

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

Interim Financial Report
31 January 2025

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(Incorporated in Malaysia)

Interim Financial Report - 31 January 2025

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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 PERIOD ENDED 31 JANUARY 2025

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2025	31 JANUARY 2024
	RM'000	RM'000
Revenue	539,633	537,786
Cost of sales	(386,466)	(409,441)
Gross profit	153,167	128,345
Other income	24,268	34,239
Selling and marketing expenses	(14,732)	(6,965)
Administrative expenses	(44,431)	(44,518)
Net reversal of impairment loss/(impairment loss) on financial instruments	304	(2,853)
Finance costs	(28,467)	(30,093)
Share of results in joint ventures, net of tax	19,396	19,859
Share of results in associates, net of tax	(5,594)	(5,580)
Profit before tax	103,911	92,434
Income tax expense	(23,591)	(22,806)
Profit net of tax	80,320	69,628
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	130	(165)
Share of other comprehensive (loss)/income of an associate/ a joint venture	(9,986)	11,905
Total comprehensive income for the period	70,464	81,368
Profit/(Loss) net of tax attributable to:		
Owners of the Company	80,344	69,628
Non-controlling interests	(24)	-
	80,320	69,628
Total comprehensive income/(loss) attributable to:		
Owners of the Company	70,488	81,368
Non-controlling interests	(24)	-
	70,464	81,368
Earnings per share attributable to owners of the Company:		
Basic earnings per share (sen)	2.72	2.36
Diluted earnings per share (sen)	2.52	2.36

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 October 2024 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 2025

	AS AT 31 JANUARY 2025 RM'000 UNAUDITED	AS AT 31 OCTOBER 2024 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	140,607	130,736
Investment properties	160,822	20,648
Inventories - land held for property development	3,774,011	3,095,564
Investment in associates	283,223	331,805
Investment in joint ventures	1,007,213	709,004
Trade receivables	19,077	21,510
Amount due from joint ventures	780,796	1,155,470
Deferred tax assets	102,628	103,842
	<u>6,268,377</u>	<u>5,568,579</u>
Current assets		
Inventories - property under development	1,035,102	990,793
Inventories - completed properties	169,905	176,303
Contract assets	224,700	207,673
Current tax assets	125,147	84,233
Trade and other receivables	549,084	538,984
Short-term funds	548,369	502,425
Deposits	237,420	293,560
Cash and bank balances	518,533	560,651
	<u>3,408,260</u>	<u>3,354,622</u>
TOTAL ASSETS	<u>9,676,637</u>	<u>8,923,201</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	3,634,343	3,619,931
Foreign currency translation reserve	721	10,577
Put option reserve	(130,385)	-
Retained earnings	1,284,401	1,263,182
Equity attributable to owners of the Company	<u>4,789,080</u>	<u>4,893,690</u>
Non-controlling interests	165	-
Total equity	<u>4,789,245</u>	<u>4,893,690</u>
Non-current liabilities		
Loans and borrowings	2,627,500	1,763,442
Lease liabilities	4,013	4,515
Put option liability	130,385	-
Other payables	-	76,230
Deferred tax liabilities	133,400	124,832
	<u>2,895,298</u>	<u>1,969,019</u>
Current liabilities		
Trade and other payables	672,842	866,223
Contract liabilities	806,413	672,296
Bank overdrafts	16,824	15,252
Loans and borrowings	479,382	495,445
Lease liabilities	3,367	3,148
Current tax liabilities	13,266	8,128
	<u>1,992,094</u>	<u>2,060,492</u>
Total liabilities	<u>4,887,392</u>	<u>4,029,511</u>
TOTAL EQUITY AND LIABILITIES	<u>9,676,637</u>	<u>8,923,201</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.62</u>	<u>1.66</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 2024 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 PERIOD ENDED 31 JANUARY 2025

(The figures have not been audited)

