

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

Interim Financial Report
31 July 2024

ECO WORLD DEVELOPMENT GROUP BERHAD
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(Incorporated in Malaysia)

Interim Financial Report - 31 July 2024

| | Page No. |
|--|----------|
| Condensed Consolidated Statement of Comprehensive Income | 1 |
| Condensed Consolidated Statement of Financial Position | 2 |
| Condensed Consolidated Statement of Changes In Equity | 3 |
| Condensed Consolidated Statement of Cash Flows | 4 |
| Notes to the Interim Financial Report | 5-8 |
| Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad | 9-18 |

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

1

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2024

(The figures have not been audited)

| | 3 MONTHS ENDED | | 9 MONTHS ENDED | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | 31 JULY 2024 | 31 JULY 2023 | 31 JULY 2024 | 31 JULY 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 526,216 | 476,850 | 1,619,763 | 1,382,406 |
| Cost of sales | (361,479) | (347,288) | (1,179,195) | (1,018,907) |
| Gross profit | 164,737 | 129,562 | 440,568 | 363,499 |
| Other income | 29,824 | 23,251 | 89,696 | 66,900 |
| Selling and marketing expenses | (9,250) | (8,982) | (24,669) | (23,434) |
| Administrative expenses | (56,182) | (41,696) | (142,596) | (120,368) |
| Net (impairment loss)/reversal of impairment loss on financial instruments | (2,263) | 437 | (6,828) | 708 |
| Finance costs | (30,448) | (30,351) | (90,097) | (89,437) |
| Share of results in joint ventures, net of tax | 19,194 | 22,145 | 50,480 | 64,629 |
| Share of results in associates, net of tax | (4,219) | (3,022) | (14,204) | (12,531) |
| Profit before tax | 111,393 | 91,344 | 302,350 | 249,966 |
| Income tax expense | (30,951) | (25,007) | (82,231) | (63,936) |
| Profit net of tax | 80,442 | 66,337 | 220,119 | 186,030 |
| 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 | 333 | (181) | 284 | (163) |
| Share of other comprehensive (loss)/income of an associate/ a joint venture | (9,706) | 18,202 | 509 | 25,222 |
| Total comprehensive income for the period | 71,069 | 84,358 | 220,912 | 211,089 |
| Profit net of tax attributable to: | | | | |
| Owners of the Company | 80,442 | 66,337 | 220,119 | 186,030 |
| Non-controlling interests | - | - | - | - |
| | 80,442 | 66,337 | 220,119 | 186,030 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 71,069 | 84,358 | 220,912 | 211,089 |
| Non-controlling interests | - | - | - | - |
| | 71,069 | 84,358 | 220,912 | 211,089 |
| Earnings per share attributable to owners of the Company: | | | | |
| Basic earnings per share (sen) | 2.73 | 2.25 | 7.47 | 6.32 |
| Diluted earnings per share (sen) | 2.59 | 2.25 * | 7.19 | 6.32 * |

