalents at 1 November 2022 / 2021	1,235,035	754,307
Cash and cash equivalents at 31 January 2023 / 2022	903,303	792,491
Cash and cash equivalents comprise the following:		
Deposits	556,128	466,292
Cash and bank balances	453,058	357,475
Bank overdrafts	(22,582)	(24,875)
	986,604	798,892
Less: Deposits pledged and/or with maturity of more than 3 months	(83,301)	(6,401)
	903,303	792,491

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 October 2022 and the accompanying explanatory notes.)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2022.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 October 2022 except for the adoption of the following amendments/improvements to MFRSs which are relevant and mandatory for the current financial year:-

Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRSs 2018-2020
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above amendments/improvements to MFRSs does not have any material financial impact to the Group.

Adoption of IFRS Interpretations Committee (“IFRIC”) Agenda Decision on IAS 7 Statement of Cash Flows (“Agenda Decision”)

In April 2022, IFRIC concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. Therefore, the demand deposit shall be included as a component of ‘cash and cash equivalents’ in the statement of cash flows if it meets the definition of cash in IAS 7.

Prior to financial year 2022, cash and bank balances with restricted use were not included as a component of ‘cash and cash equivalents’ in the Group’s consolidated statement of cash flows. Upon the adoption of the Agenda Decision in October 2022, the Group reassessed its cash and bank balances according to the guidance set out therein and concluded that certain cash and bank balances qualify as cash and cash equivalents. Accordingly, the Group has reclassified these cash and bank balances as cash and cash equivalents and has applied this classification retrospectively.

The effects of the adoption of the Agenda Decision on the consolidated statement of cash flows are as follows:

	As previously reported RM’000	Adjustment RM’000	As restated RM’000
Condensed Consolidated Statement of Cash Flows			
3 months ended 31 January 2022			
Net cash flows used in investing activities	(69,557)	12,943	(56,614)
Cash and cash equivalents at 1 November 2021	514,492	239,815	754,307
Cash and cash equivalents at 31 January 2022	539,733	252,758	792,491

1. **Basis of Preparation (Continued)**

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of financial position as at 31 January 2022 and consolidated statement of comprehensive income for the financial period then ended.

2. **Seasonal or Cyclical Factors**

The business operations of the Group during the 3 months ended 31 January 2023 have not been materially affected by any seasonal or cyclical factors.

3. **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 3 months ended 31 January 2023.

4. **Changes in Estimates**

There were no material changes in estimates for the 3 months ended 31 January 2023.

5. **Debts and Equity Securities**

There were no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the 3 months ended 31 January 2023.

6. **Dividend Paid**

On 19 January 2023, the Company paid a third interim single-tier dividend of 2 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2022.

7. **Segmental Reporting**

No segmental reporting is presented as the Group is primarily engaged in the business of property development in Malaysia.

8. **Events after the End of the Interim Financial Period**

There were no significant events after 31 January 2023 till 16 March 2023 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

9. **Changes in the Composition of the Group**

There were no changes in the composition of the Group during the 3 months ended 31 January 2023.

10. **Contingent Liabilities**

There were no contingent liabilities that has arisen since the end of the financial quarter up till 16 March 2023 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

11. Fair Value of Financial Instruments

- (a) There were no derivative financial instruments as at 31 January 2023.
- (b) The carrying amounts of the Group's financial assets and financial liabilities at amortised cost are reasonable approximations of fair values.

