

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

**Interim Financial Report**  
**31 January 2022**

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**Interim Financial Report - 31 January 2022**

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

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 JANUARY 2022**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>	
	<b>31 JANUARY 2022</b>	<b>31 JANUARY 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	533,423	507,353
Cost of sales	<u>(419,036)</u>	<u>(406,305)</u>
<b>Gross profit</b>	<b>114,387</b>	<b>101,048</b>
Other income	14,084	14,211
Selling and marketing expenses	(8,459)	(8,439)
Administrative expenses	(41,933)	(47,736)
Finance costs	(24,260)	(27,095)
Share of results in joint ventures, net of tax	27,279	41,565
Share of results in associates, net of tax	(1,821)	(442)
<b>Profit before tax</b>	<u>79,277</u>	<u>73,112</u>
Income tax expense	(15,913)	(10,678)
Profit net of tax	63,364	62,434
<b>Other comprehensive income, net of tax</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(32)	7
Share of other comprehensive (loss)/income of a joint venture	<u>(15,509)</u>	<u>30,882</u>
<b>Total comprehensive income for the period</b>	<u><b>47,823</b></u>	<u><b>93,323</b></u>
<b>Profit net of tax attributable to:</b>		
Owners of the Company	63,364	62,434
Non-controlling interests	-	-
	<u>63,364</u>	<u>62,434</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	47,823	93,323
Non-controlling interests	-	-
	<u>47,823</u>	<u>93,323</u>
<b>Earnings per share attributable to owners of the Company:</b>		
Basic earnings per share (sen)	<u>2.15</u>	<u>2.12</u>
Diluted earnings per share (sen) *	<u>2.15</u>	<u>2.12</u>

\* *Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 October 2021 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 2022**

	As At 31 JANUARY 2022 RM'000 UNAUDITED	As At 31 OCTOBER 2021 RM'000 AUDITED
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	161,478	166,454
Investment property	19,777	19,740
Inventories - land held for property development	4,029,808	4,168,395
Investment in associates	94,337	96,158
Investment in joint ventures	1,373,053	1,373,089
Trade receivables	80,700	90,244
Lease receivables	2,310	2,631
Amount due from joint ventures	934,064	904,937
Deferred tax assets	105,961	108,207
	<u>6,801,488</u>	<u>6,929,855</u>
<b>Current assets</b>		
Inventories - property under development	703,982	665,854
Inventories - completed properties	506,438	608,971
Contract assets	88,516	78,844
Current tax assets	52,973	48,189
Trade and other receivables	589,008	631,717
Lease receivables	1,096	1,108
Deposits	466,292	314,405
Cash and bank balances	357,475	470,319
	<u>2,765,780</u>	<u>2,819,407</u>
<b>TOTAL ASSETS</b>	<u><b>9,567,268</b></u>	<u><b>9,749,262</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	3,614,865	3,614,865
Warrants reserve	194,395	194,395
Foreign currency translation reserve	21,248	36,966
Cash flow hedge reserve	(178)	(355)
Retained earnings	923,910	919,433
<b>Total equity</b>	<u><b>4,754,240</b></u>	<u><b>4,765,304</b></u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,299,590	1,313,219
Lease liabilities	7,261	8,595
Other payables	289,674	313,160
Deferred tax liabilities	37,767	41,296
	<u>1,634,292</u>	<u>1,676,270</u>
<b>Current liabilities</b>		
Trade and other payables	924,559	975,045
Contract liabilities	750,673	754,006
Bank overdrafts	24,875	24,018
Loans and borrowings	1,400,692	1,542,795
Lease liabilities	3,750	4,066
Current tax liabilities	15,300	7,758
Dividend payable	58,887	-
	<u>3,178,736</u>	<u>3,307,688</u>
<b>Total liabilities</b>	<u><b>4,813,028</b></u>	<u><b>4,983,958</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>9,567,268</b></u>	<u><b>9,749,262</b></u>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<u><b>1.61</b></u>	<u><b>1.62</b></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JANUARY 2022**