* 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 JULY 2024

| | AS AT 31 JULY 2024 RM'000 UNAUDITED | AS AT 31 OCTOBER 2023 RM'000 AUDITED |
|--|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 131,251 | 144,300 |
| Investment property | 20,608 | 20,434 |
| Inventories - land held for property development | 3,193,369 | 3,212,740 |
| Investment in associates | 383,670 | 54,056 |
| Investment in joint ventures | 667,590 | 1,056,568 |
| Trade receivables | 18,009 | 32,787 |
| Lease receivables | - | 432 |
| Amount due from joint ventures | 1,162,827 | 1,031,920 |
| Deferred tax assets | 95,434 | 93,170 |
| Deposits | - | 20,000 |
| | <u>5,672,758</u> | <u>5,666,407</u> |
| Current assets | | |
| Inventories - property under development | 914,369 | 750,932 |
| Inventories - completed properties | 200,395 | 238,810 |
| Contract assets | 166,466 | 169,954 |
| Current tax assets | 68,348 | 96,252 |
| Trade and other receivables | 588,018 | 642,646 |
| Lease receivables | 170 | 1,278 |
| Short-term funds | 465,184 | 642,737 |
| Deposits | 177,491 | 208,451 |
| Cash and bank balances | 906,239 | 485,376 |
| | <u>3,486,680</u> | <u>3,236,436</u> |
| TOTAL ASSETS | <u>9,159,438</u> | <u>8,902,843</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 3,619,931 | 3,614,868 |
| Foreign currency translation reserve | 22,972 | 22,179 |
| Retained earnings | 1,238,737 | 1,136,480 |
| Total equity | <u>4,881,640</u> | <u>4,773,527</u> |
| Non-current liabilities | | |
| Loans and borrowings | 1,795,130 | 1,800,878 |
| Lease liabilities | 6,232 | 3,524 |
| Other payables | 76,230 | 152,460 |
| Deferred tax liabilities | 123,859 | 120,773 |
| | <u>2,001,451</u> | <u>2,077,635</u> |
| Current liabilities | | |
| Trade and other payables | 781,042 | 844,384 |
| Contract liabilities | 688,688 | 460,570 |
| Bank overdrafts | 17,468 | 9,232 |
| Loans and borrowings | 771,705 | 730,725 |
| Lease liabilities | 3,475 | 3,993 |
| Current tax liabilities | 13,969 | 2,777 |
| | <u>2,276,347</u> | <u>2,051,681</u> |
| Total liabilities | <u>4,277,798</u> | <u>4,129,316</u> |
| TOTAL EQUITY AND LIABILITIES | <u>9,159,438</u> | <u>8,902,843</u> |
| Net Assets Per Share Attributable to Owners of the Company (RM) | <u>1.66</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 JULY 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 | - | - | - | 220,119 | 220,119 |
| Other comprehensive income | - | 793 | - | - | 793 |
| Transactions with owners: | | | | | |
| - Conversion of Warrants 2022/2029 | 5,063 | - | - | - | 5,063 |
| - Dividends paid | - | - | - | (117,862) | (117,862) |
| At 31 July 2024 | 3,619,931 | 22,972 | - | 1,238,737 | 4,881,640 |
| At 1 November 2022 | 3,614,868 | 10 | (225) | 1,123,818 | 4,738,471 |
| Profit for the period | - | - | - | 186,030 | 186,030 |
| Other comprehensive income | - | 24,834 | 225 | - | 25,059 |
| Transaction with owners: | | | | | |
| - Dividends paid | - | - | - | (117,775) | (117,775) |
| At 31 July 2023 | 3,614,868 | 24,844 | - | 1,192,073 | 4,831,785 |

(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)

4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2024

(The figures have not been audited)

