

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

Interim Financial Report
31 January 2024

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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 2024

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2024	31 JANUARY 2023
	RM'000	RM'000
Revenue	537,786	484,734
Cost of sales	(409,441)	(358,402)
Gross profit	<u>128,345</u>	<u>126,332</u>
Other income	34,470	21,639
Selling and marketing expenses	(6,965)	(6,303)
Administrative expenses	(47,602)	(43,089)
Finance costs	(30,093)	(30,308)
Share of results in joint ventures, net of tax	19,859	18,157
Share of results in associates, net of tax	(5,580)	(6,627)
Profit before tax	<u>92,434</u>	<u>79,801</u>
Income tax expense	(22,806)	(22,801)
Profit net of tax	<u>69,628</u>	<u>57,000</u>
Other comprehensive (loss)/income, net of tax		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(165)	365
Share of other comprehensive income/(loss) of a joint venture	11,905	(18,315)
Total comprehensive income for the period	<u>81,368</u>	<u>39,050</u>
Profit net of tax attributable to:		
Owners of the Company	69,628	57,000
Non-controlling interests	-	-
	<u>69,628</u>	<u>57,000</u>
Total comprehensive income attributable to:		
Owners of the Company	81,368	39,050
Non-controlling interests	-	-
	<u>81,368</u>	<u>39,050</u>
Earnings per share attributable to owners of the Company:		
Basic earnings per share (sen)	<u>2.36</u>	<u>1.94</u>
Diluted earnings per share (sen)	<u>2.36</u>	<u>1.94 *</u>

* *Anti-dilutive*

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

	AS AT 31 JANUARY 2024 RM'000 UNAUDITED	AS AT 31 OCTOBER 2023 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	134,040	144,300
Investment property	20,462	20,434
Inventories - land held for property development	3,313,961	3,212,740
Investment in associates	50,816	54,056
Investment in joint ventures	1,043,891	1,056,568
Trade receivables	24,085	32,787
Lease receivables	231	432
Amount due from joint ventures	1,134,338	1,031,920
Deferred tax assets	94,115	93,170
Deposits	20,000	20,000
	<u>5,835,939</u>	<u>5,666,407</u>
Current assets		
Inventories - property under development	827,436	750,932
Inventories - completed properties	226,653	238,810
Contract assets	197,919	169,954
Current tax assets	63,039	96,252
Trade and other receivables	631,683	642,646
Lease receivables	1,140	1,278
Short-term funds	488,489	642,737
Deposits	260,708	208,451
Cash and bank balances	401,021	485,376
	<u>3,098,088</u>	<u>3,236,436</u>
TOTAL ASSETS	<u>8,934,027</u>	<u>8,902,843</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	3,614,868	3,614,868
Foreign currency translation reserve	33,919	22,179
Retained earnings	1,147,221	1,136,480
Total equity	<u>4,796,008</u>	<u>4,773,527</u>
Non-current liabilities		
Loans and borrowings	1,767,792	1,800,878
Lease liabilities	2,944	3,524
Other payables	97,460	152,460
Deferred tax liabilities	92,675	120,773
	<u>1,960,871</u>	<u>2,077,635</u>
Current liabilities		
Trade and other payables	828,359	844,384
Contract liabilities	602,620	460,570
Bank overdrafts	24,664	9,232
Loans and borrowings	712,309	730,725
Lease liabilities	3,525	3,993
Current tax liabilities	5,671	2,777
	<u>2,177,148</u>	<u>2,051,681</u>
Total liabilities	<u>4,138,019</u>	<u>4,129,316</u>
TOTAL EQUITY AND LIABILITIES	<u>8,934,027</u>	<u>8,902,843</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.63</u>	<u>1.62</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 2023 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 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	-	-	-	69,628	69,628
Other comprehensive income	-	11,740	-	-	11,740
Transaction with owners:					
- Dividend paid	-	-	-	(58,887)	(58,887)
At 31 January 2024	3,614,868	33,919	-	1,147,221	4,796,008
At 1 November 2022	3,614,868	10	(225)	1,123,818	4,738,471
Profit for the period	-	-	-	57,000	57,000
Other comprehensive (loss)/income	-	(17,958)	8	-	(17,950)
Transaction with owners:					
- Dividend paid	-	-	-	(58,887)	(58,887)
At 31 January 2023	3,614,868	(17,948)	(217)	1,121,931	4,718,634