*(The figures have not been audited)*

	Share capital RM'000	Warrants 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 2021</b>	3,614,865	194,395	36,966	(355)	919,433	4,765,304
Profit for the period	-	-	-	-	63,364	63,364
Other comprehensive (loss)/income	-	-	(15,718)	177	-	(15,541)
Dividend payable	-	-	-	-	(58,887)	(58,887)
<b>At 31 January 2022</b>	<b>3,614,865</b>	<b>194,395</b>	<b>21,248</b>	<b>(178)</b>	<b>923,910</b>	<b>4,754,240</b>
<b>At 1 November 2020</b>	3,614,865	194,395	(18,487)	(89)	880,253	4,670,937
Effects of adoption of the Agenda Decision	-	-	-	-	(25,786)	(25,786)
<b>At 1 November 2020 (restated)</b>	<b>3,614,865</b>	<b>194,395</b>	<b>(18,487)</b>	<b>(89)</b>	<b>854,467</b>	<b>4,645,151</b>
Profit for the period	-	-	-	-	62,434	62,434
Other comprehensive income/(loss)	-	-	34,614	(3,725)	-	30,889
Dividend payable	-	-	-	-	(58,887)	(58,887)
<b>At 31 January 2021</b>	<b>3,614,865</b>	<b>194,395</b>	<b>16,127</b>	<b>(3,814)</b>	<b>858,014</b>	<b>4,679,587</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes.)

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 JANUARY 2022**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED</b>	
	<b>31 JANUARY 2022</b>	<b>31 JANUARY 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	79,277	73,112
Adjustments for :		
Non-cash items	(22,800)	(34,067)
Non-operating items	12,753	13,712
Operating cash flows before changes in working capital	69,230	52,757
Changes in inventories - property under development	107,011	189,593
Changes in inventories- completed properties	146,511	118,203
Changes in contract assets/contract liabilities	(13,005)	(18,766)
Changes in receivables	59,272	241,648
Changes in payables	(79,579)	(194,290)
Cash flows generated from operations	289,440	389,145
Interest received	444	791
Interest paid	(19,033)	(23,187)
Income taxes paid net of refunds	(15,359)	(6,091)
<b>Net cash flows generated from operating activities</b>	<b>255,492</b>	<b>360,658</b>
<b>Investing activities</b>		
Additions to inventories - land held for property development	(42,328)	(46,393)
Purchase of property, plant and equipment and investment properties	(1,649)	(1,595)
Proceeds from disposal of property, plant and equipment	137	84
Advances to joint ventures	(25,000)	(38,000)
Repayment of interest by joint ventures	10,687	11,165
Placement of redemption and debt service reserve accounts	(12,945)	(36,522)
Interest received from deposits	1,541	1,058
<b>Net cash flows used in investing activities</b>	<b>(69,557)</b>	<b>(110,203)</b>
<b>Financing activities</b>		
Drawdown of bank borrowings	140,565	36,899
Repayment of bank borrowings and lease liabilities	(297,652)	(94,482)
Interest paid	(3,611)	(4,845)
<b>Net cash flows used in financing activities</b>	<b>(160,698)</b>	<b>(62,428)</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,237</b>	<b>188,027</b>
<b>Effect of exchange rate changes</b>	<b>4</b>	<b>-</b>
<b>Cash and cash equivalents at 1 November 2021 / 2020</b>	<b>514,492</b>	<b>264,314</b>
<b>Cash and cash equivalents at 31 January 2022 / 2021</b>	<b>539,733</b>	<b>452,341</b>
<b>Cash and cash equivalents comprise the following:</b>		
Deposits	466,292	339,493
Cash and bank balances	357,475	342,687
Bank overdrafts	(24,875)	(26,517)
	798,892	655,663
Less: Deposit pledged, Debt Service Reserve, Redemption Accounts and Escrow Accounts	(259,159)	(203,322)
	<b>539,733</b>	<b>452,341</b>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 October 2021 and the accompanying explanatory notes.)