12. Disaggregation of Revenue

The Group's revenue is disaggregated by primary geographical market as follows:-

Location	3 MONTHS ENDED	
	31/01/2023 RM'000	31/01/2022 RM'000
Klang Valley	205,639	225,392
Iskandar Malaysia	276,190	294,578
Penang	2,905	13,453
	<u>484,734</u>	<u>533,423</u>

13. Commitments

	As at 31/01/2023 RM'000
Approved and contracted for:-	
Commitment to subscribe for additional shares in an associate	449
Commitment to acquire property, plant and equipment	2,381
Commitment to fund development costs of joint ventures	<u>125,000</u>

14. Significant Related Party Transactions

	3 MONTHS ENDED 31/01/2023 RM'000
(i) Transactions with a director of the Company	
- Legal fees paid and payable to a firm of an immediate family member of a director has interest	24
- Legal fees paid and payable to a firm, in which a director has interest	<u>80</u>
(ii) Transactions with joint ventures	
- Interest received and receivable	16,621
- Development management fees received and receivable	12,316
- Other resources fees received and receivable	4,977
- Brand licensing fees received and receivable	1,139
- Commission received and receivable	108
- Rental received and receivable	45
- Support service fees received and receivable	67
- Commitment fees received and receivable	113
- Secondment fees received and receivable	<u>810</u>
(iii) Transaction with an associate	
- Support service fees received and receivable	<u>251</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. Review of Group Performance

	3 MONTHS ENDED		Changes RM'000
	31/01/2023 RM'000	31/01/2022 RM'000	
Revenue	484,734	533,423	(48,689)
Gross profit	126,332	114,387	11,945
Share of results of joint ventures			
- Malaysia	23,378	28,839	(5,461)
- International	(5,221)	(1,560)	(3,661)
	18,157	27,279	(9,122)
Profit before interest and tax	110,109	103,537	6,572
Profit before tax (PBT)	79,801	79,277	524
Profit after tax (Malaysian operations)	62,221	64,924	(2,703)
Profit after tax (PAT)	57,000	63,364	(6,364)
Profit attributable to owners of the Company	57,000	63,364	(6,364)

The main projects which contributed to revenue and gross profit in 1Q 2023 were *Eco Majestic*, *Eco Forest* and *Eco Sanctuary* in the Klang Valley, *Eco Botanic*, *Eco Botanic 2*, *Eco Spring*, *Eco Business Park I*, *Eco Business Park II*, *Eco Tropics* and *Eco Business Park III* in Iskandar Malaysia and *Eco Terraces* in Penang.

Revenue in 1Q 2023 was lower than 1Q 2022 by 9.1%. This was mainly due to lower contributions in 1Q 2023 from several parcels which were substantially completed in FY2022. Revenue was also affected by the earlier Chinese New Year (“CNY”) celebrations in January 2023 which slowed down work progress during the festive season – this is expected to normalise and pick up in the upcoming quarters.

Despite the lower revenue, gross profit in 1Q 2023 was higher than 1Q 2022 by 10.4%. The gross profit margin improved to 26.1% in 1Q 2023 vs 21.4% in 1Q 2022. The improvement was mainly due to cost savings realised upon finalisation of accounts on completed phases during the quarter.

The Group’s share of the results of its Malaysian joint ventures came from *Eco Grandeur*, *Eco Business Park V*, *Eco Ardence* and *Eco Horizon*. Total contributions in 1Q 2023 were lower by 18.9% than in 1Q 2022. This was mainly due to:

- substantial completion of several phases of *Eco Ardence* and *BBCC* in FY2022 resulting in lower contributions to results in 1Q 2023;
- realisation of cost savings on matured phases in *Eco Ardence* in 1Q 2022; and
- lower levels of site activities in 1Q 2023 due to the earlier CNY festive period, as mentioned above.

Collectively the Malaysian joint ventures recorded a total of RM319.4 million in revenue in 1Q 2023 of which the Group’s effective share, based on its equity stakes in the respective joint ventures, amounted to RM172.6 million.

1. Review of Group Performance (Continued)

EcoWorld International Berhad (*EWI*) recorded a higher loss in 1Q 2023 as compared to 1Q 2022. This was mainly due to higher foreign exchange losses which arose from the weakening of the British Pound (“GBP”) against Ringgit Malaysia (“RM”) after advances of £107.86 million were repaid by *EWI*’s UK joint venture companies. As the cash repaid was still retained in GBP by *EWI* as at 31 January 2023, for reporting purposes, it was translated using the then prevailing GBP:MYR exchange rate. The GBP has since appreciated. Should the GBP continue to strengthen against RM, the foreign exchange losses recognised in 1Q 2023 will be fully or partially reversed in later quarters.

