

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

Interim Financial Report
30 April 2024

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Interim Financial Report - 30 April 2024

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ECO WORLD DEVELOPMENT GROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2024

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30 APRIL 2024	30 APRIL 2023	30 APRIL 2024	30 APRIL 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	555,761	420,822	1,093,547	905,556
Cost of sales	(408,275)	(313,217)	(817,716)	(671,619)
Gross profit	147,486	107,605	275,831	233,937
Other income	25,633	22,476	59,872	43,649
Selling and marketing expenses	(8,454)	(8,149)	(15,419)	(14,452)
Administrative expenses	(41,896)	(35,583)	(86,414)	(78,672)
Net (impairment loss)/reversal of impairment loss on financial instruments	(1,712)	(195)	(4,565)	271
Finance costs	(29,556)	(28,778)	(59,649)	(59,086)
Share of results in joint ventures, net of tax	11,427	24,327	31,286	42,484
Share of results in associates, net of tax	(4,405)	(2,882)	(9,985)	(9,509)
Profit before tax	98,523	78,821	190,957	158,622
Income tax expense	(28,474)	(16,128)	(51,280)	(38,929)
Profit net of tax	70,049	62,693	139,677	119,693
Other comprehensive income/(loss), net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	116	(347)	(49)	18
Share of other comprehensive (loss)/income of a joint venture	(1,690)	25,335	10,215	7,020
Total comprehensive income for the period	68,475	87,681	149,843	126,731
Profit net of tax attributable to:				
Owners of the Company	70,049	62,693	139,677	119,693
Non-controlling interests	-	-	-	-
	70,049	62,693	139,677	119,693
Total comprehensive income attributable to:				
Owners of the Company	68,475	87,681	149,843	126,731
Non-controlling interests	-	-	-	-
	68,475	87,681	149,843	126,731
Earnings per share attributable to owners of the Company:				
Basic earnings per share (sen)	2.38	2.13	4.74	4.07
Diluted earnings per share (sen)	2.30	2.13 *	4.63	4.07 *

* 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 2023 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 30 APRIL 2024

	AS AT 30 APRIL 2024 RM'000 UNAUDITED	AS AT 31 OCTOBER 2023 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	130,450	144,300
Investment property	20,562	20,434
Inventories - land held for property development	3,315,248	3,212,740
Investment in associates	48,752	54,056
Investment in joint ventures	1,049,175	1,056,568
Trade receivables	19,691	32,787
Lease receivables	52	432
Amount due from joint ventures	1,161,202	1,031,920
Deferred tax assets	99,449	93,170
Deposits	-	20,000
	5,844,581	5,666,407
Current assets		
Inventories - property under development	800,067	750,932
Inventories - completed properties	206,826	238,810
Contract assets	175,718	169,954
Current tax assets	68,534	96,252
Trade and other receivables	519,847	642,646
Lease receivables	975	1,278
Short-term funds	533,720	642,737
Deposits	274,639	208,451
Cash and bank balances	631,886	485,376
	3,212,212	3,236,436
TOTAL ASSETS	9,056,793	8,902,843
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	3,614,869	3,614,868
Foreign currency translation reserve	32,345	22,179
Retained earnings	1,217,270	1,136,480
Total equity	4,864,484	4,773,527
Non-current liabilities		
Loans and borrowings	1,853,452	1,800,878
Lease liabilities	2,549	3,524
Other payables	97,460	152,460
Deferred tax liabilities	112,606	120,773
	2,066,067	2,077,635
Current liabilities		
Trade and other payables	733,870	844,384
Contract liabilities	606,689	460,570
Bank overdrafts	24,217	9,232
Loans and borrowings	743,998	730,725
Lease liabilities	2,944	3,993
Current tax liabilities	14,524	2,777
	2,126,242	2,051,681
Total liabilities	4,192,309	4,129,316
TOTAL EQUITY AND LIABILITIES	9,056,793	8,902,843
Net Assets Per Share Attributable to Owners of the Company (RM)	1.65	1.62

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 October 2023 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 197401000725 (17777 – V))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2024

(The figures have not been audited)