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of Preparation

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2021.

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 2021 except for the adoption of the following new amendments/improvements to MFRSs which are relevant and mandatory for the current financial year:-

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2
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The adoption of the above amendments/improvements to MFRSs do 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 2022 were not 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 2022.

### 4. Changes in Estimates

There were no material changes in estimates for the 3 months ended 31 January 2022.

### 5. Debts and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the 3 months ended 31 January 2022.

### 6. Dividends Paid

There was no payment of dividend during the 3 months ended 31 January 2022.

## 7. Segmental Reporting

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

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

There were no significant events after 31 January 2022 till 10 March 2022 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

## 9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 3 months ended 31 January 2022 except for the incorporation of Eco World Strategic Capital 1 Sdn. Bhd. ("EWSC 1") as a wholly-owned subsidiary of the Company on 11 November 2021. EWSC 1 has an issued and paid-up share capital of RM2.00.

## 10. Contingent Liabilities

There were no contingent liabilities that has arisen since the date of the latest audited financial statements.

## 11. Fair value of Financial Instruments

(a) There were no derivative financial instruments as at 31 January 2022.

(b) The carrying amounts of the Group's financial assets and financial liabilities at amortised cost are reasonable approximations of fair values.

## 12. Disaggregation of revenue

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

	3 MONTHS ENDED	
	31/01/2022	31/01/2021
	RM'000	RM'000
<b>Location</b>		
Klang Valley	225,392	260,985
Iskandar Malaysia	294,578	196,382
Penang	13,453	49,986
	<u>533,423</u>	<u>507,353</u>

## 13. Commitments

	As at 31/01/2022 RM'000
Approved and contracted for:-	
Commitment to subscribe/acquire additional shares in associates	36,552
Commitment to acquire property, plant and equipment	3,557
Commitment to fund development costs of joint ventures	<u>137,000</u>

#### 14. Significant Related Party Transactions

	<b>3 MONTHS ENDED 31/01/2022 RM'000</b>
(i) Transactions with shareholders/directors of the Company and of its subsidiary companies, and with companies in which they have interests	
- Stay2Own rental received from directors of subsidiary companies	36
(ii) Transactions with joint ventures	
- Advances given	25,000
- Interest received and receivable	14,814
- Development management fees received and receivable	20,925
- Other resources fees received and receivable	4,830
- Brand licensing fees received and receivable	1,817
- Commission received and receivable	56
- Rental received and receivable	45
- Support service fees received and receivable	37
(iii) Transactions with an associate	
- Secondment fees paid and payable	45
- Support service fees received and receivable	83

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

**1. Review of Group Performance**

	<b>3 MONTHS ENDED</b>		<b>Changes RM'000</b>
	<b>31/01/2022 RM'000</b>	<b>31/01/2021 RM'000</b>	
Revenue	533,423	507,353	26,070
Gross profit	114,387	101,048	13,339
Share of results of joint ventures			
- Malaysia	28,839	19,709	9,130
- International	(1,560)	21,856	(23,416)
	27,279	41,565	(14,286)
Profit before interest and tax	103,537	100,207	3,330
Profit before tax (PBT)	79,277	73,112	6,165
Profit after tax (Malaysian operations)	64,924	40,578	24,346
Profit after tax	63,364	62,434	930
Profit attributable to owners of the Company	63,364	62,434	930

The main projects which contributed to revenue and gross profit in 1Q 2022 were *Eco Majestic*, *Eco Forest* and *Eco Sanctuary* in the Klang Valley, *Eco Botanic*, *Eco Botanic 2*, *Eco Spring*, *Eco Summer*, *Eco Business Park I*, *Eco Business Park II*, *Eco Tropics* and *Eco Business Park III* in Iskandar Malaysia and *Eco Terraces* in Penang.