Before accounting for its share of loss in *EWI*, the Group’s Malaysian operations recorded a PAT of RM62.2 million in 1Q 2023, which was 4.2% lower compared to the RM64.9 million recorded in 1Q 2022. This was mainly due to lower contributions from its Malaysian joint ventures, as explained above, as well as higher finance cost following the issuance of the rated Sukuk Wakalah amounting to RM550 million in 4Q 2022.

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

	3 MONTHS ENDED		
	31/01/2023 RM’000	31/10/2022 RM’000	Changes RM’000
Revenue	484,734	559,282	(74,548)
Gross profit	126,332	154,822	(28,490)
Share of results of joint ventures			
- Malaysia	23,378	44,147	(20,769)
- International	(5,221)	(13,945)	8,724
	18,157	30,202	(12,045)
Profit before interest and tax	110,109	44,375	65,734
Profit before tax (PBT)	79,801	23,030	56,771
Profit after tax (Malaysian operations)	62,221	96,724	(34,503)
Profit after tax (PAT)	57,000	1,779	55,221
Profit attributable to owners of the Company	57,000	1,779	55,221

The Group’s revenue and gross profit were lower by 13.3% and 18.4%, respectively, as compared to the previous quarter. This was mainly due to higher sales secured (qualifying for revenue and profit recognition) from on-going and new launches as well as higher percentage of completion achieved on site in the previous quarter.

The share of results of the Group’s Malaysian joint ventures was lower in 1Q 2023 as compared to 4Q 2022 mainly due to substantial completion of several phases of *Eco Grandeur* and *Eco Ardence* in FY2022 resulting in lower contributions to results in 1Q 2023.

Share of losses in *EWI* was lower in 1Q 2023 mainly due to the absence of the non-recurring impairment of investment in the EcoWorld Ballymore joint venture in London of RM37.95 million that was recognised by *EWI* in the previous quarter.

2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter (Continued)

The Group recorded a PAT of RM57.0 million in 1Q 2023 as compared to RM1.8 million in 4Q 2022 mainly due to the recognition of a RM81.0 million impairment of its investment in EWI in the previous quarter.

3. Prospects for the Current Financial Year

The status of the Group's development projects as at 28 February 2023 is as follows:

Location of projects	No. of launched projects ²	4 months ended 28.02.2023			Cumulative sales ^{1,2} RM'mil	As at 28.02.2023 Future revenue ³ RM'mil
		Units launched ²	Units sold ^{1,2}	Sales value ² RM'mil		
Klang Valley	8	764	464	556	17,444	2,069
Iskandar Malaysia	8	613	434	688	10,015	1,610
Penang	3	114	121	102	2,143	283
Malaysia	19	1,491	1,019	1,346	29,602	3,962

Location of projects	Land Bank Acres ²	Units sold ^{1,2}	Sales value ² RM'mil	Cumulative sales ^{1,2} RM'mil	As at 28.02.2023 Future revenue ³ RM'mil
Australia	2.4	12	30	1,573	3
Overseas	53.1	78	335	17,001	69

Total future revenue attributable to EcoWorld Malaysia	4,031
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¹ Includes sales of units from prior year launches

² Includes projects and sales of joint ventures

³ Represents revenue expected to be recognised in the future from secured sales of subsidiaries and joint ventures based on EcoWorld Malaysia's equity interest

EcoWorld Malaysia recorded RM1.346 billion sales in the first four months of FY2023 which is more than the RM1.276 billion achieved in the same period of FY2022 and 38.5% of the Group's FY2023 sales target of RM3.5 billion.