| | 9 MONTHS ENDED | |
|--|-----------------------|---------------------|
| | 31 JULY 2024 | 31 JULY 2023 |
| | RM'000 | RM'000 |
| Operating activities | | |
| Profit before tax | 302,350 | 249,966 |
| Adjustments for : | | |
| Non-cash items | (13,648) | (34,918) |
| Non-operating items | 22,770 | 31,530 |
| Operating cash flows before changes in working capital | 311,472 | 246,578 |
| Changes in inventories - property under development | 231,060 | 235,687 |
| Changes in inventories- completed properties | 38,998 | 126,526 |
| Changes in contract assets/contract liabilities | 231,607 | 132,650 |
| Changes in receivables | 66,964 | (124,235) |
| Changes in payables | (99,753) | (70,938) |
| Cash flows generated from operations | 780,348 | 546,268 |
| Interest received | 14,488 | 6,409 |
| Interest paid | (89,467) | (94,862) |
| Income taxes paid | (47,806) | (34,111) |
| Net cash from operating activities | 657,563 | 423,704 |
| Investing activities | | |
| Additions to inventories - land held for property development | (410,633) | (296,262) |
| Purchase of property, plant and equipment and investment property | (10,529) | (16,293) |
| Proceeds from disposal of property, plant and equipment | 8,641 | 426 |
| Deposit paid for acquisition of lands | (7,605) | - |
| Subscription of shares in a joint venture | (100) | - |
| Subscription of shares in an associate | (7,021) | (3,754) |
| Acquisition of additional shares in an associate | (17,760) | - |
| Advances to joint ventures | (124,000) | (68,000) |
| Interest received from joint ventures | 49,250 | 38,200 |
| Withdrawal/(Placement) of deposits pledged and/or with maturity of more than 3 months and short-term funds | 187,364 | (264,933) |
| Dividends received from joint ventures | 63,880 | 27,000 |
| Dividend received from an associate | 41,760 | - |
| Interest received from deposits | 15,853 | 13,450 |
| Net cash used in investing activities | (210,900) | (570,166) |
| Financing activities | | |
| Proceeds from conversion of warrants | 5,063 | - |
| Drawdown of bank borrowings | 256,528 | 219,224 |
| Repayment of bank borrowings and lease liabilities | (225,047) | (573,046) |
| Interest paid | - | (5,047) |
| Dividends paid on ordinary shares | (117,862) | (117,775) |
| Net cash used in financing activities | (81,318) | (476,644) |
| Net increase/(decrease) in cash and cash equivalents | 365,345 | (623,106) |
| Effect of exchange rate changes | (7) | 12 |
| Cash and cash equivalents at 1 November 2023 / 2022 | 674,980 | 1,235,035 |
| Cash and cash equivalents at 31 July 2024 / 2023 | 1,040,318 | 611,941 |
| Cash and cash equivalents comprise the following: | | |
| Deposits | 177,491 | 237,540 |
| Cash and bank balances | 906,239 | 427,782 |
| Bank overdrafts | (17,468) | (19,988) |
| | 1,066,262 | 645,334 |
| Less: Deposits pledged and/or with maturity of more than 3 months | (25,944) | (33,393) |
| | 1,040,318 | 611,941 |

(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 9 months ended 31 July 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 9 months ended 31 July 2024.

4. Changes in Estimates

There were no material changes in estimates for the 9 months ended 31 July 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 9 months ended 31 July 2024, except for the issuance of 4,365,220 new ordinary shares pursuant to the conversion of 4,365,220 Warrants 2022/2029 at an issue price of RM1.16 per ordinary share.

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.

On 19 July 2024, the Company paid a first interim dividend of 2 sen per ordinary share amounting to RM58,974,670 in respect of the financial year ending 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 July 2024 till 12 September 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 9 months ended 31 July 2024, except for the following:

- (a) 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;
- (b) On 10 May 2024, GuocoLand Limited ("GLL") announced that its indirect wholly-owned subsidiary had disposed of its entire 27% shareholding in Eco World International Berhad ("EWI"). Following the announcement by GLL, the shareholders' agreement entered into between, amongst others, GLL and the Company had come to a conclusion pursuant to its terms.

This resulted in EWI ceasing to be a joint venture and becoming a 27%-owned associate of the Group.

On 17 May 2024, the Group, through Eco World Capital (International) Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired additional 48 million ordinary shares in EWI thereby increasing its shareholding in EWI from 27% to 29%; and

- (c) On 19 June 2024, the Company entered into a joint venture agreement ("JV Agreement") with Bitgrim Immersify Group Sdn. Bhd. and Immersify (KL) Sdn. Bhd. ("Immersify KL") to jointly operate a digital media art gallery and museum at Bukit Bintang City Centre.

Pursuant to the JV Agreement, the Company subscribed for 100,000 ordinary shares at a price of RM1.00 each in Immersify KL on 23 July 2024. As a result, Immersify KL became a 40%-owned joint venture of the Company.