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2024	31 JANUARY 2023
	RM'000	RM'000
Operating activities		
Profit before tax	92,434	79,801
Adjustments for :		
Non-cash items	(10,017)	(5,428)
Non-operating items	4,604	11,128
Operating cash flows before changes in working capital	<u>87,021</u>	<u>85,501</u>
Changes in inventories - property under development	89,016	74,863
Changes in inventories- completed properties	12,431	56,361
Changes in contract assets/contract liabilities	114,085	(91,277)
Changes in receivables	16,559	109,825
Changes in payables	(41,027)	(80,465)
Cash flows generated from operations	<u>278,085</u>	<u>154,808</u>
Interest received	7,373	3,246
Interest paid	(15,175)	(25,129)
Income taxes paid	(16,915)	(20,387)
Net cash flows generated from operating activities	<u>253,368</u>	<u>112,538</u>
Investing activities		
Additions to inventories - land held for property development	(294,976)	(136,767)
Purchase of property, plant and equipment and investment property	(2,313)	(659)
Proceeds from disposal of property, plant and equipment	274	42
Deposit paid for acquisition of land	(6,752)	-
Subscription of shares in an associate	(2,340)	(2,826)
Advances to joint ventures	(110,000)	-
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	154,421	(3,806)
Dividends received from joint ventures	38,880	2,000
Interest received from deposits	5,956	3,518
Net cash flows used in investing activities	<u>(191,468)</u>	<u>(127,811)</u>
Financing activities		
Drawdown of bank borrowings	21,528	52,561
Repayment of bank borrowings and lease liabilities	(74,620)	(307,773)
Interest paid	(10)	(2,331)
Dividends paid on ordinary shares	(58,887)	(58,887)
Net cash flows used in financing activities	<u>(111,989)</u>	<u>(316,430)</u>
Net decrease in cash and cash equivalents	(50,089)	(331,703)
Effect of exchange rate changes	6	(29)
Cash and cash equivalents at 1 November 2023 / 2022	<u>674,980</u>	<u>1,235,035</u>
Cash and cash equivalents at 31 January 2024 / 2023	<u>624,897</u>	<u>903,303</u>
Cash and cash equivalents comprise the following:		
Deposits	280,708	556,128
Cash and bank balances	401,021	453,058
Bank overdrafts	(24,664)	(22,582)
	<u>657,065</u>	<u>986,604</u>
Less: Deposits pledged and/or with maturity of more than 3 months	(32,168)	(83,301)
	<u>624,897</u>	<u>903,303</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 3 months ended 31 January 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 3 months ended 31 January 2024.

4. Changes in Estimates

There were no material changes in estimates for the 3 months ended 31 January 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 3 months ended 31 January 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 31 January 2024 till 14 March 2024 (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 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 14 March 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 31/01/2024 RM'000
Short-term funds	<u>488,489</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	
	31/01/2024	31/01/2023
Location	RM'000	RM'000
Klang Valley	194,056	205,639
Iskandar Malaysia	340,130	276,190
Penang	3,600	2,905
	<u>537,786</u>	<u>484,734</u>

13. Commitments

	AS AT
	31/01/2024
	RM'000
Approved and contracted for:-	
Commitment to subscribe for additional shares in an associate	8,821
Commitment to acquire property, plant and equipment	7,743
Commitment to fund development costs of a joint venture	55,000
Commitment to purchase a development land	443,375
	<u>514,940</u>

14. Significant Related Party Transactions

	3 MONTHS
	ENDED
	31/01/2024
	RM'000
(i) Transactions with directors of the Company and of its subsidiary companies	
- Legal fees paid and payable to a firm, in which an immediate family member of a director has interest	19
- 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	86
- Stay2Own rental received	9
- Sales of development properties to a director of a subsidiary company	870
(ii) Transactions with joint ventures	
- Advances given	110,000
- Dividend received	38,880
- Interest received and receivable	17,799
- Development management fees received and receivable	14,713
- Other resources fees received and receivable	4,423
- Brand licensing fees received and receivable	1,588
- Rental received and receivable	45
- Rental paid and payable	120
- Support service fees received and receivable	67
- Commitment fees received and receivable	72
- Secondment fees received and receivable	839
- Sale of property, plant and equipment	104
(iii) Transaction with an associate	
- Support service fees received and receivable	264

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

1. Review of Group Performance

	3 MONTHS ENDED		Changes RM'000
	31/01/2024 RM'000	31/01/2023 RM'000	
Revenue	537,786	484,734	53,052
Gross profit	128,345	126,332	2,013
Share of results of joint ventures			
- Malaysia	18,584	23,378	(4,794)
- International	1,275	(5,221)	6,496
	19,859	18,157	1,702
Profit before interest and tax	122,527	110,109	12,418
Profit before tax (PBT)	92,434	79,801	12,633
Profit after tax (Malaysian operations)	68,353	62,221	6,132
Profit after tax (PAT)	69,628	57,000	12,628
Profit attributable to owners of the Company	69,628	57,000	12,628

The main projects which contributed to revenue and gross profit in 1Q 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.

