

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

**Interim Financial Report**  
**31 October 2023**

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**Interim Financial Report - 31 October 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 FINANCIAL YEAR ENDED 31 OCTOBER 2023**

*(The figures have not been audited)*

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 OCTOBER 2023	31 OCTOBER 2022	31 OCTOBER 2023	31 OCTOBER 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	844,456	559,282	2,226,862	2,043,570
Cost of sales	(669,389)	(404,460)	(1,688,296)	(1,553,126)
<b>Gross profit</b>	<u>175,067</u>	<u>154,822</u>	<u>538,566</u>	<u>490,444</u>
Other income	35,141	22,866	103,590	74,181
Selling and marketing expenses	(43,311)	(10,547)	(66,745)	(34,691)
Administrative expenses	(66,409)	(68,330)	(187,618)	(188,573)
Impairment loss on investment in a joint venture	(82,000)	(81,000)	(82,000)	(81,000)
Finance costs	(33,293)	(21,345)	(122,730)	(96,873)
Share of results in joint ventures, net of tax	39,477	30,202	104,106	73,435
Share of results in associates, net of tax	(4,615)	(3,638)	(17,146)	(11,162)
<b>Profit before tax</b>	<u>20,057</u>	<u>23,030</u>	<u>270,023</u>	<u>225,761</u>
Income tax expense	(16,764)	(21,251)	(80,700)	(68,552)
Profit net of tax	<u>3,293</u>	<u>1,779</u>	<u>189,323</u>	<u>157,209</u>
<b>Other comprehensive (loss)/income, net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(397)	(380)	(560)	(851)
Share of other comprehensive (loss)/income of a joint venture	(2,268)	3,914	22,954	(35,975)
<b>Total comprehensive income for the period/year</b>	<u>628</u>	<u>5,313</u>	<u>211,717</u>	<u>120,383</u>
<b>Profit net of tax attributable to:</b>				
Owners of the Company	3,293	1,779	189,323	157,209
Non-controlling interests	-	-	-	-
	<u>3,293</u>	<u>1,779</u>	<u>189,323</u>	<u>157,209</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	628	5,313	211,717	120,383
Non-controlling interests	-	-	-	-
	<u>628</u>	<u>5,313</u>	<u>211,717</u>	<u>120,383</u>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic earnings per share (sen)	<u>0.11</u>	<u>0.06</u>	<u>6.43</u>	<u>5.34</u>
Diluted earnings per share (sen) *	<u>0.11</u>	<u>0.06</u>	<u>6.43</u>	<u>5.34</u>

\* Anti-dilutive

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial 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 OCTOBER 2023**

	As At 31 OCTOBER 2023 RM'000 UNAUDITED	As At 31 OCTOBER 2022 RM'000 AUDITED
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	144,300	149,986
Investment property	20,434	19,973
Inventories - land held for property development	3,212,740	3,789,092
Investment in associates	54,056	67,448
Investment in joint ventures	1,056,568	1,292,396
Trade receivables	32,787	61,665
Lease receivables	432	1,710
Amount due from joint ventures	1,031,920	982,167
Deferred tax assets	93,170	102,911
Deposits	20,000	20,000
	<u>5,666,407</u>	<u>6,487,348</u>
<b>Current assets</b>		
Inventories - property under development	750,932	596,879
Inventories - completed properties	238,810	360,760
Contract assets	169,954	97,391
Current tax assets	96,252	81,087
Trade and other receivables	642,646	458,973
Lease receivables	1,278	1,326
Short-term funds	642,737	-
Deposits	208,451	229,727
Cash and bank balances	485,376	1,086,235
	<u>3,236,436</u>	<u>2,912,378</u>
<b>TOTAL ASSETS</b>	<u><b>8,902,843</b></u>	<u><b>9,399,726</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	3,614,868	3,614,868
Foreign currency translation reserve	22,179	10
Cash flow hedge reserve	-	(225)
Retained earnings	1,136,480	1,123,818
<b>Total equity</b>	<u><b>4,773,527</b></u>	<u><b>4,738,471</b></u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,800,878	1,726,987
Lease liabilities	3,524	7,151
Other payables	152,460	289,674
Deferred tax liabilities	120,773	81,284
	<u><b>2,077,635</b></u>	<u><b>2,105,096</b></u>
<b>Current liabilities</b>		
Trade and other payables	844,384	893,741
Contract liabilities	460,570	579,421
Bank overdrafts	9,232	21,432
Loans and borrowings	730,725	1,056,312
Lease liabilities	3,993	3,879
Current tax liabilities	2,777	1,374
	<u><b>2,051,681</b></u>	<u><b>2,556,159</b></u>
<b>Total liabilities</b>	<u><b>4,129,316</b></u>	<u><b>4,661,255</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>8,902,843</b></u>	<u><b>9,399,726</b></u>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<u><b>1.62</b></u>	<u><b>1.61</b></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial 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 FINANCIAL YEAR ENDED 31 OCTOBER 2023**  
*(The figures have not been audited)*