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2023	3,614,868	22,179	-	1,136,480	4,773,527
Profit for the period	-	-	-	139,677	139,677
Other comprehensive income	-	10,166	-	-	10,166
Transaction with owners:					
- Conversion of Warrants 2022/2029	1	-	-	-	1
- Dividend paid	-	-	-	(58,887)	(58,887)
At 30 April 2024	3,614,869	32,345	-	1,217,270	4,864,484
At 1 November 2022	3,614,868	10	(225)	1,123,818	4,738,471
Profit for the period	-	-	-	119,693	119,693
Other comprehensive income	-	6,976	62	-	7,038
Transaction with owners:					
- Dividend paid	-	-	-	(58,887)	(58,887)
At 30 April 2023	3,614,868	6,986	(163)	1,184,624	4,806,315

(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 2023 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD

(Company No: 197401000725 (17777 – V))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 APRIL 2024

(The figures have not been audited)

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	6 MONTHS ENDED	
	30 APRIL 2024	30 APRIL 2023
	RM'000	RM'000
Operating activities		
Profit before tax	190,957	158,622
Adjustments for :		
Non-cash items	(11,105)	(21,386)
Non-operating items	15,318	20,739
Operating cash flows before changes in working capital	<u>195,170</u>	<u>157,975</u>
Changes in inventories - property under development	186,355	152,865
Changes in inventories- completed properties	32,386	97,795
Changes in contract assets/contract liabilities	140,356	102,245
Changes in receivables	129,117	(100,433)
Changes in payables	(119,887)	(76,087)
Cash flows generated from operations	<u>563,497</u>	<u>334,360</u>
Interest received	9,348	4,541
Interest paid	(72,130)	(72,953)
Income taxes paid	(30,391)	(24,890)
Net cash from operating activities	<u>470,324</u>	<u>241,058</u>
Investing activities		
Additions to inventories - land held for property development	(359,652)	(176,930)
Purchase of property, plant and equipment and investment property	(4,115)	(2,391)
Proceeds from disposal of property, plant and equipment	8,479	74
Deposit paid for acquisition of land	(6,752)	-
Subscription of shares in an associate	(4,681)	(2,826)
Advances to joint ventures	(118,000)	(36,000)
Interest received from joint ventures	25,382	10,687
Withdrawal/(Placement) of deposits pledged and/or with maturity of more than 3 months and short-term funds	116,912	(406,121)
Dividends received from joint ventures	38,880	2,000
Interest received from deposits	10,741	9,331
Net cash used in investing activities	<u>(292,806)</u>	<u>(602,176)</u>
Financing activities		
Proceeds from conversion of warrants	1	-
Drawdown of bank borrowings	206,543	197,345
Repayment of bank borrowings and lease liabilities	(143,780)	(453,124)
Interest paid	(10)	(3,880)
Dividends paid on ordinary shares	(58,887)	(58,887)
Net cash from/(used in) financing activities	<u>3,867</u>	<u>(318,546)</u>
Net increase/(decrease) in cash and cash equivalents	181,385	(679,664)
Effect of exchange rate changes	3	2
Cash and cash equivalents at 1 November 2023 / 2022	<u>674,980</u>	<u>1,235,035</u>
Cash and cash equivalents at 30 April 2024 / 2023	<u>856,368</u>	<u>555,373</u>
Cash and cash equivalents comprise the following:		
Deposits	274,639	188,665
Cash and bank balances	631,886	418,759
Bank overdrafts	(24,217)	(22,464)
	<u>882,308</u>	<u>584,960</u>
Less: Deposits pledged and/or with maturity of more than 3 months	(25,940)	(29,587)
	<u>856,368</u>	<u>555,373</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 October 2023 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 2023.

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 2023 except for the adoption of the following new MFRS and amendments/improvements to MFRSs which are relevant and mandatory for the current financial year:-

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

The adoption of the above new MFRS and 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 6 months ended 30 April 2024 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 6 months ended 30 April 2024.

4. Changes in Estimates

There were no material changes in estimates for the 6 months ended 30 April 2024.

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 6 months ended 30 April 2024, except for the following:

- (a) Issuance of 200 new ordinary shares pursuant to the conversion of 200 Warrants 2022/2029 at an issue price of RM1.16 per ordinary share. The new ordinary shares were listed on the Main Market of Bursa Malaysia on 19 February 2024; and
- (b) Issuance of 700 new ordinary shares pursuant to the conversion of 700 Warrants 2022/2029 at an issue price of RM1.16 per ordinary share. The new ordinary shares were listed on the Main Market of Bursa Malaysia on 18 March 2024.