A breakdown of sales by product category for the 4 months ended 28 February 2023 is set out below:

Product category	RM'mil	
Non-Residential		
- Business Parks	616	46%
- Commercial	182	13%
Residential		
- below RM650,000	109	8%
- above RM650,000	439	33%
Total	1,346	100%

The Eco Business Parks (EBP) segment recorded the highest sales, testament to the continued strong demand for EcoWorld Malaysia's industrial properties from local and international operators. Notably, the Group's concerted efforts to build up its network and actively pursue leads with multi-national industrialists resulted in a strategic sale to the Haitian Group of 92 acres of industrial lands at **EBP II** in Iskandar Malaysia.

3. Prospects for the Current Financial Year (Continued)

The Haitian Group is a leading industrial equipment manufacturer from China specialising in the production of a wide range of energy saving, eco-friendly and high precision industrial machines and solutions. Their sophisticated product portfolio includes the manufacture of mass and high-precision injection moulding machines covering the entire spectrum of the plastics processing industry to serve the automotive, packaging, medical, electronics, logistics and consumer goods sectors. The presence of such a large global player is expected to generate a positive catalytic effect to draw in other upstream and downstream businesses, thus accelerating the development and value creation for the remaining lands at **EBP II**.

Sales of Cluster, Semi-Dee and Service factories at **EBP I & EBP III** in Iskandar Malaysia and **EBP V** in the Klang Valley, as well as smaller plots of industrial lands for built-to-suit factories at **EBP V**, also contributed to the RM616 million achieved by the industrial segment.

Commercial products contributed RM182 million sales which is approximately 41% of the actual FY2022 full year sales from this segment. In the Klang Valley, shops and shop offices at **Hana Square @ Eco Ardence** saw good take-ups and down south in Iskandar Malaysia, sales picked up for retail, shop and office units at **Eco Galleria @ Eco Botanic, Eco Boulevard 2 @ Eco Botanic 2, Eco Palladium @ Eco Spring** as well as **Eco Biz 3 @ Eco Tropics**. The products are all located within matured townships and the encouraging sales performance demonstrates the commercial vibrancy of these projects that have increasingly attracted more retailers, F&B operators and other businesses to be established there.

Sales of residential homes totalled RM548 million in the first four months of FY2023. Launches in 1Q 2023 continue to be focused on the slightly higher end of the market given sustained interest in EcoWorld Malaysia's upgrader products. Landed products such as 2 storey terraces, CoHomes, Garden homes, Cluster homes and Semi-Dees available at **Eco Majestic, Eco Forest, Eco Sanctuary, Eco Ardence** and **Eco Grandeur** in the Klang Valley, **Eco Botanic 1 & 2, Eco Spring, Eco Tropics** in Iskandar Malaysia and **Eco Horizon** in Penang experienced strong demand. **BBC**'s launch of its **SWNK Houze** serviced apartments and the continued sale of the **Eden Condominium** units at **Eco Sanctuary** added to the overall sales achieved.

Arising from the above, EcoWorld Malaysia's future revenue has increased from RM3.577 billion as at 31 October 2022 to RM4.031 billion as at 28 February 2023.

As at 28 February 2023, the Group's land bank is as follows:-

Location of projects	No of projects	Land bank (acres)	
		Original land size	Undeveloped
Klang Valley	8	4,735.3	1,900.2
Iskandar Malaysia	8	3,119.1	1,094.5
Penang	4	463.9	232.1
The Group	20	8,318.3	3,226.8

Whilst the undeveloped landbank is still substantial, based on the Group's low gross and net gearing levels of 0.54 and 0.33, respectively, at 31 January 2023, EcoWorld Malaysia is well positioned to be able to take advantage of any good opportunities that may arise to acquire new lands or explore strategic joint ventures to add to its landbank to enhance its future growth prospects.