	Share capital RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 November 2022</b>	3,614,868	-	10	(225)	1,123,818	4,738,471
Profit for the financial year	-	-	-	-	189,323	189,323
Other comprehensive income	-	-	22,169	225	-	22,394
Transaction with owners:						
- Dividends paid	-	-	-	-	(176,661)	(176,661)
<b>At 31 October 2023</b>	<b>3,614,868</b>	<b>-</b>	<b>22,179</b>	<b>-</b>	<b>1,136,480</b>	<b>4,773,527</b>
<b>At 1 November 2021</b>	3,614,865	194,395	36,966	(355)	919,433	4,765,304
Profit for the financial year	-	-	-	-	157,209	157,209
Other comprehensive (loss)/income	-	-	(36,956)	130	-	(36,826)
Transactions with owners:						
- Conversion of Warrants 2015/2022	3	(1)	-	-	-	2
- Transfer of warrant reserve to retained earnings upon expiry of Warrants 2015/2022	-	(194,394)	-	-	194,394	-
- Dividends paid	-	-	-	-	(147,218)	(147,218)
<b>At 31 October 2022</b>	<b>3,614,868</b>	<b>-</b>	<b>10</b>	<b>(225)</b>	<b>1,123,818</b>	<b>4,738,471</b>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

(The figures have not been audited)

	12 MONTHS ENDED	
	31 OCTOBER 2023	31 OCTOBER 2022
	RM'000	RM'000
<b>Operating activities</b>		
Profit before tax	270,023	225,761
Adjustments for :		
Non-cash items	18,207	32,631
Non-operating items	43,322	39,743
Operating cash flows before changes in working capital	331,552	298,135
Changes in inventories - property under development	618,011	426,285
Changes in inventories- completed properties	132,725	447,555
Changes in contract assets/contract liabilities	(191,415)	(193,132)
Changes in receivables	(110,426)	249,068
Changes in payables	(30,865)	(106,119)
Cash flows generated from operations	749,582	1,121,792
Interest received	8,490	5,326
Interest paid	(134,053)	(125,551)
Income taxes paid	(51,946)	(65,595)
<b>Net cash flows generated from operating activities</b>	<b>572,073</b>	<b>935,972</b>
<b>Investing activities</b>		
Additions to inventories - land held for property development	(339,217)	(130,581)
Purchase of property, plant and equipment and investment properties	(17,347)	(3,352)
Proceeds from disposal of property, plant and equipment	595	251
Deposit paid for acquisition of land	(21,107)	-
Subscription of shares in an associate	(3,754)	(3,277)
Net advances to joint ventures	(36,000)	(37,000)
Interest received from joint ventures	55,200	21,200
Placement of deposits pledged and/or with maturity of more than 3 months and short-term funds	(589,419)	(73,096)
Dividends received from joint ventures	240,840	-
Interest received from deposits	19,650	7,672
<b>Net cash flows used in investing activities</b>	<b>(690,559)</b>	<b>(218,183)</b>
<b>Financing activities</b>		
Proceeds from conversion of warrants	-	2
Drawdown of bank borrowings	856,046	926,280
Repayment of bank borrowings and lease liabilities	(1,115,521)	(1,003,026)
Interest paid	(5,464)	(13,181)
Dividends paid on ordinary shares	(176,661)	(147,218)
<b>Net cash flows used in financing activities</b>	<b>(441,600)</b>	<b>(237,143)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(560,086)</b>	<b>480,646</b>
<b>Effect of exchange rate changes</b>	<b>31</b>	<b>82</b>
<b>Cash and cash equivalents at 1 November 2022 / 2021</b>	<b>1,235,035</b>	<b>754,307</b>
<b>Cash and cash equivalents at 31 October 2023 / 2022</b>	<b>674,980</b>	<b>1,235,035</b>
<b>Cash and cash equivalents comprise the following:</b>		
Deposits	228,451	249,727
Cash and bank balances	485,376	1,086,235
Bank overdrafts	(9,232)	(21,432)
	704,595	1,314,530
Less: Deposits pledged and/or with maturity of more than 3 months	(29,615)	(79,495)
	674,980	1,235,035

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial 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 Main Market 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.