Revenue in 1Q 2022 was higher than in 1Q 2021 by 5.1%, whilst gross profit in 1Q 2022 was higher than in 1Q 2021 by 13.2%. This was mainly due to higher sales by the Group in the current quarter coupled with realisation of cost savings of several completed and near completion phases.

The Group's share of the results of its Malaysian joint ventures came from *Eco Grandeur*, *Eco Business Park V*, *Eco Horizon*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)*. Total contributions were 46.3% higher in 1Q 2022 compared to 1Q 2021 due to realisation of cost savings in handed-over phases at *Eco Ardence* and *Eco Grandeur*. Collectively the Malaysian joint ventures recorded a total of RM403.7 million in revenue in 1Q 2022 of which the Group's effective share, based on its equity stakes in the respective joint-ventures, amounted to RM207.9 million.

EcoWorld International Berhad (*EcoWorld International*) recorded a loss in 1Q 2022 as compared to a profit in 1Q 2021 mainly due to lower revenue and profit recognition from Yarra One and West Village following the handover of fewer units to customers in the current quarter. Similarly, the Eco World Ballymore joint venture in London did not handover as many units to customers in the current quarter.

Nevertheless, the Group was still able to record a higher profit before tax in 1Q 2022 as compared to 1Q 2021 due to the improved performance of its Malaysian subsidiaries and joint ventures.

The Group's profit after tax from its Malaysian operations grew by 60.0% to RM64.9 million in 1Q 2022 as compared to RM40.6 million in 1Q 2021.

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

	3 MONTHS ENDED		
	31/01/2022 RM'000	31/10/2021 RM'000	Changes RM'000
Revenue	533,423	666,050	(132,627)
Gross profit	114,387	161,272	(46,885)
Share of results of joint ventures			
- Malaysia	28,839	47,243	(18,404)
- International	(1,560)	(9,440)	7,880
	27,279	37,803	(10,524)
Profit before interest and tax	103,537	96,274	7,263
Profit before tax (PBT)	79,277	73,298	5,979
Profit after tax (Malaysian operations)	64,924	52,278	12,646
Profit after tax	63,364	42,838	20,526
Profit attributable to owners of the Company	63,364	42,838	20,526

The Group's revenue and gross profit for 1Q 2022 were lower as compared to 4Q 2021 due to higher sales of completed and nearly completed products in 4Q 2021 (thus enabling a higher revenue and gross profit to be recognised in that quarter). Additionally, the realisation of cost savings on certain completed phases added to the higher gross profit achieved in 4Q 2021.

The share of results of the Group's Malaysian joint ventures was also higher in 4Q 2021 mainly due to realisation of cost savings on completed/ near-completion phases at *Eco Grandeur*.

The share of loss in EcoWorld International was higher in 4Q 2021 due to additional incentives given to purchasers to drive sales by EcoWorld Ballymore, an impairment of £3.6m (approx. RM20.2 million) on inventories based on net selling prices and a write-off of £4.6m (approx. RM26.2 million) in abortive planning costs following a decision by EcoWorld International to not proceed with the acquisition of a development project under the EcoWorld London portfolio.

Arising from the above, the Group recognised an impairment of RM57.3 million on its investment in Eco World International in 4Q 2021 which resulted in the lower PBT and PAT recorded as compared to 1Q 2022.

## 3. Prospects for the Current Financial Year

Location of projects	No. of launched projects <sup>2</sup>	4 months ended 28.02.2022			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		28.02.2022
						Future revenue <sup>3</sup> RM'mil
Klang Valley	8	576	772	709	15,579	2,275
Iskandar Malaysia	8	428	426	315	8,340	986
Penang	3	361	250	252	1,772	254
<b>Malaysia</b>	<b>19</b>	<b>1,365</b>	<b>1,448</b>	<b>1,276</b>	<b>25,691</b>	<b>3,515</b>