	Share capital RM'000	Foreign currency translation reserve RM'000	Put option reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 November 2024	3,619,931	10,577	-	1,263,182	4,893,690	-	4,893,690
Profit/(Loss) for the financial period	-	-	-	80,344	80,344	(24)	80,320
Other comprehensive loss	-	(9,856)	-	-	(9,856)	-	(9,856)
Transactions with owners:							
- Acquisition of a subsidiary	-	-	-	-	-	(1)	(1)
- Put option liability over shares held by non-controlling interests	-	-	(130,385)	-	(130,385)	-	(130,385)
- Conversion of Warrants 2022/2029	14,412	-	-	-	14,412	-	14,412
- Dividend paid	-	-	-	(59,125)	(59,125)	-	(59,125)
Issuance of shares to non-controlling interests	-	-	-	-	-	190	190
At 31 January 2025	3,634,343	721	(130,385)	1,284,401	4,789,080	165	4,789,245
At 1 November 2023	3,614,868	22,179	-	1,136,480	4,773,527	-	4,773,527
Profit for the financial period	-	-	-	69,628	69,628	-	69,628
Other comprehensive income	-	11,740	-	-	11,740	-	11,740
Transaction with owners:							
- Dividend paid	-	-	-	(58,887)	(58,887)	-	(58,887)
At 31 January 2024	3,614,868	33,919	-	1,147,221	4,796,008	-	4,796,008

(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 2024 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2025	31 JANUARY 2024
	RM'000	RM'000
Operating activities		
Profit before tax	103,911	92,434
Adjustments for :		
Non-cash items	(11,540)	(10,017)
Non-operating items	13,293	4,604
Operating cash flows before changes in working capital	<u>105,664</u>	<u>87,021</u>
Changes in inventories - property under development	145,789	89,016
Changes in inventories- completed properties	7,251	12,431
Changes in contract assets/contract liabilities	117,092	114,085
Changes in receivables	(29,395)	16,559
Changes in payables	(135,063)	(41,027)
Cash flows generated from operations	<u>211,338</u>	<u>278,085</u>
Interest received	2,127	7,373
Interest paid	(16,200)	(15,175)
Income taxes paid	(51,562)	(16,915)
Net cash from operating activities	<u>145,703</u>	<u>253,368</u>
Investing activities		
Additions to inventories - land held for property development	(939,596)	(294,976)
Purchase of property, plant and equipment and investment properties	(127,115)	(2,313)
Proceeds from disposal of property, plant and equipment	5	274
Deposit paid for acquisition of land	-	(6,752)
Subscription of shares in joint ventures	(34,683)	-
Subscription of shares in an associate	(1,800)	(2,340)
Net advances from/(to) joint ventures	7,977	(110,000)
Interest received from joint ventures	23,853	25,382
(Placement)/Withdrawal of deposits pledged and/or with maturity of more than 3 months and short-term funds	(43,514)	154,421
Dividends received from joint ventures	25,000	38,880
Dividend received from an associate	34,800	-
Interest received from deposits	5,382	5,956
Net cash used in investing activities	<u>(1,049,691)</u>	<u>(191,468)</u>
Financing activities		
Proceeds from conversion of warrants	14,412	-
Drawdown of bank borrowings	927,211	21,528
Repayment of bank borrowings and lease liabilities	(78,530)	(74,620)
Interest paid	-	(10)
Dividends paid on ordinary shares	(59,125)	(58,887)
Issuance of shares to non-controlling interests	190	-
Net cash from/(used in) financing activities	<u>804,158</u>	<u>(111,989)</u>
Net decrease in cash and cash equivalents	(99,830)	(50,089)
Effect of exchange rate changes	(3)	6
Cash and cash equivalents at 1 November 2024 / 2023	<u>813,012</u>	<u>674,980</u>
Cash and cash equivalents at 31 January 2025 / 2024	<u>713,179</u>	<u>624,897</u>
Cash and cash equivalents comprise the following:		
Deposits	237,420	280,708
Cash and bank balances	518,533	401,021
Bank overdrafts	(16,824)	(24,664)
	<u>739,129</u>	<u>657,065</u>
Less: Deposits pledged and/or with maturity of more than 3 months	(25,950)	(32,168)
	<u>713,179</u>	<u>624,897</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 2024 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 2024.