Revenue in 1Q 2024 was higher than 1Q 2023 by 10.9% mainly due to higher contributions from active phases as well as newly launched phases.

Gross profit increased by 1.6% with a gross profit margin of 23.9% recorded in 1Q 2024. The margin was lower than the 26.1% in 1Q 2023 which had higher cost savings realised from completed 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 1Q 2024 were 20.5% lower than in 1Q 2023. This was mainly due to lower contributions from certain phases in *Eco Ardence* and *Eco Horizon*, which are near completion, whilst profit recognition on the more recently launched *duduk* phases, namely *Hana D' Eco Ardence & Ceria D' Eco Horizon*, are still at the initial stages in 1Q 2024.

Collectively, the Malaysian joint ventures recorded a total of RM327.6 million in revenue in 1Q 2024 of which the Group's effective share, based on its equity stakes in the respective joint ventures, amounted to RM179.7 million.

Including contributions from the Malaysian joint ventures, total PAT from the Group's Malaysian operations amounted to RM68.4 million in 1Q 2024, which was higher than 1Q 2023 by 9.9%. The higher PAT was mainly due to higher interest income earned from the placement of excess funds.

1. Review of Group Performance (Continued)

EcoWorld International Berhad (*EWI*) recorded a profit in 1Q 2024 (net of impairment losses on its EcoWorld London joint venture) as compared to a net loss in 1Q 2023 mainly due to:

- i) foreign exchange gain recognised in 1Q 2024 vs foreign exchange loss recorded in 1Q 2023; and
- ii) lower finance costs as a result of its full settlement of all borrowings in 3Q 2023.

After taking into account the share of EWI's results, the Group achieved RM69.6 million PAT for 1Q 2024, which is 22.2% higher than 1Q 2023.

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

	3 MONTHS ENDED		Changes RM'000
	31/01/2024 RM'000	31/10/2023 RM'000	
Revenue	537,786	844,456	(306,670)
Gross profit	128,345	175,067	(46,722)
Share of results of joint ventures			
- Malaysia	18,584	46,995	(28,411)
- International	1,275	(7,518)	8,793
	19,859	39,477	(19,618)
Profit before interest and tax	122,527	53,350	69,177
Profit before tax (PBT)	92,434	20,057	72,377
Profit after tax (Malaysian operations)	68,353	92,811	(24,458)
Profit after tax (PAT)	69,628	3,293	66,335
Profit attributable to owners of the Company	69,628	3,293	66,335

The Group's revenue and gross profit in the current quarter were lower by 36.3% and 26.7%, respectively, as compared to the previous quarter. This was mainly due to the completion of a 92-acre industrial land sale in *Eco Business Park II* in the previous quarter.

Gross profit margin of 23.9% in 1Q 2024 was higher than the 20.7% recorded in 4Q 2023 due to lower margins on the industrial land sale completed in the previous quarter.

The share of results of the Group's Malaysian joint ventures in 1Q 2024 was lower by 60.5% as compared to 4Q 2023, which was boosted by the closure of accounts of several completed parcels in *BBCC* in the previous quarter.

EWI recorded a profit in the current quarter as compared to a loss in the previous quarter due to lower impairment losses on its EcoWorld London joint venture.

Overall, the Group recorded a PAT of RM69.6 million in 1Q 2024 as compared to RM3.3 million in 4Q 2023. The substantially higher PAT is due to a RM82.0 million impairment having been recognised on the Group's investment in EWI in the previous quarter.