### 2. Seasonal or Cyclical Factors

The business operations of the Group during the 12 months ended 31 October 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 12 months ended 31 October 2023.

### 4. Changes in Estimates

There were no material changes in estimates for the 12 months ended 31 October 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 12 months ended 31 October 2023, except for the following:

- (a) Redemption of the unrated Medium Term Notes of RM50 million in nominal value by Eco Botanic Sdn. Bhd., a wholly-owned subsidiary of the Company, on 22 March 2023; and

## 5. Debts and Equity Securities (Continued)

- (b) Issuance of the second tranche of the rated Sukuk Wakalah with a nominal value of RM550 million under a rated Sukuk Wakalah Programme by Eco World Capital Berhad, a wholly-owned subsidiary of the Company, on 10 August 2023.

## 6. Dividends Paid

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

On 20 July 2023, the Company paid a first interim dividend of 2 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2023.

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

## 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 October 2023 till 7 December 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 12 months ended 31 October 2023, except for the following:

- (a) The incorporation of Eco Botanic 3 Sdn. Bhd. ("Eco Botanic 3") as a wholly-owned subsidiary of the Company on 2 August 2023. Eco Botanic 3 has an issued and paid-up share capital of RM2.00;
- (b) The incorporation of Eco Business Park 6 Sdn. Bhd. ("EBP 6") as a wholly-owned subsidiary of the Company on 23 August 2023. EBP 6 has an issued and paid-up share capital of RM2.00; and
- (c) The incorporation of Antury Sdn. Bhd. ("Antury") as a wholly-owned subsidiary of the Company on 22 September 2023. Antury has an issued and paid-up share capital of RM2.00.

## 10. Contingent Liabilities

There were no contingent liabilities that has arisen since the end of the financial quarter up till 7 December 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

The fair value of financial assets measured at fair value through profit or loss (“FVTPL”) is as follows:-

	<b>As at 31/10/2023</b> <b>RM’000</b>
Short-term funds	<u>642,737</u>

The short-term funds are measured under Level 1 of the fair value hierarchy. The fair values are derived from quoted prices.

Other than the above, 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:-

<b>Location</b>	<b>12 MONTHS ENDED</b>	
	<b>31/10/2023</b>	<b>31/10/2022</b>
	<b>RM’000</b>	<b>RM’000</b>
Klang Valley	827,846	889,330
Iskandar Malaysia	1,386,513	1,095,991
Penang	<u>12,503</u>	<u>58,249</u>
	<u>2,226,862</u>	<u>2,043,570</u>

## 13. Commitments

	<b>As at</b> <b>31/10/2023</b> <b>RM’000</b>
Approved and contracted for:-	
Commitment to subscribe for additional shares in an associate	11,161
Commitment to acquire property, plant and equipment	6,966
Commitment to fund development costs of joint ventures	125,000
Commitment to purchase a development land	<u>189,959</u>

#### 14. Significant Related Party Transactions

	12 MONTHS ENDED 31/10/2023 RM'000
(i) Transactions with directors of the Company and of its subsidiary companies	
- Legal fees paid and payable to a firm, in which an immediate family member of a director has interest	158
- Legal fees paid and payable to a firm, in which a director has interest	80
- Stay2Own rental received	37
	<hr/>
(ii) Transactions with joint ventures	
- Net advances given	36,000
- Dividends received and receivable	240,840
- Interest received and receivable	68,953
- Development management fees received and receivable	69,401
- Other resources fees received and receivable	18,517
- Brand licensing fees received and receivable	7,649
- Commission received and receivable	127
- Rental received and receivable	180
- Rental paid and payable	40
- Advisory fees received and receivable	114
- Support service fees received and receivable	268
- Commitment fees received and receivable	450
- Secondment fees received and receivable	2,922
- Undertaking fees received and receivable	25
- Sale of property, plant and equipment	118
- Purchase of property, plant and equipment	107
- Purchase of a development property	12,137
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(iii) Transactions with associates	
- Support service fees received and receivable	1,040
- Undertaking fees received and receivable	58
- Administration services fees paid and payable	112
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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of Group Performance**