10. Contingent Liabilities

There were no contingent liabilities that have arisen since the end of the financial quarter up till 12 September 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 31/07/2024 RM'000 |
|------------------|--|
| Short-term funds | <u>465,184</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:

| Location | 9 MONTHS ENDED | |
|-------------------|-----------------------|-------------------|
| | 31/07/2024 | 31/07/2023 |
| | RM'000 | RM'000 |
| Klang Valley | 543,843 | 564,590 |
| Iskandar Malaysia | 1,066,731 | 805,404 |
| Penang | 9,189 | 12,412 |
| | <u>1,619,763</u> | <u>1,382,406</u> |

13. Commitments

| | AS AT 31/07/2024 RM'000 |
|--|--|
| Approved and contracted for:- | |
| Commitment to subscribe for additional shares in an associate | 4,140 |
| Commitment to subscribe for additional shares in a joint venture | 14,900 |
| Commitment to acquire property, plant and equipment | 13,194 |
| Commitment to fund development costs of a joint venture | 41,000 |
| Commitment to purchase development lands | <u>485,167</u> |

14. Significant Related Party Transactions

| | 9 MONTHS ENDED 31/07/2024 RM'000 |
|--|---|
| (a) Transactions with directors of the Company and of its subsidiary companies | |
| - Legal fees paid and payable to a firm, in which an immediate family member of a director has interest | 180 |
| - 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 companies, in which an immediate family member of a director has interest | 329 |
| - Redevelopment fee of Neighbourhood Application paid and payable to a company, in which an immediate family member of a director has interest | 242 |
| - Stay2Own rental received | 37 |
| - Sales of development properties to a director of a subsidiary company | <u>870</u> |
| (b) Transactions with joint ventures | |
| - Advances given | 124,000 |
| - Dividends received | 63,880 |
| - Interest received and receivable | 56,156 |
| - Development management fees received and receivable | 52,493 |
| - Other resources fees received and receivable | 12,961 |
| - Brand licensing fees received and receivable | 5,797 |
| - Commission received and receivable | 66 |
| - Rental received and receivable | 90 |
| - Rental paid and payable | 359 |
| - Advisory fees received and receivable | 114 |
| - Support service fees received and receivable | 134 |
| - Commitment fees received and receivable | 72 |
| - Secondment fees received and receivable | 1,684 |
| - Sale of property, plant and equipment | 385 |
| - Purchase of property, plant and equipment | <u>25</u> |
| (c) Transactions with associates | |
| - Support service fees received and receivable | 806 |
| - Undertaking fees received and receivable | 64 |
| - Administration services fee paid and payable | 12 |
| - Dividend received | 41,760 |
| - Rental received and receivable | 45 |
| - Support service fees received and receivable | 67 |
| - Secondment fees received and receivable | <u>643</u> |
| (d) Transaction with an associate of a joint venture | |
| - Undertaking fees received and receivable | <u>39</u> |

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

1. Review of Group Performance

| | 3 MONTHS ENDED | | | 9 MONTHS ENDED | | |
|--|----------------------|----------------------|-------------------|----------------------|----------------------|-------------------|
| | 31/07/2024 RM'000 | 31/07/2023 RM'000 | Changes RM'000 | 31/07/2024 RM'000 | 31/07/2023 RM'000 | Changes RM'000 |
| Revenue | 526,216 | 476,850 | 49,366 | 1,619,763 | 1,382,406 | 237,357 |
| Gross profit | 164,737 | 129,562 | 35,175 | 440,568 | 363,499 | 77,069 |
| Share of results of joint ventures | | | | | | |
| - Malaysia | 19,194 | 23,044 | (3,850) | 50,431 | 70,472 | (20,041) |
| - International | - | (899) | 899 | 49 | (5,843) | 5,892 |
| | 19,194 | 22,145 | (2,951) | 50,480 | 64,629 | (14,149) |
| Profit before interest and tax | 141,841 | 121,695 | 20,146 | 392,447 | 339,403 | 53,044 |
| Profit before tax (PBT) | 111,393 | 91,344 | 20,049 | 302,350 | 249,966 | 52,384 |
| Profit after tax (Malaysian operations) | 81,446 | 67,236 | 14,210 | 221,074 | 191,873 | 29,201 |
| Profit after tax (PAT) | 80,442 | 66,337 | 14,105 | 220,119 | 186,030 | 34,089 |
| Profit attributable to owners of the Company | 80,442 | 66,337 | 14,105 | 220,119 | 186,030 | 34,089 |

(a) 3Q 2024 vs 3Q 2023

The main projects which contributed to revenue and gross profit in 3Q 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 3Q 2024 was higher than 3Q 2023 by 10.4%, whilst gross profit was higher by 27.1%.