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 2024 except for the adoption of the following amendments to MFRSs which are relevant and mandatory for the current financial year:-

Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 107	Statement of Cash Flows

The adoption of the above amendments 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 3 months ended 31 January 2025 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 2025.

4. Changes in Estimates

There were no material changes in estimates for the 3 months ended 31 January 2025.

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 2025, except for the following:-

- (a) Issuance of 12,423,960 new ordinary shares pursuant to the conversion of 12,423,960 Warrants 2022/2029 at an issue price of RM1.16 per ordinary share; and
- (b) Issuance of rated Sukuk Wakalah with a nominal value of RM300 million under a rated Sukuk Wakalah Programme by Eco World Capital Berhad, a wholly-owned subsidiary of the Company, on 28 November 2024.

6. Dividend Paid

On 14 January 2025, the Company paid a final dividend of 2 sen per ordinary share amounting to RM59,125,222 in respect of the financial year ended 31 October 2024.

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 2025 till 13 March 2025 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report) except as disclosed in page 13, Note 6 (d), (e) and the acquisition of the remaining 40% stake in Paragon Pinnacle Sdn Bhd ("PPSB") from Tanjung Wibawa Sdn Bhd on 18 February 2025 for a total consideration of RM184.1 million. Following the Acquisition, PPSB is now a wholly-owned subsidiary of the Company.

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 2025, except for the following:

- (a) Subscription of 81 shares at RM1.00 each in Mutiara Balau Sdn. Bhd. ("Mutiara Balau") on 1 November 2024. This resulted in Mutiara Balau becoming an 81%-owned subsidiary of the Company;
- (b) Incorporation of Eco Business Park 7 Sdn. Bhd. ("EBP 7") as a wholly-owned subsidiary of the Company on 17 December 2024. EBP 7 has an issued and paid-up share capital of RM2.00;
- (c) Incorporation of Quantum Alpha Sdn. Bhd. ("Quantum Alpha") as a wholly-owned subsidiary of the Company on 17 December 2024. Quantum Alpha has an issued and paid-up share capital of RM2.00; and
- (d) Incorporation of Quantum Mega Sdn. Bhd. ("Quantum Mega") as a wholly-owned subsidiary of the Company on 17 December 2024. Quantum Mega has an issued and paid-up share capital of RM2.00.

10. Contingent Liabilities

There were no contingent liabilities that have arisen since the end of the financial quarter up till 13 March 2025 (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 31/01/2025 RM'000
Short-term funds	<u>548,369</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:

	3 MONTHS ENDED	
	31/01/2025 RM'000	31/01/2024 RM'000
Location		
Klang Valley	176,983	194,056
Iskandar Malaysia	353,423	340,130
Penang	9,227	3,600
	<u>539,633</u>	<u>537,786</u>

13. Commitments

	AS AT 31/01/2025 RM'000
Approved and contracted for:-	
Commitment to subscribe for additional shares in joint ventures	15,110
Commitment to acquire property, plant and equipment	7,446
Commitment to fund development costs of a joint venture	35,000
Commitment to purchase development lands	<u>481,756</u>

14. Significant Related Party Transactions

	3 MONTHS ENDED 31/01/2025 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	6
- IT-related services fees paid and payable to a company, in which an immediate family member of a director has interest	277
- Stay2Own rental received	<u>9</u>
(b) Transactions with joint ventures	
- Repayment of advances	7,977
- Dividend received	25,000
- Interest received and receivable	12,134
- Development management fees received and receivable	13,832
- Other resources fees received and receivable	4,247
- Brand licensing fees received and receivable	1,275
- Rental paid and payable	<u>120</u>
(c) Transactions with associates	
- Support service fees received and receivable	357
- Dividend received	34,800
- Rental received and receivable	45
- Secondment fees received and receivable	646
- Service fees received and receivable	<u>237</u>