	3 MONTHS ENDED			12 MONTHS ENDED		
	31/10/2023 RM'000	31/10/2022 RM'000	Changes RM'000	31/10/2023 RM'000	31/10/2022 RM'000	Changes RM'000
Revenue	844,456	559,282	285,174	2,226,862	2,043,570	183,292
Gross profit	175,067	154,822	20,245	538,566	490,444	48,122
Share of results of joint ventures						
- Malaysia	46,995	44,147	2,848	117,467	116,535	932
- International	(7,518)	(13,945)	6,427	(13,361)	(43,100)	29,739
	39,477	30,202	9,275	104,106	73,435	30,671
Profit before interest and tax	53,350	44,375	8,975	392,753	322,634	70,119
Profit before tax (PBT)	20,057	23,030	(2,973)	270,023	225,761	44,262
Profit after tax (Malaysian operations)	92,811	96,724	(3,913)	284,684	281,309	3,375
Profit after tax (PAT)	3,293	1,779	1,514	189,323	157,209	32,114
Profit attributable to owners of the Company	3,293	1,779	1,514	189,323	157,209	32,114

**(a) 4Q 2023 vs 4Q 2022**

The main projects which contributed to revenue and gross profit in 4Q 2023 were *Eco Majestic*, *Eco Forest* and *Eco Sanctuary* in the Klang Valley and *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.

Revenue in 4Q 2023 was higher than 4Q 2022 by 51.0%, whilst gross profit was higher by 13.1%. The higher revenue and gross profit were mainly contributed from the recognition of a 92-acre land sale in *Eco Business Park II* upon completion.

Gross profit margin decreased from 27.7% in 4Q 2022 to 20.7% in 4Q 2023 as a result of the lower gross profit margin from the abovementioned land sale as well as higher realisation of cost savings on completed and near completion phases last year, in 4Q 2022. Gross profit margin for FY2023 as a whole was higher at 24.2% however, due to contributions from an increasingly wide range of products and margin enhancement initiatives undertaken during the year.

The Group's share of results of its Malaysian joint ventures came from *Eco Grandeur*, *Eco Business Park V*, *Eco Ardence*, *Bukit Bintang City Centre (BBCC)* and *Eco Horizon*. Total contributions in 4Q 2023 were 6.5% higher than in 4Q 2022. This was mainly due to closure of accounts on several completed parcels in *BBCC* during the current quarter.

Collectively, the Malaysian joint ventures recorded a total of RM621.5 million in revenue in 4Q 2023 of which the Group's effective share, based on its equity stakes in the respective joint ventures, amounted to RM306.8 million.

Including contributions from the Malaysian joint ventures, total PAT from the Group's Malaysian operations amounted to RM92.8 million in 4Q 2023, which is largely on par with the RM96.7 million recorded in 4Q 2022. The slight reduction in profit by 4.0% was due to higher marketing expenses in 4Q 2023.

## 1. Review of Group Performance (Continued)

### (a) 4Q 2023 vs 4Q 2022 (Continued)

EcoWorld International Berhad (*EWI*) recorded a lower loss in 4Q 2023 as compared to 4Q 2022 mainly due to:

- i) foreign exchange gain recognised in 4Q 2023 vs foreign exchange loss recorded in 4Q 2022;
- ii) reversal of impairment on investment in EcoWorld Ballymore of RM64.7 million following significant progress in monetisation of the joint venture's inventories during the year; and
- iii) lower finance costs as a result of its full settlement of all borrowings in the previous quarter;

which were offset by impairment losses recognised on amount owing by EcoWorld London of RM91.0 million due to losses recorded by the joint venture.

In 4Q 2023, EcoWorld Malaysia reviewed the carrying values of its investment in EWI and recognised a further impairment of RM82.0 million due to:

- i) the reduced number of future projects, following EcoWorld London's decision not to proceed with the acquisition of Tulse Hill;
- ii) EWI's continued deferral of new launches having regard to the weak property market conditions in the United Kingdom (UK); and
- iii) the higher weighted average cost of capital applied to review the Group's investment in EWI as a result of further increases in UK interest rates in FY2023.

Notwithstanding the above impairment and after taking into account the share of EWI's loss, the Group achieved RM3.3 million PAT for 4Q 2023 as compared to RM1.8 million PAT for 4Q 2022.

### (b) 4Q YTD 2023 vs 4Q YTD 2022

Revenue and gross profit in 4Q YTD 2023 were higher than 4Q YTD 2022 by 9.0% and 9.8%, respectively. This was attributable to sales being sustained at a high level throughout the year and contributions from the land sale in *Eco Business Park II*, as explained above.

As mentioned above, gross profit margin in 4Q YTD 2023 was 24.2%, which is approximately the same as in 4Q YTD 2022.