6. Dividend Paid

On 19 January 2024, the Company paid a final 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 30 April 2024 till 13 June 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), except for the following:

- (a) On 10 May 2024, GuocoLand Limited (“GLL”) announced that its indirect wholly-owned subsidiary had disposed of its entire 27% shareholding in Eco World International Berhad (“EWI”). Following the announcement by GLL, the shareholders’ agreement entered into between, amongst others, GLL and the Company had come to a conclusion pursuant to its terms;
- (b) On 17 May 2024, Eco World Capital (International) Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 48 million shares in EWI thereby increasing its shareholding in EWI from 27% to 29%; and
- (c) On 7 June 2024, Eco Business Park 6 Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA”) with Microsoft Payments (Malaysia) Sdn. Bhd. to dispose of industrial land measuring approximately 123.141 acres located in Kulai, Iskandar Malaysia for a cash consideration of RM402.30 million. The SPA is conditional upon conditions precedent being fulfilled.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 6 months ended 30 April 2024, except for the incorporation of Eco Verdance Sdn. Bhd. (“Eco Verdance”) as a wholly-owned subsidiary of the Company on 1 November 2023. Eco Verdance 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 13 June 2024 (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 is as follows:

	AS AT 30/04/2024 RM'000
Short-term funds	<u>533,720</u>

The short-term funds are measured under Level 1 of the fair value hierarchy. The fair value is 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:

	6 MONTHS ENDED	
	30/04/2024 RM'000	30/04/2023 RM'000
Location		
Klang Valley	371,317	399,671
Iskandar Malaysia	716,974	497,606
Penang	5,256	8,279
	<u>1,093,547</u>	<u>905,556</u>

13. Commitments

	AS AT 30/04/2024 RM'000
Approved and contracted for:-	
Commitment to subscribe for additional shares in an associate	6,480
Commitment to acquire property, plant and equipment	15,483
Commitment to fund development costs of a joint venture	47,000
Commitment to purchase a development land	<u>443,375</u>

14. Significant Related Party Transactions

	6 MONTHS ENDED 30/04/2024 RM'000
(a) 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	80
- Legal fees paid and payable to a firm, in which a director has interest	11
- Data analyst and system architect fees paid and payable to a company, in which an immediate family member of a director has interest	208
- Stay2Own rental received	22
- Sales of development properties to a director of a subsidiary company	<u>870</u>
(b) Transactions with joint ventures	
- Advances given	118,000
- Dividend received	38,880
- Interest received and receivable	36,663
- Development management fees received and receivable	34,718
- Other resources fees received and receivable	8,702
- Brand licensing fees received and receivable	3,970
- Commission received and receivable	66
- Rental received and receivable	90
- Rental paid and payable	239
- Advisory fees received and receivable	114
- Support service fees received and receivable	134
- Commitment fees received and receivable	72
- Secondment fees received and receivable	1,684
- Sale of property, plant and equipment	<u>104</u>
(c) Transactions with associates	
- Support service fees received and receivable	531
- Undertaking fees received and receivable	<u>64</u>
(d) Transaction with an associate of a joint venture	
- Undertaking fees received and receivable	<u>39</u>

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

1. Review of Group Performance

	3 MONTHS ENDED			6 MONTHS ENDED		
	30/04/2024 RM'000	30/04/2023 RM'000	Changes RM'000	30/04/2024 RM'000	30/04/2023 RM'000	Changes RM'000
Revenue	555,761	420,822	134,939	1,093,547	905,556	187,991
Gross profit	147,486	107,605	39,881	275,831	233,937	41,894
Share of results of joint ventures						
- Malaysia	12,653	24,050	(11,397)	31,237	47,428	(16,191)
- International	(1,226)	277	(1,503)	49	(4,944)	4,993
	11,427	24,327	(12,900)	31,286	42,484	(11,198)
Profit before interest and tax	128,079	107,599	20,480	250,606	217,708	32,898
Profit before tax (PBT)	98,523	78,821	19,702	190,957	158,622	32,335
Profit after tax (Malaysian operations)	71,275	62,416	8,859	139,628	124,637	14,991
Profit after tax (PAT)	70,049	62,693	7,356	139,677	119,693	19,984
Profit attributable to owners of the Company	70,049	62,693	7,356	139,677	119,693	19,984

(a) 2Q 2024 vs 2Q 2023

The main projects which contributed to revenue and gross profit in 2Q 2024 were *Eco Botanic*, *Eco Botanic 2*, *Eco Spring*, *Eco Tropics*, *Eco Business Park I*, *Eco Business Park II* and *Eco Business Park III* in Iskandar Malaysia and *Eco Majestic*, *Eco Forest* and *Eco Sanctuary* in the Klang Valley.