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

1. Review of Group Performance

	3 MONTHS ENDED		Changes RM'000
	31/01/2025 RM'000	31/01/2024 RM'000	
Revenue	539,633	537,786	1,847
Gross profit	153,167	128,345	24,822
Share of results of joint ventures			
- Malaysia	19,396	18,584	812
- International *	-	1,275	(1,275)
	19,396	19,859	(463)
Profit before interest and tax	132,378	122,527	9,851
Profit before tax (PBT)	103,911	92,434	11,477
Profit after tax (Malaysian operations)	81,049	68,353	12,696
Profit after tax (PAT)	80,320	69,628	10,692
Profit attributable to owners of the Company	80,344	69,628	10,716

* *EcoWorld International Berhad (“EWI”) ceased to be a joint venture and became an associate of the Group with effect from 10 May 2024, following the conclusion of the shareholders’ agreement entered into between GuocoLand Limited, amongst others, and the Company.*

(a) 1Q 2025 vs 1Q 2024

The main projects which contributed to revenue and gross profit in 1Q 2025 were *Eco Botanic, Eco Botanic 2, Eco Spring, Eco Tropics, Eco Business Park I* and *Eco Business Park III* in Iskandar Malaysia and *Eco Majestic, Eco Forest* and *Eco Sanctuary* in the Klang Valley.

Revenue in 1Q 2025 was slightly higher than 1Q 2024 by 0.3% mainly due to higher contributions from active phases as well as newly launched phases which exceeded the lower contributions from phases that are nearing completion.

Gross profit in 1Q 2025 increased at a higher rate, however, growing by 19.3% from 1Q 2024. This was mainly due to higher gross profit margins contributed by on-going projects and realisation of cost savings of certain completed phases in the current quarter, resulting in improved margins of 28.4% in 1Q 2025 as compared to 23.9% in 1Q 2024.

The Group’s share of results of its joint ventures came mainly from *Eco Grandeur, Eco Business Park V, Eco Ardence, Bukit Bintang City Centre (BBCC)* and *Eco Horizon*. Total contributions in 1Q 2025 were approximately the same amount in 1Q 2024.

Collectively, the joint ventures recorded total revenue of RM399.3 million in 1Q 2025 of which the Group’s effective share, based on its equity stakes in the respective joint ventures, amounted to RM145.7 million.

Overall, the Group recorded a total PAT of RM80.3 million in 1Q 2025, which is 15.4% higher than the PAT of RM69.6 million achieved in 1Q 2024.

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

	3 MONTHS ENDED		Changes RM'000
	31/01/2025 RM'000	31/10/2024 RM'000	
Revenue	539,633	638,450	(98,817)
Gross profit	153,167	169,882	(16,715)
Share of results of joint ventures	19,396	67,887	(48,491)
Profit before interest and tax	132,378	131,810	568
Profit before tax (PBT)	103,911	104,556	(645)
Profit after tax (Malaysian operations)	81,049	122,075	(41,026)
Profit after tax (PAT)	80,320	83,420	(3,100)
Profit attributable to owners of the Company	80,344	83,420	(3,076)

The Group's revenue and gross profit in the current quarter were lower by 15.5% and 9.8%, respectively, as compared to the previous quarter. These were mainly due to higher levels of site progress on active and on-going phases achieved in the previous quarter.

The share of results of the Group's joint ventures in the current quarter was lower by 71.4% as compared to the previous quarter, mainly due to higher contribution from active and newly launched parcels, as well as closure of accounts on several completed phases in the previous quarter.

Overall, the Group recorded a PAT of RM80.3 million in the current quarter as compared to RM83.4 million in the previous quarter.