The Group's Malaysian operations recorded PAT of RM284.7 million as at 4Q YTD 2023, which is higher than 4Q YTD 2022 by 1.2% mainly due to higher gross profit achieved and higher interest income earned.

EWI recorded an 69.0% lower loss in 4Q YTD 2023 as compared to 4Q YTD 2022. The reduction in the loss was mainly due to the factors mentioned above.

After taking into consideration EWI's loss and the RM82.0 million impairment of investment recognised in 4Q 2023, the Group recorded a PAT of RM189.3 million in 4Q YTD 2023, which is 20.4% higher than the PAT of RM157.2 million achieved in 4Q YTD 2022.

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

	3 MONTHS ENDED		Changes RM'000
	31/10/2023 RM'000	31/07/2023 RM'000	
Revenue	844,456	476,850	367,606
Gross profit	175,067	129,562	45,505
Share of results of joint ventures			
- Malaysia	46,995	23,044	23,951
- International	(7,518)	(899)	(6,619)
	39,477	22,145	17,332
Profit before interest and tax	53,350	121,695	(68,345)
Profit before tax (PBT)	20,057	91,344	(71,287)
Profit after tax (Malaysian operations)	92,811	67,236	25,575
Profit after tax (PAT)	3,293	66,337	(63,044)
Profit attributable to owners of the Company	3,293	66,337	(63,044)

The Group's revenue and gross profit in the current quarter were higher by 77.1% and 35.1%, respectively, as compared to the previous quarter. This was mainly due to the contribution from land sale in *Eco Business Park II*, as explained above, as well as better site progress on active and on-going phases.

The share of results of the Group's Malaysian joint ventures in the current quarter was higher by 103.9% as compared to the previous quarter, mainly contributed by *BBCC* upon closure of accounts of several completed parcels in current quarter.

EWI recorded a higher loss of RM7.5 million in the current quarter as compared to the loss of RM0.9 million in previous quarter. This was mainly due to impairment on the amount owing by EcoWorld London which was recognised in the current quarter.

Overall, the Group recorded a PAT of RM3.3 million in 4Q 2023 as compared to RM66.3 million in 3Q 2023, mainly due to the RM82.0 million impairment of the Group's investment in EWI in the current quarter.

### 3. Prospects for the Next Financial Year

The status of the Group's development projects as at 31 October 2023 is as follows:

Location of projects	No. of launched projects <sup>2</sup>	12 months ended 31.10.2023			Cumulative sales <sup>1,2</sup> RM'mil	As at
		Units launched <sup>2</sup>	Units sold <sup>1,2</sup>	Sales value <sup>2</sup> RM'mil		31.10.2023 Future revenue <sup>3</sup> RM'mil
Klang Valley	8	2,014	1,490	1,631	18,519	1,738
Iskandar Malaysia	8	2,270	1,622	1,595	10,922	1,416
Penang	3	861	563	379	2,420	285
<b>Malaysia</b>	<b>19</b>	<b>5,145</b>	<b>3,675</b>	<b>3,605</b>	<b>31,861</b>	<b>3,439</b>

Location of projects	Land Bank Acres <sup>2</sup>	12 months ended 31.10.2023			Cumulative sales <sup>1,2</sup> RM'mil	As at
		Units sold <sup>1,2</sup>	Sales value <sup>2</sup> RM'mil	31.10.2023 Future revenue <sup>3</sup> RM'mil		
United Kingdom	50.7	203	1,065	17,232	38	
Australia	2.4	47	116	1,668	10	
<b>Overseas</b>	<b>53.1</b>	<b>250</b>	<b>1,181</b>	<b>18,900</b>	<b>48</b>	

**Total future revenue attributable to EcoWorld Malaysia**

<b>3,487</b>
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<sup>1</sup> Includes sales of units from prior year launches

<sup>2</sup> Includes projects and sales of joint ventures

<sup>3</sup> 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 achieved RM3.61 billion sales in FY2023, exceeding its sales target of RM3.5 billion. Sales were broad-based with strong contributions by every market segment and geographic region. This achievement reflects the Group's strategic evolution from its roots as a township developer in 2013, offering mainly aspirational landed homes, to being a multi-faceted player today, with a wide range of products across four revenue pillars to serve the residential, commercial and industrial real estate space.