The revenue and gross profit in 2Q 2024 were higher than 2Q 2023 by 32.1% and 37.1%, respectively. These were mainly due to higher contributions from active phases as well as newly launched phases. Gross profit margin also improved from 25.6% in 2Q 2023 to 26.5% in 2Q 2024, mainly due to realisation of cost savings of certain completed and near completion phases.

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 2Q 2024 were 47.4% lower than in 2Q 2023. This was mainly due to:

- i) tapering off of contributions from certain phases in *Eco Grandeur*, *Eco Ardence* and *Eco Horizon*, which are completed / near completion;
- ii) lower initial stage profit recognition on the more recently launched *duduk* phases, namely *Hana D' Eco Ardence & Ceria D' Eco Horizon*; and
- iii) cost savings having been realised in 2Q 2023 upon finalisation of accounts of certain completed phases in *Eco Ardence* in that quarter.

Collectively, the Malaysian joint ventures recorded a total of RM301.4 million in revenue in 2Q 2024 of which the Group's effective share, based on its equity stakes in the respective joint ventures, amounted to RM160.4 million.

Including contributions from the Malaysian joint ventures, total PAT from the Group's Malaysian operations amounted to RM71.3 million in 2Q 2024, which was higher than 2Q 2023 by 14.2%.

1. Review of Group Performance (Continued)

(a) 2Q 2024 vs 2Q 2023 (Continued)

EcoWorld International Berhad (*EWI*) recorded a loss in 2Q 2024 (net of impairment losses on its EcoWorld London joint venture) as compared to profit in 2Q 2023 mainly due to:

- i) lower foreign exchange gain recognised in 2Q 2024 as compared to 2Q 2023 following lower British Pound (“GBP”) denominated bank balances held; and
- ii) additional impairment of amount owing by EcoWorld London joint venture of RM10.77 million.

After taking into account the share of EWI’s results, the Group achieved RM70.0 million PAT for 2Q 2024, which is 11.7% higher than 2Q 2023.

(b) 2Q YTD 2024 vs 2Q YTD 2023

Revenue and gross profit in 2Q YTD 2024 were higher than 2Q YTD 2023 by 20.8% and 17.9%, respectively, mainly due to higher contributions from active phases as well as newly launched phases in 2Q 2024. Gross profit margin for 2Q YTD 2024 was 25.2% largely on par with the 25.8% recorded in 2Q YTD 2023.

EWI recorded a profit in 2Q YTD 2024 as compared to loss in 2Q YTD 2023, mainly due to:

- i) lower finance cost as a result of full settlement of all borrowings in 3Q 2023;
- ii) improved results from EcoWorld Ballymore; and
- iii) higher foreign exchange gain recognised arising from the higher appreciation of GBP against RM in the current period.

The Group’s Malaysian operations recorded PAT of RM139.6 million as at 2Q YTD 2024. This was higher than 2Q YTD 2023 by 12.0% mainly due to the reasons explained above.

After taking into consideration EWI’s results, the Group’s PAT for 2Q YTD 2024 is RM139.7 million, which is 16.7% higher than the PAT of RM119.7 million achieved in 2Q YTD 2023.

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

	3 MONTHS ENDED		
	30/04/2024	31/01/2024	Changes
	RM'000	RM'000	RM'000
Revenue	555,761	537,786	17,975
Gross profit	147,486	128,345	19,141
Share of results of joint ventures			
- Malaysia	12,653	18,584	(5,931)
- International	(1,226)	1,275	(2,501)
	11,427	19,859	(8,432)
Profit before interest and tax	128,079	122,527	5,552
Profit before tax (PBT)	98,523	92,434	6,089
Profit after tax (Malaysian operations)	71,275	68,353	2,922
Profit after tax (PAT)	70,049	69,628	421
Profit attributable to owners of the Company	70,049	69,628	421

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

The Group's revenue in the current quarter was slightly higher by 3.3% as compared to the previous quarter. Gross profit was 14.9% higher however, mainly due to realisation of cost savings on various completed phases as well as recognition of profits upon the handing over of vacant possession of certain parcels.