Location of projects	Land Bank Acres <sup>2</sup>	4 months ended 28.02.2022			Cumulative sales <sup>1,2</sup> RM'mil	As at
		Units sold <sup>1,2</sup>	Sales value <sup>2</sup> RM'mil			28.02.2022
						Future revenue <sup>3</sup> RM'mil
United Kingdom	50.7	116	631	14,226		356
Australia	2.4	16	54	1,436		4
<b>Overseas</b>	<b>53.1</b>	<b>132</b>	<b>685</b>	<b>15,662</b>		<b>360</b>

**Total future revenue attributable to EcoWorld Malaysia**

<b>3,875</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 recorded RM1.276 billion sales in the first four months of FY2022 which is 40.1% higher than the RM911 million recorded in the same period of FY2021. Sales performance in all three geographic regions improved with the highest percentage increase of 194.4% achieved in Iskandar Malaysia followed by 110.0% increase in Penang. Whilst the Klang Valley recorded a smaller percentage increase due to the high base effect, the region still accounted for 55.6% of total Group sales achieved up to 28 February 2022.

Notably, the cessation of the Government's Home Ownership Campaign (HOC) on 31 December 2021 did not have any noticeable impact on sales momentum which continued to be sustained throughout January – February 2022. Sales of the Group's completed units performed well, resulting in further reductions of inventory levels from RM609 million as at 31 October 2021 to RM506 million as at 31 January 2022.

Launches of numerous new phases at the Group's various townships also provided a strong boost to sales – key highlights include the following:

- **Eco Majestic's** launch of new phases of its **Stoneridge** Semi-Dee, Cluster and Bungalow homes along with the latest **Cheerywood** terraces all contributed substantially to the RM232 million sales achieved in the first four months of FY2022. This is higher than the project's full year sales of RM198 million in FY2021;
- **Eco Grandeur's** new garden homes in the **Regent Garden** precinct and its second phase of shopoffices, **Utopia**, were very well received, enabling the project to record RM184 million in sales as at 28 February 2022; and
- Up north in Batu Kawan on the Penang mainland, **Eco Horizon's** launch of Semi-Dees and Bungalows under the **Beldon** precinct and new garden homes under the **Camdon** precinct experienced strong take-ups, resulting in RM237 million sales being recorded, higher than the project's FY2021 full year sales of RM187 million.

### 3. Prospects for the Current Financial Year (continued)

On the industrial front, sales by the Group's four Eco Business Parks up to 28 February 2022 totalled RM154 million which is 43.9% higher than the RM107 million achieved in the same period last year. *Eco Business Parks I, II, III* in Iskandar Malaysia contributed RM98 million whilst *Eco Business Park V* contributed RM56 million. The healthy uptick in sales achieved by the Group's industrial division in both regions is an encouraging sign of broadbased economic recovery. The Malaysian Investment Development Authority (MIDA)'s recent report of the 113.7% investment growth recorded in 2021 by the manufacturing sector also point to better days ahead, with demand for industrial products expected to further increase once Malaysia fully reopens its borders on 1 April 2022.

Accordingly, EcoWorld Malaysia is optimistic that it is on track to achieving its FY2022 sales target of RM3.5 billion. Whilst management acknowledges that there are still market challenges to be overcome including inflation caused by rising material and oil prices and potential interest rate hikes, the Group is relatively well positioned given the maturity of its landbank with the bulk of primary infrastructure already completed. Meanwhile, the Group's focus on enhancing value and improving profitability by introducing products with higher margins is progressing well, as demonstrated by the positive response to all its latest launches of relatively higher-end residential products mentioned above.

Overseas, *EcoWorld International* recorded RM685 million sales in the first four months of the current financial year which is 68.0% higher than the sales recorded in the same period in FY2021. Whilst Covid-19 and Brexit related market challenges also remain, amplified by inflationary concerns and the current conflict in Europe between Russia and Ukraine, the positive start to FY2022 from a sales standpoint reflects the fundamental appeal of EcoWorld International's placemaking projects.