These revenue pillars are summarised below:

- **Eco Townships**, namely *Eco Majestic*, *Eco Forest*, *Eco Sanctuary*, *Eco Ardence* & *Eco Grandeur* in the Klang Valley, *Eco Botanic*, *Eco Botanic 2*, *Eco Summer*, *Eco Spring* & *Eco Tropics* in Iskandar Malaysia and *Eco Meadows*, *Eco Horizon* & *Eco Sun* (upcoming) in Penang. These projects offer beautifully designed homes amidst lush greeneries and comprehensive lifestyle amenities in keeping with the Group's mission of creating World-class Eco-living for customers, residents and visitors alike;
- **Eco Rise**, which include a growing range of high-rise residential developments within *BBCC*, *Eco Sky*, *Eco Terraces*, *Eco Nest*, *Parque Residences* as well as the Group's popular and affordable *duduk* apartments for the young and young-at-heart;
- **Eco Hubs**, comprising shop & strata offices as well as retail spaces located within the Group's townships and integrated developments in the Klang Valley, Iskandar Malaysia and Penang; and
- **Eco Business Parks**, comprising *EBP I, II, III* (ongoing) and *VI* (upcoming) in Iskandar Malaysia & *EBP V* in the Klang Valley that are able to meet the needs of the 21<sup>st</sup> century industrialists.

### 3. Prospects for the Next Financial Year (Continued)

FY2023 marks the 10<sup>th</sup> anniversary of the EcoWorld brand's emergence on the Malaysian property scene. The Group's concerted efforts to expand its revenue generating capacity beyond aspirational townships to encompass four sizeable and diversified pillars, whilst concurrently transforming and digitalising its business operations for greater productivity and efficiency, have delivered consistently high sales and accelerated profit growth over the last 10 years:

Financial years	FY2014-2016 RM'mil	FY2017-2019 RM'mil	FY2020-2022 RM'mil	FY2023 RM'mil	Total 10 years RM'mil
<b>Sales</b>	- average per annum -				
- Eco Townships	1,873	1,886	1,732	1,539	18,012
- Eco Rise	421	400	616	509	4,823
- Eco Hubs	527	457	388	515	4,630
- Eco Business Parks	292	341	485	1,042	4,396
<b>Total</b>	<b>3,113</b>	<b>3,084</b>	<b>3,221</b>	<b>3,605</b>	<b>31,861</b>
<b>PAT (M'sian operations)</b>	<b>53.7</b>	<b>139.8</b>	<b>200.1</b>	<b>284.7</b>	<b>1,465.6</b>

Furthermore, the increasing maturity of EcoWorld Malaysia's development portfolio means that the Group has entered a highly cash-generative phase of each project's lifecycle. This has enabled the Group's balance sheet to strengthen and net gearing levels to be steadily reduced, even as it has been increasing dividend payments to shareholders as summarised below:

Financial years	FY2020	FY2021	FY2022	FY2023
Total borrowings (RM'000)	3,316,632	2,880,172	2,804,779	2,540,835
Total cash, bank balances and short-term funds (RM'000)	456,437	784,724	1,335,962	1,356,564
Shareholders' funds (RM'000)	4,645,151	4,765,304	4,738,471	4,773,527
<b>Net assets per share (RM)</b>	<b>1.58</b>	<b>1.62</b>	<b>1.61</b>	<b>1.62</b>
<b>Net gearing</b>	<b>0.62</b>	<b>0.44</b>	<b>0.31</b>	<b>0.25</b>
<b>Dividend per share</b>	<b>2 sen</b>	<b>4 sen</b>	<b>5 sen</b>	<b>* 6 sen</b>
<b>PAT (M'sian operations) (RM'000)</b>	<b>106,168</b>	<b>212,771</b>	<b>281,309</b>	<b>284,684</b>

\* including final dividend of 2 sen per share declared in 4Q 2023

#### **Review of FY2023 performance**

The Group's **Eco Business Parks** recorded combined sales of RM1.04 billion in FY2023, the highest ever achieved in a single year, comprising a balanced mix of ready-built factories, customised built-to-suit industrial units and industrial land sales. Sales from the EBPs have seen exponential growth over the years, with FY2023 sales being 38% higher than FY2022, 116% higher than in FY2021 and an overwhelming increase of 374% from FY2020.

Looking ahead, the Group expects to continue recording strong sales from the industrial segment following the addition of **EBP VI** in Kulai, Iskandar Malaysia, which has an estimated gross development value (GDV) of RM1.58 billion and is targeted for launch in FY2025.

Sales of commercial units under the **Eco Hubs** pillar have also shown encouraging growth, with RM515 million recorded in FY2023, a 15% increase from FY2022 and 33% higher than the average annual sales achieved from FY2020 – 2022. Current year sales mainly comprise properties launched across the Northern, Southern and Central regions which once completed, would be able to serve the thriving population within EcoWorld Malaysia's townships, thus further boosting their vibrancy and liveability.