EWI

EWI recorded RM335 million sales in the first 4 months of FY2023 with reserves of RM189 million, adding up to a total of RM524 million. Embassy Gardens, which generated RM125 million, was the biggest contributor to sales, followed by Wardian (RM67 million), London City Island (RM63 million) and Oxbow (RM33 million).

3. Prospects for the Current Financial Year (Continued)

Based on the above, EWI is on track to achieve its RM1.4 billion sales target for FY2023. Sales of completed stocks remain central to achieving the target set. The focus on selling completed stocks has enabled significant cashflows to be generated, thus increasing EWI's net cash position as follows:

EWI	31 October 2022 RM'mil	31 January 2023 RM'mil
Cash, deposits and other investments	655	910
Total borrowings	(482)	(464)
Net cash	173	446

EWI has stated that its net cash is expected to improve further in the coming quarters as funds at its joint ventures are repatriated. Subject to its sales target being achieved and the receipt of the relevant regulatory approvals, its intention to distribute excess cash to shareholders in the later part of 2023, after setting aside funds required for the Group's working capital, is progressing as planned.

With regard to project updates, whilst the development plan for its Macquarie Park site in Australia has received approval from the relevant authorities in February 2023, EWI is reviewing its options for the site in view of the uncertainties in the current property market. Similarly, for its existing projects in the UK, feasibilities are being reviewed and any decision to proceed with launches will be made only after cost pressures stabilise and expected returns can be forecast with greater certainty.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 January 2023.

5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED	
	31/01/2023 RM'000	31/01/2022 RM'000
Current tax		
- for current quarter	10,063	17,183
- in respect of prior years	3	932
Deferred tax		
- for current quarter	11,678	(301)
- in respect of prior years	1,057	(1,901)
	<u>22,801</u>	<u>15,913</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

6. Status of Corporate Proposals

There were no corporate proposals previously announced by the Company that remained uncompleted as at 16 March 2023, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 January 2023 and 31 October 2022 were as follows:-

	As at 31 January 2023		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	129,282	152,500	281,782
Term loans	243,981	51,473	295,454
Bridging loans	271,891	13,144	285,035
Medium term notes	19,999	49,986	69,985
Sukuk	179,054	-	179,054
Hire purchase (included in lease liabilities)	-	24	24
	<u>844,207</u>	<u>267,127</u>	<u>1,111,334</u>
Unsecured			
Revolving credits	-	620,411	620,411
Medium term notes	249,574	-	249,574
Sukuk	548,804	-	548,804
Overdraft	-	22,582	22,582
	<u>798,378</u>	<u>642,993</u>	<u>1,441,371</u>
	<u>1,642,585</u>	<u>910,120</u>	<u>2,552,705</u>
As at 31 October 2022			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	147,247	199,964	347,211
Term loans	297,874	120,769	418,643
Bridging loans	284,644	19,713	304,357
Medium term notes	19,999	49,959	69,958
Sukuk	178,978	-	178,978
Hire purchase (included in lease liabilities)	-	48	48
	<u>928,742</u>	<u>390,453</u>	<u>1,319,195</u>
Unsecured			
Revolving credits	-	665,907	665,907
Medium term notes	249,504	-	249,504
Sukuk	548,741	-	548,741
Overdraft	-	21,432	21,432
	<u>798,245</u>	<u>687,339</u>	<u>1,485,584</u>
	<u>1,726,987</u>	<u>1,077,792</u>	<u>2,804,779</u>

The weighted average effective interest rate at the end of the reporting period/year were as follows:

	As at 31 January 2023	As at 31 October 2022
	%	%
Floating interest rate borrowings	5.11	4.83
Fixed interest rate borrowings	5.62	5.62

There were no bank borrowings denominated in foreign currencies as at the reporting date.

The decrease in borrowings is mainly due to repayments during the 3 months ended 31 January 2023.