The share of results of the Group's Malaysian joint ventures in the current quarter was lower by 31.9% as compared to the previous quarter, mainly due to lower contribution from several phases in *Eco Grandeur*, which are now near completion.

EWI recorded a loss in the current quarter as compared to a profit in the previous quarter, resulting from the lower foreign exchange gain recognised as well as additional impairment of amount owing by its EcoWorld London joint venture.

Overall, the Group recorded a PAT of RM70.0 million in the current quarter as compared to RM69.6 million in the previous quarter.

3. Prospects for the Current Financial Year

The status of the Group's development projects as at 31 May 2024 is as follows:

Location of projects	No. of launched projects ²	7 months ended 31.05.2024			Cumulative sales ^{1,2} RM'mil	As at 31.05.2024 Future revenue ³ RM'mil
		Units launched ²	Units sold ^{1,2}	Sales value ² RM'mil		
Klang Valley	8	724	560	611	19,130	1,614
Iskandar Malaysia	8	2,193	1,908	1,333	12,255	2,035
Penang	3	677	440	240	2,660	332
Malaysia	19	3,594	2,908	2,184	34,045	3,981

Location of projects	Development Land Acres ²	7 months ended 31.05.2024			Cumulative sales ^{1,2} RM'mil	As at 31.05.2024 Future revenue ³ RM'mil
		Units sold ^{1,2}	Sales value ² RM'mil			
United Kingdom	50.7	74	407	18,185	51	
Australia	2.4	3	26	1,743	-	
Overseas	53.1	77	433	19,928	51	

Total future revenue attributable to EcoWorld Malaysia

4,032

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 RM2.18 billion sales in 7 months of FY2024, representing 62% of the FY2024 sales target of RM3.5 billion. Of this, RM1.33 billion or 61% of total year-to-date (YTD) sales were contributed by our projects in Iskandar Malaysia. The southern state continues to see robust demand across all four revenue pillars. Take up rates on new launches have been high, resulting in sales from current year launches making up 56% of YTD sales from the region.

3. Prospects for the Current Financial Year (Continued)

A breakdown of the YTD sales achieved by revenue pillars as at 31 May 2024 is set out below:

Revenue Pillar	RM'mil	
Eco Townships	855	39%
Eco Rise	674	31%
Eco Hubs	235	11%
Eco Business Parks	420	19%
Total	2,184	100%

Sales of residential homes under the Group's *Eco Townships* continue to be the largest contributor. Demand for upgrader homes priced above RM650,000 remain strong, making up 90% of the RM855 million sales achieved as at 31 May 2024.

The *Eco Rise* pillar is also fast gaining ground as a significant driver of sales. The Group presently has seven *duduk* apartments spread across the Central, Northern and Southern regions. This includes two new additions to the *duduk* series in Iskandar Malaysia, namely *Santai D' Eco Spring*, as well as *Sa.Young 2 D' Eco Botanic*. Both these parcels were launched following the near sold-out reception achieved by *Sa.Young D' Eco Botanic* since the *duduk* series was first introduced in the southern region in October 2023. Group-wide, *duduk* apartments accounted for RM612 million of *Eco Rise* sales up to 31 May 2024, with more than 1,400 units sold.

Collectively, the residential segment, represented by *Eco Townships* and *Eco Rise* contributed 70% to Group sales in the 7 months up to 31 May 2024.

Sales from the *Eco Hubs* pillar amounted to RM235 million as at 31 May 2024, making up 11% of YTD sales. These comprise a wide range of commercial units at the Group's matured townships across all three regions, including strata shops, 1 to 4-storey shop offices and strata offices at *BBC*.

Meanwhile, industrial products under the *Eco Business Parks* pillar continue to experience strong demand. A total of RM420 million sales was recorded from this segment up to 31 May 2024, representing 19% of the Group's YTD sales. These mainly comprised Cluster and Semi-Dee factories at *EBP I* in Iskandar Malaysia and *EBP V* in the Klang Valley as well as small plots of industrial lands for built-to-suit factories at *EBP II* and *EBP V*.