### 3. Prospects for the Next Financial Year (Continued)

The residential segment under the *Eco Townships* and *Eco Rise* pillars still remains the core of the Group's business, contributing a total RM2.05 billion in FY2023. Of this, RM1.47 billion were from sale of homes priced above RM650,000, representing 72% of residential sales and 41% of total Group sales in the current year, whilst homes priced below RM650,000 totalled RM577 million.

The substantial increase recorded by *Eco Rise* from FY2020 – 2023 is largely attributable to the Group's *duduk* apartments. Following the success of the first three series in the Klang Valley, namely *Huni D' Eco Ardence* and *Se.Ruang D' Eco Sanctuary*, both of which are expected to be completed and handed over in the 1<sup>st</sup> half of FY2024, as well as *Hana D' Eco Ardence*, which was launched earlier this year, the Group introduced its first *duduk* apartments in Penang in 4Q 2023.

In FY2024, the *duduk* series will be launched in Iskandar Malaysia, beginning with *Sa.Young D' Eco Botanic* followed by *Santai D' Eco Spring*. The Klang Valley will also see more *duduk* launches in FY2024, namely *Riang D' Eco Majestic* and *Se.Duduk D' Kajang*.

These affordable homes that are situated in highly matured locations, with ample lifestyle retail, food & beverage as well as other recreational & family friendly amenities, complement the Group's range of upgrader and luxury homes across its Eco Townships, enabling the Group to cater to every market segment covering a broad range of price points and lifestyle needs.

Heading into the next financial year, EcoWorld Malaysia's future revenue as at 31 October 2023 remains healthy at RM3.49 billion, thereby providing the Group with clear earnings and cashflow visibility in the near and mid-term. Accordingly, for FY2024, the Board is maintaining its sales target at RM3.5 billion for its Malaysian operations as the Group focuses on sustainable growth by improving absolute returns from its valuable landbank (whether via margin improvement or higher yield per sq ft of land developed). This is with the aim of sustaining EcoWorld Malaysia's ability to continue rewarding shareholders with good dividend payments.

#### ***EcoWorld International (EWI)***

EWI achieved RM1.18 billion sales in FY2023 which generated substantial cash, enabling it to distribute an interim dividend of RM792 million (33 sen per share) and declare a final dividend of RM144.0 million (6 sen per share) in 4Q 2023. EcoWorld Malaysia's share of the interim dividend was RM213.8 million (received in September 2023) and its share in the final dividend is RM38.9 million (to be received in January 2024).

As at 31 October 2023, EWI has approximately RM850 million of completed and nearly-completed stocks that are available for sale, of which its effective share is approximately RM650 million. EWI targets to sell out all these stocks in FY2024 and distribute the excess cash generated (net of amounts required for its pared down operational requirements) back to shareholders.

The potential receipt of more dividends from EWI in FY2024 will add to EcoWorld Malaysia's cash reserves and strengthen the Group's capabilities to acquire new land bank.



### 3. Prospects for the Next Financial Year (Continued)

As at 31 October 2023, EcoWorld Malaysia's land bank is as follows:

Location of projects	No of projects	Land bank (acres)	
		Original land size	Undeveloped
Klang Valley	9	4,742.3	1,808.8
Iskandar Malaysia *	9	3,522.9	1,377.2
Penang	4	463.9	213.9
<b>The Group</b>	<b>22</b>	<b>8,729.1</b>	<b>3,399.9</b>

\* 403.78 acres in Kulai, Iskandar Malaysia is still pending completion

Given the Group's healthy cash position and strong balance sheet, EcoWorld Malaysia is actively seeking to acquire more landbank to extend the breadth and depth of the Group's product offerings under each of the four pillars identified above, with a view towards increasing its future pipelines of growth.

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

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

### 5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2023	31/10/2022	31/10/2023	31/10/2022
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for current quarter	3,561	(5,618)	40,017	26,376
- in respect of prior years	(572)	(27)	(1,833)	(63)
Deferred tax				
- for current quarter	13,776	26,894	35,115	48,411
- in respect of prior years	(1)	2	7,401	(6,172)
	<u>16,764</u>	<u>21,251</u>	<u>80,700</u>	<u>68,552</u>

The Group's effective tax rates for 4Q 2023 and 4Q YTD 2023 are 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 7 December 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 6 September 2023, Eco Business Park 6 Sdn. Bhd. ("Purchaser"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with IOI Prima Property Sdn. Bhd. for the Purchaser to purchase approximately 403.7826 acres of freehold land located in Mukim Senai, Daerah Kulai, Negeri Johor for a purchase consideration of RM211,065,240.67 to be settled in cash.