3. Prospects for the Current Financial Year

The status of the Group's development projects as at 28 February 2025 is as follows:

Location of projects	No. of launched projects ²	4 months ended 28.02.2025			Cumulative sales ^{1,2} RM'mil	As at 28.02.2025 Future revenue ³ RM'mil
		Units launched ²	Units sold ^{1,2}	Sales value ² RM'mil		
Klang Valley	9	468	544	665	20,454	1,531
Iskandar Malaysia	9	501	414	1,144	14,391	3,071
Penang	4	-	162	125	3,015	394
Malaysia	22	969	1,120	1,934	37,860	4,996

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

EcoWorld Malaysia achieved RM1.93 billion sales in the first four months of FY2025, representing 55% of the Group's RM3.5 billion FY2025 sales target.

RM1.14 billion or 59% of total sales were contributed by the Group's projects in Iskandar Malaysia, whilst the Klang Valley and Penang contributed 34% and 7%, respectively.

3. Prospects for the Current Financial Year (Continued)

A breakdown of the YTD sales achieved by revenue pillars as at 28 February 2025 is set out below:

Revenue Pillar	RM'mil	Market segment	%
Eco Townships	420	Residential	35%
Eco Rise	253		
Eco Hubs	267	Commercial	14%
Eco Business Parks	34	Industrial	51%
QUANTUM	960		
Total	1,934		100%

Under the residential segment, *Eco Townships* recorded RM420 million sales of landed residential homes up to 28 February 2025, representing 22% of total YTD sales. Homes priced above RM650,000 comprised 91% of sales under this pillar, with sustained demand for EcoWorld's upgrader products, fuelled by visible evidence of increased value creation as the townships continue to mature.

Sales under *Eco Rise* in the first four months of FY2025 were RM253 million, mainly contributed by *duduk* apartments which made up 72% of sales under this pillar. This includes the latest project launched, *Se.Duduk D' Kajang*, which is also the Group's first *duduk* apartments outside of its own townships. The positive reception demonstrates the solid niche in the high-rise residential market that the EcoWorld brand has carved for itself, particularly with young urbanites. It is also testament to *duduk*'s ability to provide ideal homes at attainable price-points that have met both the housing needs and lifestyle aspirations of this large and upwardly mobile market segment.

Meanwhile, the commercial segment under the *Eco Hubs* pillar recorded RM267 million sales as at 28 February 2025, representing 14% of the Group's YTD sales. This mainly comprises shop offices, including commercial units situated within the Group's *duduk* developments. Additionally, new *Maya* office suites were launched as part of the first corporate office tower to be developed in *Eco Ardence* in the Klang Valley, offering a range of practical layouts to meet the needs of various organisations and businesses.

The industrial segment was the largest contributor to the Group's YTD sales for the first time, recording almost RM1 billion in the first four months of FY2025. This was propelled by two land deals signed with global technology leaders. On 17 February 2025, a conditional sale of 138.532 acres in *Eco Business Park I* in Iskandar Malaysia was entered into with Microsoft Payments (Malaysia) Sdn. Bhd., the second such sale to them by EcoWorld Malaysia, for their development and operation of a data centre. Thereafter, a conditional sale of 58.187 acres in *Eco Business Park V* in the Klang Valley to Pearl Computing Malaysia Sdn. Bhd. ("Pearl Computing") was inked on 25 February 2025. Both these deals contributed RM960 million in total to the Group's FY2025 sales. Collectively, the four parcels of industrial lands sold to data-centre players amount to RM1.59 billion, a remarkable sum achieved within a span of only 9 months since June 2024.

Given the strong sales performance, EcoWorld Malaysia's future revenue as at 28 February 2025 stands at RM5 billion. This provides both near-term earnings and cashflow visibility as the sales are progressively recognised and cashflows collected.

During 1Q 2025, the Group actively deployed its strong balance sheet to expand its landbank for development and grow its recurring income portfolio.