The Group has also been working with large multinationals seeking to purchase industrial lands to expand their business presence in Malaysia. On 7 June 2024, EcoWorld Malaysia entered into the conditional sale of 123.14 acres of land located in *EBP VI*, Kulai to Microsoft Payments (Malaysia) Sdn. Bhd. for RM402.3 million (RM75 per sq ft). This sale is in line with the Group's strategy of identifying market leading industrial players to catalyse its *Eco Business Parks*. Apart from accelerating the development timeline of the Group's projects, it should create positive spillover effects that will benefit not just the project but also the surrounding communities, thus creating a virtuous cycle to contribute to economic growth.

This latest sale attests to the effectiveness of the EcoWorld Malaysia's 3-pronged strategy to target the widest possible range of customers under its *Eco Business Parks* pillar. With products to cater to local SMEs (off-plan sales of Cluster & Semi-Dee industrial units), mid to larger sized local & foreign industrialists (industrial land with built-to-suit factories) as well as large global multinationals (large tracts of industrial land with infrastructure completed), the Group is well-positioned to ride the current strong wave of demand to further expand its industrial market share.

3. Prospects for the Current Financial Year (Continued)

The solid sales performance and maturity of the Group's projects has resulted in high levels of cash being generated in the 1st half of FY2024. As at 30 April 2024, cash flows generated from operating activities amounted to RM470 million. This is more than 3 times the FY2024 YTD Profit After Tax achieved of RM140 million and 95% higher than the RM241 million cash flows generated from operating activities recorded in the 1st half of FY2023. As a result, the Group's net gearing has reduced further from 0.28 times in 1Q 2024 to 0.24 times in 2Q 2024.

EcoWorld Malaysia's future revenue as at 31 May 2024 stands at RM4.03 billion. Along with the latest sale of industrial land in June 2024, this provides very strong near and mid-term future earnings and cashflow visibility.

Based on the above, EcoWorld Malaysia is well placed to acquire more landbank, which it is actively seeking, particularly under its *Eco Townships*, *Eco Business Parks* and *Eco Rise* pillars. This is with the aim of broadening and deepening its market share under every segment of the property market, setting the stage for the Group to continue charting strong, exciting and sustained growth in the years ahead.

As at 31 May 2024, 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	1,702
Iskandar Malaysia *	10	3,763	1,529
Penang	4	464	195
The Group	23	8,969	3,426

* 240.314 acres in Mukim Pulau, Iskandar Malaysia is still pending completion

EWI

EWI achieved RM433 million sales in 7 months of FY2024. Along with reserves of RM85 million, this adds up to a total of RM518 million. The sales continue to generate healthy cashflows for EWI. As at 30 April 2024, EWI has total cash balances of RM349 million, including its share of the cash balances of its joint ventures. Its effective share of completed stocks that are available for sale is approximately RM300 million as at 31 May 2024.

EWI is maintaining its target of generating excess cash of up to RM500 million by selling its remaining completed stocks over 2024 and 2025, with a view towards returning the excess cash to shareholders after setting aside sufficient funds for its own working capital. Upon receipt of such dividends, EcoWorld Malaysia's cash reserves will be further strengthened, thus increasing the Group's capacity to expand its landbank in Malaysia.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 30 April 2024.

5. Income Tax

Income tax comprises:-

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for current quarter	13,012	5,263	66,034	15,326
- in respect of prior years	1,775	(2,951)	1,775	(2,948)
Deferred tax				
- for current quarter	10,852	11,558	(20,612)	23,236
- in respect of prior years	2,835	2,258	4,083	3,315
	<u>28,474</u>	<u>16,128</u>	<u>51,280</u>	<u>38,929</u>

The Group's effective tax rate for 2Q 2024 and 2Q YTD 2024 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 13 June 2024, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report, except as follows:

- (a) On 18 January 2024, Eco Botanic 3 Sdn. Bhd. ("Eco Botanic 3"), a wholly-owned subsidiary of the Company, entered into the following agreements:
- (i) a conditional development agreement ("Development Agreement") with Permodalan Darul Ta'zim Sdn. Bhd. ("PDT") where PDT agreed to nominate Eco Botanic 3 to purchase 13 parcels of freehold land with an aggregate land area of approximately 240.314 acres, all located in Mukim Pulai, Daerah Johor Bahru, Negeri Johor ("New Land") from River Retreat Sdn. Bhd. ("RRSB") and for Eco Botanic 3 to develop the New Land; and
 - (ii) a conditional sale and purchase agreement ("SPA") with RRSB for Eco Botanic 3 to acquire the New Land from RRSB for a purchase consideration of RM450.13 million to be paid in cash and on a staggered basis.