The SPA is conditional upon conditions precedent being fulfilled within the approval period of the SPA.

## 7. Group Borrowings and Debt Securities

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

	As at 31 October 2023		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Revolving credits	66,822	117,000	183,822
Term loans	253,186	813	253,999
Bridging loans	182,862	20,274	203,136
Medium term notes	19,999	-	19,999
Sukuk	179,279	-	179,279
	<u>702,148</u>	<u>138,087</u>	<u>840,235</u>
<b>Unsecured</b>			
Revolving credits	-	342,856	342,856
Medium term notes	-	249,782	249,782
Sukuk	1,098,730	-	1,098,730
Overdraft	-	9,232	9,232
	<u>1,098,730</u>	<u>601,870</u>	<u>1,700,600</u>
	<u>1,800,878</u>	<u>739,957</u>	<u>2,540,835</u>
<b>As at 31 October 2022</b>			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
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>
<b>Unsecured</b>			
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 year were as follows:

	As at 31 October 2023	As at 31 October 2022
	%	%
Floating interest rate borrowings	5.20	4.83
Fixed interest rate borrowings	5.46	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 12 months ended 31 October 2023.

The Group's gearing ratios were as follows:

	As at 31 October 2023	As at 31 October 2022
Gross Gearing (times)	0.53	0.59
Net Gearing (times)	0.25	0.31

## 8. Material Litigation

The Group was not engaged in any material litigation as at 7 December 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 1 March 2024 with Trial fixed on 1 to 4 April 2024.

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

(a) The Board of Directors has declared a final dividend in respect of the financial year ended 31 October 2023:

- (i) Amount per share : Dividend of 2 sen per share
- (ii) Previous corresponding financial period : Dividend of 2 sen per share
- (iii) Date payable : 19 January 2024
- (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 3 January 2024.

(b) Total dividend for the current financial year: 6 sen per share

## 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		12 MONTHS ENDED	
	31/10/2023	31/10/2022	31/10/2023	31/10/2022
Profit for the period/year attributable to owners of the Company (RM'000)	<u>3,293</u>	<u>1,779</u>	<u>189,323</u>	<u>157,209</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>	<u>2,944,369</u>
Basic Earnings Per Ordinary Share (sen)	<u>0.11</u>	<u>0.06</u>	<u>6.43</u>	<u>5.34</u>

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 (“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		12 MONTHS ENDED	
	31/10/2023	31/10/2022	31/10/2023	31/10/2022
Profit for the period/year attributable to owners of the Company (RM'000)	3,293	1,779	189,323	157,209
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,369	2,944,369	2,944,369	2,944,369
Effect of potential exercise of Warrants ('000)	#	# @	#	# @
Weighted average number of ordinary shares ('000)	2,944,369	2,944,369	2,944,369	2,944,369
Diluted Earnings Per Ordinary Share (sen) *	0.11	0.06	6.43	5.34

# *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*

@ *The Warrants 2015/2022 expired on 25 March 2022 and warrants not exercised were removed from the Official List of Bursa Malaysia on 28 March 2022.*

*On 13 April 2022, the Company issued Warrants 2022/2029 at an exercise price of RM1.16 per share.*

## 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

	<b>12 MONTHS ENDED</b>
	<b>31/10/2023</b>
	<b>RM'000</b>
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”)	81,300
	=====
	<b>As at 31/10/2023</b>
	<b>RM'000</b>
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	438,706
- Eco Horizon	328,697
	=====

There has been no material impact on the earnings and net tangible assets of the Group for the 12 months ended 31 October 2023 arising from the above-mentioned guarantees.

## 13. Notes to the Statement of Comprehensive Income

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

	<b>3 MONTHS</b>	<b>12 MONTHS</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>31/10/2023</b>	<b>31/10/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	21,025	76,618
Other income including investment income	14,479	25,618
Interest expense	(33,293)	(122,730)
Depreciation and amortisation	(5,720)	(22,346)
Net allowance for impairment of receivables	(2,124)	(1,416)
Net write down of inventories	(1,514)	(673)
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Foreign exchange gain or (loss)	389	501
Gain or loss on derivatives	-	-
Impairment loss on investment in a joint venture	(82,000)	(82,000)
Exceptional items	-	-
	=====	=====

By order of the Board  
 Chua Siew Chuan  
 Company Secretary  
 14 December 2023