The higher revenue is attributable to higher contributions from active phases as well as newly launched phases. Gross profit recorded a higher percentage increase than revenue due to the improvement in gross profit margin from 27.2% in 3Q 2023 to 31.3% in 3Q 2024. This was mainly due to realisation of cost savings of certain completed and near completion phases.

The Group's share of results of its Malaysian joint ventures came from *Eco Grandeur*, *Eco Business Park V*, *Eco Ardence*, *Bukit Bintang City Centre (BBCC)*, *Eco Horizon* and *Immersify KL*, a new 40%-owned joint venture of the Company. Total contributions in 3Q 2024 were 16.7% lower than in 3Q 2023. This was mainly due to certain phases in *Eco Grandeur*, *Eco Ardence* and *Eco Horizon* that are nearing completion in the current quarter. The lower contributions of these phases was partially mitigated by initial contributions from the more recently launched *duduk* phases, namely *Hana D' Eco Ardence & Ceria D' Eco Horizon*.

Collectively, the Malaysian joint ventures recorded a total of RM323.2 million in revenue in 3Q 2024 of which the Group's effective share, based on its equity stakes in the respective joint ventures, amounted to RM165.0 million.

Including contributions from the Malaysian joint ventures and associates, total PAT from the Group's Malaysian operations amounted to RM81.4 million in 3Q 2024, which was higher than 3Q 2023 by 21.1%.

1. Review of Group Performance (Continued)

(a) 3Q 2024 vs 3Q 2023 (Continued)

EcoWorld International Berhad (*EWI*) ceased to be a joint venture of the Group upon GuocoLand Limited (“GLL”)’s the disposal of its entire 27% shareholding in EWI on 10 May 2024, which resulted in the conclusion of the shareholders’ agreement entered into between, amongst others, GLL and the Company. Subsequent to this, the Group has re-assessed the investment in EWI as an associate company of the Group.

As a result of the change, EWI’s results were included in the following lines:

| | 3 MONTHS ENDED | | Changes RM’000 |
|------------------------------------|------------------------------|------------------------------|---------------------------|
| | 31/07/2024 RM’000 | 31/07/2023 RM’000 | |
| Share of results of joint ventures | - | (899) | 899 |
| Share of results of associates | (1,004) | - | (1,004) |
| Total results | (1,004) | (899) | (105) |

EWI recorded a slightly higher loss in 3Q 2024 as compared to 3Q 2023 mainly due to a lower accounting fair value adjustment realised in the current period.

After taking into account the share of EWI’s results, the Group achieved RM80.4 million PAT for 3Q 2024, which is 21.3% higher than 3Q 2023.

(b) 3Q YTD 2024 vs 3Q YTD 2023

Revenue and gross profit in 3Q YTD 2024 increased by 17.2% and 21.2%, respectively, as compared to 3Q YTD 2023. Gross profit margin for 3Q YTD 2024 also improved to 27.2% in 3Q YTD 2024 from 26.3% in 3Q YTD 2023. These were mainly due to higher contributions from active phases as well as newly launched phases, and realisation of cost savings of certain completed and near completion phases, as explained above.

EWI’s results, upon the re-assessment of investment, were included in the following lines:

| | 9 MONTHS ENDED | | Changes RM’000 |
|------------------------------------|------------------------------|------------------------------|---------------------------|
| | 31/07/2024 RM’000 | 31/07/2023 RM’000 | |
| Share of results of joint ventures | 49 | (5,843) | 5,892 |
| Share of results of associates | (1,004) | - | (1,004) |
| Total results | (955) | (5,843) | 4,888 |

EWI recorded a lower loss in 3Q YTD 2024 as compared to 3Q YTD 2023, mainly due to:

- i) improved results from its EcoWorld Ballymore joint venture;
- ii) lower losses from the EcoWorld London joint venture; and
- iii) No finance cost as a result of full settlement of all borrowings during 3Q 2023.

The Group’s Malaysian operations recorded PAT of RM221.1 million as at 3Q YTD 2024. This was higher than 3Q YTD 2023 by 15.2% mainly due to improved performance recorded by the Group’s subsidiaries as explained above.