7. Group Borrowings and Debt Securities (Continued)

The Group's gearing ratios are as follows:

	As at 31 January 2023	As at 31 October 2022
Gross Gearing (times)	0.54	0.59
Net Gearing (times)	0.33	0.31

8. Material Litigation

The Group was not engaged in any material litigation as at 16 March 2023 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), except as follows:

On 18 April 2022, Hasrat Budi Sdn. Bhd ("HBSB"), a wholly-owned subsidiary of the Company, filed a Writ of Summons in the Kuala Lumpur High Court vide Suit No. WA-22NCC-159-04/2022 against Revolusi Asia Sdn. Bhd., Entomo Malaysia Sdn. Bhd. and Raveenderen a/l Ramamoothie (collectively, the "Defendants") for breach of certain representations and warranties provided by the Defendants to HBSB under a share sale agreement entered into among the parties on 27 August 2021. HBSB is seeking to recover, amongst others, costs incurred totalling RM524,786.59 and general damages to be assessed by the Court.

The next Case Management is fixed on 7 April 2023 with Trial fixed on 23 to 26 October 2023 and 30 October 2023.

As an investor then, HBSB was not involved in the management or day-to-day operations of MYSJ Sdn. Bhd. and based on current assessment, the Suit No. WA-22NCC-159-04/2022 above is not expected to have any material impact on the financial position and operations of the Group.

9. Dividend Declared

On 16 December 2022, the Group declared a third interim single-tier dividend of 2.0 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2022, which was paid on 19 January 2023.

Other than that, the Group did not declare or pay any dividend since the end of the previous financial year.

10. Earnings Per Share Attributable to Owners of the Company

Earnings per share has been calculated by dividing the Group's profit after tax 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	
	31/01/2023	31/01/2022
Profit for the period attributable to owners of the Company (RM'000)	57,000	63,364
Weighted average number of ordinary shares ('000)	2,944,369	2,944,369
Basic Earnings Per Ordinary Share (sen)	1.94	2.15

Diluted earnings per share has been calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of shares that would have been in issue upon full exercise of the Warrants 2022/2029 (31.01.2022: Warrants 2015/2022) ("Warrants"), adjusted for the number of such shares that would have been issued at fair value.

10. Earnings Per Share Attributable To Owners of The Company (Continued)

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	
	31/01/2023	31/01/2022
Profit for the period attributable to owners of the Company (RM'000)	<u>57,000</u>	<u>63,364</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,369	2,944,369
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>
Diluted Earnings Per Ordinary Share (sen) *	<u>1.94</u>	<u>2.15</u>

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

* *Anti-dilutive*

11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 October 2022 were unqualified.

12. Provision of Financial Assistance

	3 MONTHS ENDED	
	31/01/2023	
	RM'000	
i) Guarantees given by the Company to secure the bank borrowings of:		
- Paragon Pinnacle Sdn. Bhd. ("Paragon Pinnacle")		20,800
- Eco Horizon Sdn. Bhd. ("Eco Horizon")		20,000
		=====
		As at 31/01/2023
		RM'000
ii) Guarantees given by the Company to secure the repayment by the following joint venture companies of all sums of monies due, owing, unpaid or outstanding to Tanjung Wibawa Sdn. Bhd.:		
- Paragon Pinnacle		430,020
- Eco Horizon		322,244
		=====

There has been no material impact on the earnings and net tangible assets of the Group for the 3 months ended 31 January 2023 arising from the above-mentioned guarantees.

13. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED
	31/01/2023
	RM'000
Interest income	18,354
Other income including investment income	3,285
Interest expense	(30,308)
Depreciation and amortisation	(5,555)
Allowance for impairment of receivables no longer required	466
Reversal of write down of inventories	347
Gain or loss on disposal of quoted or unquoted investments or properties	-
Net reversal for impairment of right-of-use assets	-
Foreign exchange gain or (loss)	(411)
Gain or loss on derivatives	-
Exceptional items	-
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By order of the Board
 Chua Siew Chuan
 Company Secretary
 23 March 2023