3. Prospects for the Current Financial Year

The status of the Group's development projects as at 29 February 2024 is as follows:

Location of projects	No. of launched projects ²	4 months ended 29.02.2024			Cumulative sales ^{1,2} RM'mil	As at
		Units launched ²	Units sold ^{1,2}	Sales value ² RM'mil		29.02.2024
						Future revenue ³ RM'mil
Klang Valley	8	356	341	372	18,891	1,698
Iskandar Malaysia	8	602	841	723	11,645	1,800
Penang	3	651	284	164	2,584	342
Malaysia	19	1,609	1,466	1,259	33,120	3,840

Location of projects	Land Bank Acres ²	4 months ended 29.02.2024			Cumulative sales ^{1,2} RM'mil	As at
		Units sold ^{1,2}	Sales value ² RM'mil	29.02.2024		
						Future revenue ³ RM'mil
United Kingdom	50.7	40	217	18,103	41	
Australia	2.4	3	26	1,726	-	
Overseas	53.1	43	243	19,829	41	

Total future revenue attributable to EcoWorld Malaysia

3,881

¹ Includes sales of units from prior year launches

² Includes projects and sales of joint ventures

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

EcoWorld Malaysia recorded RM1.26 billion sales in the first four months of FY2024, representing 36% of the FY2024 sales target of RM3.5 billion. Projects in Iskandar Malaysia contributed RM723 million, making up 57% of total year-to-date (YTD) sales. The strong outperformance reflects the increasingly high demand in this property hotspot which the Group has been able to capture, given the depth and breadth of its product range across all four revenue pillars, as discussed further below. It is also testament to EcoWorld Malaysia's strong branding and established track record in the southern state. With two new and sizeable tracts of lands recently acquired in Iskandar Malaysia for the *EBP VI* and *Eco Botanic III* projects, the Group is well positioned to further expand its market share in this fast growing and rapidly transforming region.

A breakdown of the YTD sales achieved by revenue pillars as at 29 February 2024 is set out below:

Revenue pillar	RM'mil	
Eco Townships	571	45%
Eco Rise	228	18%
Eco Hubs	162	13%
Eco Business Parks	298	24%
Total	1,259	100%

Sales of residential homes under the *Eco Townships* and *Eco Rise* pillars contributed a total of RM799 million or 63% of the Group's sales in the first 4 months of FY2024. These include sales from new launches of landed homes at the following townships:

- *Wellington Garden* terrace and garden homes in *Eco Grandeur*, Klang Valley
- *Dhana & Kallos* cluster homes in *Eco Spring*, Iskandar Malaysia
- *Luna & Nova* terrace homes in *Eco Tropics*, Iskandar Malaysia

3. Prospects for the Current Financial Year (Continued)

With the launch of *Sa.Young D' Eco Botanic* in Iskandar Malaysia, EcoWorld Malaysia's *duduk* series is now present in the Central, Northern and Southern regions. Contributions from the *Eco Rise* pillar is set to grow further with *Santai D' Eco Spring*, *Riang D' Eco Majestic* and *Se.Duduk D' Kajang* slated for launch in Iskandar Malaysia and the Klang Valley respectively the upcoming quarters. The Group has also successfully completed and handed over close to 2,700 units of its first two *duduk* apartments, namely *Huni D' Eco Ardence* and *Se.Ruang D' Eco Sanctuary* in the Klang Valley.

The *Eco Business Parks* pillar contributed RM298 million representing 24% of YTD sales. Products sold 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*. Demand in this segment continues to be strong with numerous enquiries received from industrialists (both local and foreign) who are seeking sizeable parcels of industrial lands, particularly in Iskandar Malaysia, for their business expansion needs. This bodes well for the Group's upcoming *EBP VI* project in Kulai, Iskandar Malaysia, which is targeted to be launched at the end of FY2024 / start of FY2025.

Meanwhile, the Group's *Eco Hubs* pillar continued to bring in steady sales of RM162 million, accounting for 13% of YTD sales. Products sold consist of 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 *BBCC*. New launches in 1Q 2024 include *Eco Grandeur*'s latest series of strata shops, *Utopia East*, which is more than 50% sold since its launch in January 2024.

Arising from the above sales, EcoWorld Malaysia's future revenue as at 29 February 2024 has increased to RM3.88 billion from RM3.49 billion as at 31 October 2023.

As at 29 February 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	4,742.3	1,704.0
Iskandar Malaysia *	10	3,763.1	1,535.6
Penang	4	463.9	213.9
The Group	23	8,969.3	3,453.5

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

The majority of the Group's projects contributing to sales are now highly matured with land cost and primary infrastructure fully paid. As a result, EcoWorld Malaysia was able to generate RM253.4 million net cashflows from operating activities in 1Q 2024. This is 2.74 times its profit before tax of RM92.4 million for the current quarter and more than double the amount generated in 1Q 2023 of RM112.5 million. The strong internally generated cash enabled the Group to complete its acquisition of the Kulai land (for the *EBP VI* project) in 1Q 2024, with minimal impact to its net gearing position.