The Development Agreement shall become unconditional on the date when the SPA becomes unconditional (i.e. when all the conditions precedent in the SPA are fulfilled).

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

- (b) On 7 June 2024, Eco Business Park 6 Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with Microsoft Payments (Malaysia) Sdn. Bhd. to dispose of industrial land measuring approximately 123.141 acres located in Kulai, Iskandar Malaysia for a cash consideration of RM402.30 million. The SPA is conditional upon conditions precedent being fulfilled.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 April 2024 and 31 October 2023 were as follows:-

	As at 30 April 2024		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	42,088	127,000	169,088
Term loans	360,583	1,578	362,161
Bridging loans	172,469	5,500	177,969
Medium term notes	-	20,000	20,000
Sukuk	179,429	-	179,429
	<u>754,569</u>	<u>154,078</u>	<u>908,647</u>
Unsecured			
Revolving credits	-	340,000	340,000
Medium term notes	-	249,920	249,920
Sukuk	1,098,883	-	1,098,883
Overdraft	-	24,217	24,217
	<u>1,098,883</u>	<u>614,137</u>	<u>1,713,020</u>
	<u>1,853,452</u>	<u>768,215</u>	<u>2,621,667</u>
As at 31 October 2023			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
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>
Unsecured			
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>

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

	As at 30 April 2024 %	As at 31 October 2023 %
Floating interest rate borrowings	5.28	5.20
Fixed interest rate borrowings	5.46	5.46

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

The increase in borrowings is mainly due to drawdown of new loan during the 6 months ended 30 April 2024.

The Group's gearing ratios were as follows:

	As at 30 April 2024	As at 31 October 2023
Gross Gearing (times)	0.54	0.53
Net Gearing (times)	0.24	0.25

8. Material Litigation

The Group was not engaged in any material litigation as at 13 June 2024 (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 19 August 2024 with Trial fixed on 9 to 12 June 2025.

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 an interim dividend in respect of the financial year ending 31 October 2024:

- (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 July 2024
- (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 5 July 2024.

(b) Total dividend for the current financial period: 2 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		6 MONTHS ENDED	
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
Profit for the period attributable to owners of the Company (RM’000)	70,049	62,693	139,677	119,693
Weighted average number of ordinary shares (‘000)	2,944,370	2,944,370	2,944,370	2,944,370
Basic Earnings Per Ordinary Share (sen)	2.38	2.13	4.74	4.07

10. Earnings Per Share Attributable to Owners of the Company (Continued)

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.

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	
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
Profit for the period attributable to owners of the Company (RM'000)	<u>70,049</u>	<u>62,693</u>	<u>139,677</u>	<u>119,693</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,370	2,944,370	2,944,370	2,944,370
Effect of potential exercise of Warrants ('000)	<u>104,410</u>	<u>#</u>	<u>71,378</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>3,048,780</u>	<u>2,944,370</u>	<u>3,015,748</u>	<u>2,944,370</u>
Diluted Earnings Per Ordinary Share (sen)	<u>2.30</u>	<u>2.13 *</u>	<u>4.63</u>	<u>4.07 *</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 2023 were unqualified.

12. Provision of Financial Assistance

	6 MONTHS ENDED 30/04/2024 RM'000
i) Guarantees given by the Company to secure the bank borrowings of:	
- Paragon Pinnacle Sdn. Bhd. ("Paragon Pinnacle")	412,200
- Eco Horizon Sdn. Bhd. ("Eco Horizon")	51,700
	=====
	AS AT 30/04/2024 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	132,942
- Eco Horizon	328,557
	=====

There has been no material impact on the earnings and net tangible assets of the Group for the 6 months ended 30 April 2024 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 30/04/2024 RM'000	6 MONTHS ENDED 30/04/2024 RM'000
Interest income	18,444	43,399
Other income including investment income	6,116	15,237
Interest expense	(29,556)	(59,649)
Depreciation and amortisation	(5,321)	(10,628)
Net allowance for impairment of receivables	(1,712)	(4,565)
Reversal of write down of inventories	128	402
Gain or loss on disposal of properties	-	1,194
Foreign exchange gain or (loss)	(157)	(65)
Gain or loss on derivatives	-	-
Exceptional items	-	-
	=====	=====

By order of the Board
Chua Siew Chuan
Company Secretary
20 June 2024