In this regard, EcoWorld Malaysia completed its purchase of 847.249 acres land in the Semenyih corridor for a total cash consideration of RM742.4 million. The new mixed development project will be known as *Eco Radiance*, which is targeted to be launched at the end of 2025 / start of 2026. This will strengthen the Group's presence in the fast-developing southern Klang Valley corridor, where it has already established a large customer following through its successful *Eco Majestic* and *Eco Forest* townships.

3. Prospects for the Current Financial Year (Continued)

As at 28 February 2025, EcoWorld Malaysia's land bank is as follows:

Location of projects	No of projects	Land bank (acres)	
		Original land size	Undeveloped
Klang Valley ¹	11	5,598	2,323
Iskandar Malaysia ²	10	3,763	1,036
Penang	4	464	173
The Group	25	9,825	3,532

¹ 8.9 acres in Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor is still pending completion

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

On the recurring income front, the Group's plans to strategically grow this portfolio received a substantial boost with the signing of an agreement with Pearl Computing to build and lease the shell and core of data centres and associated structures on a 92.44-acre land in *Eco Business Park V*. The agreement is for an initial lease term of 20 years with a renewal option of up to 10 additional years. The total value of rent payable by Pearl Computing over the initial lease term is estimated to be up to RM4.8 billion. This will provide the Group with substantial fixed rental revenue to anchor its recurring income aspirations.

Over the next 3-5 years, the Group intends to continue building up this portfolio of assets with the aim that approximately 20% - 30% of future earnings will eventually be from recurring income sources, thus providing enhanced earnings stability and cashflow certainty going forward.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 January 2025.

5. Income Tax

Income tax comprises:-

	3 MONTHS ENDED	
	31/01/2025	31/01/2024
	RM'000	RM'000
Current tax		
- for current quarter	15,826	53,022
- in respect of prior years	(40)	-
Deferred tax		
- for current quarter	7,769	(31,464)
- in respect of prior years	36	1,248
	<u>23,591</u>	<u>22,806</u>

The Group's effective tax rate for 1Q 2025 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 13 March 2025, 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 RM450.1 million to be paid in cash and on a staggered basis.

Eco Botanic 3 and RRSB have further agreed to extend the approval period to 31 May 2025 for parties to fulfil the remaining conditions precedent under the SPA. Given that the Development Agreement is conditional upon all conditions precedent in the SPA being fulfilled, the approval period under the Development Agreement has correspondingly been extended to expire on 31 May 2025;

- (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 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 RM402.3 million. The land sale had turned unconditional on 6 January 2025 and is currently pending completion;
- (c) On 18 December 2024, the Company entered into a Memorandum of Understanding (“MOU”) with SD Guthrie Berhad and NS Corporation to jointly develop an industrial park on 1,166 acres of land in Negeri Sembilan. The parties are currently in discussion with the aim to formalise the collaboration with definitive agreements in the near future. Other than this, there has been no material development on the status of the MOU since 18 December 2024;
- (d) On 17 February 2025, Eco Business Park 1 Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Eco Business Park 1 Development Sdn. Bhd. as registered proprietor and Microsoft Payments (Malaysia) Sdn. Bhd. to dispose of industrial land measuring approximately 138.532 acres located within *Eco Business Park I* in Iskandar Malaysia for a cash consideration of RM693.9 million. The proposed land sale is pending the fulfilment of its conditions precedent; and
- (e) On 25 February 2025, Paragon Pinnacle Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Pearl Computing Malaysia Sdn. Bhd. to dispose of industrial land measuring approximately 58.187 acres located within *Eco Business Park V* in Selangor for a cash consideration of RM266.1 million. The proposed land sale is pending the fulfilment of its conditions precedent.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 January 2025 and 31 October 2024 were as follows:-