As at 31 January 2024, gross and net gearing levels stand at 0.52 and 0.28, respectively, placing the Group in good stead to continue seeking to increase its landbank to further improve its growth prospects.

3. Prospects for the Current Financial Year (Continued)

EWI

EWI recorded RM243 million sales in the first four months of FY2024. As at 29 February 2024, it has approximately RM650 million of completed and nearly-completed stocks that are available for sale, of which EWI's effective share is approximately RM500 million. Sales of completed stocks are estimated to generate excess cash up to RM500 million for EWI over 2024 and 2025. EWI is currently undertaking a second capital reduction exercise with the intention of distributing the excess cash to shareholders, which will further bolster EcoWorld Malaysia's cash reserves upon receipt.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 January 2024.

5. Income Tax

Income tax comprises:-

	3 MONTHS ENDED	
	31/01/2024	31/01/2023
	RM'000	RM'000
Current tax		
- for current quarter	53,022	10,063
- in respect of prior years	-	3
Deferred tax		
- for current quarter	(31,464)	11,678
- in respect of prior years	1,248	1,057
	22,806	22,801

The Group's effective tax rate for 1Q 2024 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 14 March 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 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.

6. Status of Corporate Proposals (Continued)

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.

7. Group Borrowings and Debt Securities

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

	As at 31 January 2024		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Revolving credits	48,491	117,000	165,491
Term loans	240,498	787	241,285
Bridging loans	180,642	4,670	185,312
Medium term notes	19,999	-	19,999
Sukuk	179,355	-	179,355
	<u>668,985</u>	<u>122,457</u>	<u>791,442</u>
Unsecured			
Revolving credits	-	340,000	340,000
Medium term notes	-	249,852	249,852
Sukuk	1,098,807	-	1,098,807
Overdraft	-	24,664	24,664
	<u>1,098,807</u>	<u>614,516</u>	<u>1,713,323</u>
	<u>1,767,792</u>	<u>736,973</u>	<u>2,504,765</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 31 January 2024	As at 31 October 2023
	%	%
Floating interest rate borrowings	5.21	5.20
Fixed interest rate borrowings	5.46	5.46

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

7. Group Borrowings and Debt Securities (Continued)

The decrease in borrowings is mainly due to repayments during the 3 months ended 31 January 2024.

The Group's gearing ratios were as follows:

	As at 31 January 2024	As at 31 October 2023
Gross Gearing (times)	0.52	0.53
Net Gearing (times)	0.28	0.25

8. Material Litigation

The Group was not engaged in any material litigation as at 21 March 2024, 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 April 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

On 14 December 2023, the Group declared a final dividend of 2 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2023, which was paid on 19 January 2024.

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

10. Earnings Per Share Attributable to Owners of the Company

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

	3 MONTHS ENDED	
	31/01/2024	31/01/2023
Profit for the period attributable to owners of the Company (RM'000)	69,628	57,000
Weighted average number of ordinary shares ('000)	2,944,370	2,944,370
Basic Earnings Per Ordinary Share (sen)	2.36	1.94

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	
	31/01/2024	31/01/2023
Profit for the period attributable to owners of the Company (RM'000)	<u>69,628</u>	<u>57,000</u>
Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000)	2,944,370	2,944,370
Effect of potential exercise of Warrants ('000)	<u>9,981</u>	<u>#</u>
Weighted average number of ordinary shares ('000)	<u>2,954,351</u>	<u>2,944,370</u>
Diluted Earnings Per Ordinary Share (sen)	<u>2.36</u>	<u>1.94*</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

	3 MONTHS ENDED 31/01/2024 RM'000
i) Guarantees given by the Company to secure the bank borrowings of:	
- Paragon Pinnacle Sdn. Bhd. ("Paragon Pinnacle")	25,100
- Eco Horizon Sdn. Bhd. ("Eco Horizon")	51,700
	=====
	AS AT 31/01/2024 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	490,416
- 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 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 31/01/2024 RM'000
Interest income	24,955
Other income including investment income	9,121
Interest expense	(30,093)
Depreciation and amortisation	(5,307)
Net allowance for impairment of receivables	(2,853)
Net write down of inventories	274
Gain or loss on disposal of properties	1,194
Foreign exchange gain or (loss)	92
Gain or loss on derivatives	-
Exceptional items	-
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By order of the Board
Chua Siew Chuan
Company Secretary
21 March 2024