Furthermore, EcoWorld International's active projects in Australia are completed while those in its London EW-Ballymore joint venture are very close to full completion. The impact of an inflationary environment on these projects could be asymmetrical in a favourable manner, where their selling prices may benefit from rising property prices while their costs are largely shielded from inflationary pressure as these projects are mostly completed.

Against the above backdrop, EcoWorld International's strategic decision made in 4Q 2021 to accelerate cash recoupment via the sale of its completed units, particularly within the EW-Ballymore portfolio remains sound. Subject to geopolitical tensions de-escalating, EcoWorld Malaysia should still stand to benefit from their reiterated intention to clear their remaining stocks in the next two to three years with the goal of making further distributions to shareholders after setting aside a portion of the capital recouped from their completed projects to be reinvested for future growth.

The Group's future revenue position from its Malaysian projects has increased to RM3.5 billion from RM3.2 billion as at 31 October 2021. Including its share of EcoWorld International's future revenue, total future revenue attributable to EcoWorld Malaysia stands at RM3.9 billion as at 28 February 2022, thus providing good near-term earnings visibility.

As at 28 February 2022, the Group's land bank is as follows:-

Location of projects	No of projects	Land bank (acres)	
		Original land size	Undeveloped
Klang Valley	8	4,735.3	2,298.9
Iskandar Malaysia	8	3,119.1	1,542.9
Penang	4	463.9	279.3
<b>The Group</b>	<b>20</b>	<b>8,318.3</b>	<b>4,121.1</b>

### 3. Prospects for the Current Financial Year (continued)

The Group's net gearing continued to improve in 1Q 2022 as illustrated by the table below:

	31 October				31 January
	2018	2019	2020	2021	2022
	Based on audited financial statements				Unaudited
Total borrowings (RM mil)	3,832	3,780	3,317	<b>2,880</b>	<b>2,725</b>
Cash and bank balances (RM mil)	510	601	456	<b>785</b>	<b>824</b>
Net borrowings (RM mil)	3,322	3,179	2,861	<b>2,095</b>	<b>1,901</b>
<b>Net gearing</b>	<b>0.77</b>	<b>0.70</b>	<b>0.62</b>	<b>0.44</b>	<b>0.40</b>

Based on the above, EcoWorld Malaysia is well-positioned to consider expanding its landbank for future growth should a good opportunity arise in the near to mid-term.

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

There were no profit forecast published as at 31 January 2022.

### 5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED	
	31/01/2022	31/01/2021
	RM'000	RM'000
Current tax		
- for current quarter	17,183	11,693
- in respect of prior years	932	1,613
Deferred tax		
- for current quarter	(301)	(410)
- in respect of prior years	(1,901)	(2,218)
	<u>15,913</u>	<u>10,678</u>

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

### 6. Status of Corporate Proposals

The following is the corporate proposal previously announced by the Company that remained uncompleted as at 10 March 2022, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

On 17 January 2022, the Company announced a proposed bonus issue of up to 693,952,144 warrants ("New Warrants") on the basis of one (1) New Warrant for every five (5) existing ordinary shares in the Company held by entitled shareholders on an entitlement date to be determined and announced later. The proposed bonus issue of New Warrants was approved by Bursa Malaysia Securities Berhad on 9 February 2022 and is subject to approval of shareholders of the Company during the 48<sup>th</sup> Annual General Meeting which will be held on 24 March 2022.