	As at 31 January 2025		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	53,655	102,000	155,655
Term loans	826,052	3,050	829,102
Bridging loans	169,022	14,332	183,354
Medium term notes	-	20,000	20,000
Sukuk	179,656	-	179,656
	<u>1,228,385</u>	<u>139,382</u>	<u>1,367,767</u>
Unsecured			
Revolving credits	-	340,000	340,000
Sukuk	1,399,115	-	1,399,115
Overdraft	-	16,824	16,824
	<u>1,399,115</u>	<u>356,824</u>	<u>1,755,939</u>
	<u>2,627,500</u>	<u>496,206</u>	<u>3,123,706</u>
	As at 31 October 2024		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	53,691	124,808	178,499
Term loans	267,720	1,898	269,618
Bridging loans	163,414	8,739	172,153
Medium term notes	-	20,000	20,000
Sukuk	179,580	-	179,580
	<u>664,405</u>	<u>155,445</u>	<u>819,850</u>
Unsecured			
Revolving credits	-	340,000	340,000
Sukuk	1,099,037	-	1,099,037
Overdraft	-	15,252	15,252
	<u>1,099,037</u>	<u>355,252</u>	<u>1,454,289</u>
	<u>1,763,442</u>	<u>510,697</u>	<u>2,274,139</u>

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

	As at 31 January 2025 %	As at 31 October 2024 %
Floating interest rate borrowings	5.13	5.30
Fixed interest rate borrowings	5.12	5.34

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

The increase in borrowings was mainly due to drawdown of borrowings during the 3 months ended 31 January 2025.

The Group's gearing ratios were as follows:

	As at 31 January 2025	As at 31 October 2024
Gross Gearing (times)	0.65	0.46
Net Gearing (times)	0.38	0.19

8. Material Litigation

The Group was not engaged in any material litigation as at 13 March 2025 (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 5 May 2025 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 a first interim dividend in respect of the financial year ending 31 October 2025:

- (i) Amount per share : Dividend of 1 sen per share
- (ii) Previous corresponding financial period : Nil
- (iii) Date payable : 22 April 2025
- (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 8 April 2025.

(b) Total dividend for the current financial period: 1 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	
	31/01/2025	31/01/2024
Profit for the period attributable to owners of the Company (RM’000)	<u>80,344</u>	<u>69,628</u>
Weighted average number of ordinary shares (‘000)	<u>2,953,481</u>	<u>2,944,370</u>
Basic Earnings Per Ordinary Share (sen)	<u>2.72</u>	<u>2.36</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.

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.

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

	3 MONTHS ENDED	
	31/01/2025	31/01/2024
Profit for the period attributable to owners of the Company (RM'000)	<u>80,344</u>	<u>69,628</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,953,481	2,944,370
Effect of potential exercise of Warrants ('000)	<u>234,878</u>	<u>9,981</u>
Weighted average number of ordinary shares ('000)	<u>3,188,359</u>	<u>2,954,351</u>
Diluted Earnings Per Ordinary Share (sen)	<u>2.52</u>	<u>2.36</u>

11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 October 2024 were unqualified.

12. Provision of Financial Assistance

	3 MONTHS ENDED 31/01/2025 RM'000
i) Guarantees given by the Company to secure the bank borrowings of:	
- Paragon Pinnacle Sdn. Bhd. ("Paragon Pinnacle")	23,700
- Eco Horizon Sdn. Bhd. ("Eco Horizon")	<u>280,000</u>
	AS AT 31/01/2025 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	124,550
- Eco Horizon	<u>322,244</u>

There has been no material impact on the earnings and net tangible assets of the Group for the 3 months ended 31 January 2025 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 31/01/2025 RM'000
Interest income	14,946
Other income including investment income	9,321
Interest expense	(28,467)
Depreciation and amortisation	(6,223)
Net allowance for impairment of receivables	304
Reversal of write down of inventories	853
Gain or (loss) on disposal of properties	-
Foreign exchange gain or (loss)	(140)
Gain or loss on derivatives	-
Exceptional items	-
	<u><u> </u></u>

By order of the Board
Chua Siew Chuan
Company Secretary
20 March 2025