## 7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 January 2022 and 31 October 2021 were as follows:-

	As at 31 January 2022		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Revolving credits	175,546	347,670	523,216
Term loans	349,803	109,579	459,382
Bridging loans	256,313	10,310	266,623
Medium term notes	89,878	-	89,878
Sukuk	178,753	-	178,753
Hire purchase (included in lease liabilities)	24	93	117
	<u>1,050,317</u>	<u>467,652</u>	<u>1,517,969</u>
<b>Unsecured</b>			
Revolving credits	-	683,192	683,192
Medium term notes	249,297	249,941	499,238
Overdraft	-	24,875	24,875
	<u>249,297</u>	<u>958,008</u>	<u>1,207,305</u>
	<u>1,299,614</u>	<u>1,425,660</u>	<u>2,725,274</u>
<b>As at 31 October 2021</b>			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Revolving credits	132,018	395,239	527,257
Term loans	404,069	171,644	575,713
Bridging loans	259,376	9,767	269,143
Medium term notes	89,852	-	89,852
Sukuk	178,677	-	178,677
Hire purchase (included in lease liabilities)	48	92	140
	<u>1,064,040</u>	<u>576,742</u>	<u>1,640,782</u>
<b>Unsecured</b>			
Revolving credits	-	716,232	716,232
Medium term notes	249,227	249,913	499,140
Overdraft	-	24,018	24,018
	<u>249,227</u>	<u>990,163</u>	<u>1,239,390</u>
	<u>1,313,267</u>	<u>1,566,905</u>	<u>2,880,172</u>

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

	As at 31 January 2022	As at 31 October 2021
	%	%
Floating interest rate borrowings	4.09	4.21
Fixed interest rate borrowings	6.23	6.22

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

The decrease in borrowings is mainly due to repayments during the 3 months ended 31 January 2022.

The Group's gearing ratios are as follows:

	As at 31 January 2022	As at 31 October 2021
Gross Gearing	0.57	0.60
Net Gearing	0.40	0.44

## 8. Material Litigation

The Group was not engaged in any material litigation as at 10 March 2022 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

## 9. Dividend Declared

On 16 December 2021, the Group declared a second interim single-tier dividend of 2.0 sen per ordinary share amounting to RM58,887,368 in respect of the financial year ended 31 October 2021, which was paid on 28 February 2022.

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

## 10. Earnings Per Share Attributable To Owners of The Company

Earnings per share has been calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:

	<b>3 MONTHS ENDED</b>	
	<b>31/01/2022</b>	<b>31/01/2021</b>
Profit for the period attributable to owners of the Company (RM'000)	<u>63,364</u>	<u>62,434</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>
Basic Earnings Per Ordinary Share (sen)	<u>2.15</u>	<u>2.12</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 2015/2022 ("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.

	<b>3 MONTHS ENDED</b>	
	<b>31/01/2022</b>	<b>31/01/2021</b>
Profit for the period attributable to owners of the Company (RM'000)	<u>63,364</u>	<u>62,434</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,369	2,944,369
Effect of potential exercise of Warrants ('000)	<u>#</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,944,369</u>	<u>2,944,369</u>
Diluted Earnings Per Ordinary Share (sen) *	<u>2.15</u>	<u>2.12</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

The Warrants will expire on 25 March 2022.

## 11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 October 2021 were unqualified.

## 12. Provision of Financial Assistance

	<b>3 MONTHS ENDED</b>
	<b>31/01/2022</b>
	<b>RM'000</b>
i) Advances provided to:	
- BBCC Development Sdn Bhd	10,000
- Eco Horizon Sdn Bhd ("Eco Horizon")	15,000
ii) Guarantees given by the Company to secure the bank borrowings of:	
- Paragon Pinnacle Sdn Bhd ("Paragon Pinnacle")	43,900
- Eco Horizon	8,100
	=====
	<b>As at 31/01/2022</b>
	<b>RM'000</b>
iii) 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	429,995
- Eco Horizon	322,244
	=====

There has been no material impact on the earnings and net tangible assets of the Group for the 3 months ended 31 January 2022 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 ENDED</b>
	<b>31/01/2022</b>
	<b>RM'000</b>
Interest income	11,082
Other income including investment income	3,002
Interest expense	(24,260)
Depreciation and amortisation	(4,920)
Allowance for impairment of receivables	-
Reversal of write down of inventories	1,816
Gain or loss on disposal of quoted or unquoted investments or properties	-
Impairment of assets	-
Foreign exchange gain or (loss)	50
Gain or loss on derivatives	-
Exceptional items	-
	=====

By order of the Board  
Chua Siew Chuan  
Company Secretary  
17 March 2022