After taking into consideration EWI’s results, the Group’s PAT for 3Q YTD 2024 is RM220.1 million, which is 18.3% higher than the PAT of RM186.0 million achieved in 3Q YTD 2023.

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

| | 3 MONTHS ENDED | | |
|--|-----------------------|-------------------|----------------|
| | 31/07/2024 | 30/04/2024 | Changes |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 526,216 | 555,761 | (29,545) |
| Gross profit | 164,737 | 147,486 | 17,251 |
| Share of results of joint ventures | | | |
| - Malaysia | 19,194 | 12,653 | 6,541 |
| - International | - | (1,226) | 1,226 |
| | <hr/> 19,194 | <hr/> 11,427 | <hr/> 7,767 |
| Profit before interest and tax | 141,841 | 128,079 | 13,762 |
| Profit before tax (PBT) | 111,393 | 98,523 | 12,870 |
| Profit after tax (Malaysian operations) | 81,446 | 71,275 | 10,171 |
| Profit after tax (PAT) | 80,442 | 70,049 | 10,393 |
| Profit attributable to owners of the Company | 80,442 | 70,049 | 10,393 |

The Group's revenue in the current quarter was lower by 5.3% as compared to the previous quarter. Gross profit was 11.7% higher however, mainly due to realisation of cost savings on completed phases.

The share of results of the Group's Malaysian joint ventures in the current quarter was higher by 51.7% as compared to the previous quarter, mainly due to higher contribution from *Eco Grandeur* and *Eco Ardence*.

EWI's results, upon the re-assessment of investment, were included in the following lines:

| | 3 MONTHS ENDED | | |
|------------------------------------|-----------------------|-------------------|----------------|
| | 31/07/2024 | 30/04/2024 | Changes |
| | RM'000 | RM'000 | RM'000 |
| Share of results of joint ventures | - | (1,226) | 1,226 |
| Share of results of associates | (1,004) | - | (1,004) |
| Total results | <hr/> (1,004) | <hr/> (1,226) | <hr/> 222 |

EWI recorded a slightly lower loss in the current quarter as compared to previous quarter mainly due to improved results from its joint ventures in London and higher foreign exchange gain arising from the appreciation of the British Pound against Ringgit Malaysia.

Overall, the Group recorded a PAT of RM80.4 million in the current quarter as compared to RM70.0 million in the previous quarter.

3. Prospects for the Current Financial Year

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

| Location of projects | No. of launched projects ² | 10 months ended 31.08.2024 | | | Cumulative sales ^{1,2} RM'mil | As at 31.08.2024 Future revenue ³ RM'mil |
|----------------------|---------------------------------------|-----------------------------|---------------------------|------------------------------------|---|---|
| | | Units launched ² | Units sold ^{1,2} | Sales value ² RM'mil | | |
| Klang Valley | 8 | 1,031 | 876 | 931 | 19,450 | 1,558 |
| Iskandar Malaysia | 9 | 2,204 | 2,363 | 2,212 | 13,134 | 2,565 |
| Penang | 3 | 794 | 610 | 360 | 2,780 | 363 |
| Malaysia | 20 | 4,029 | 3,849 | 3,503 | 35,364 | 4,486 |

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 (EWI is no longer included following its reassessment as an associate company of EcoWorld Malaysia instead of joint venture w.e.f. from May 2024)

EcoWorld Malaysia has surpassed its FY2024 sales target of RM3.5 billion in 10 months of FY2024. RM2.21 billion or 63% of total year-to-date (YTD) sales were contributed by our projects in Iskandar Malaysia, whilst the Klang Valley and Penang contributed 27% and 10%, respectively.

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

| Revenue Pillar | RM'mil | Market segment | % |
|--------------------|--------------|----------------|-------------|
| Eco Townships | 1,091 | Residential | 57% |
| Eco Rise | 909 | | |
| Eco Hubs | 454 | Commercial | 13% |
| Eco Business Parks | 423 | Industrial | 30% |
| QUANTUM | 626 | | |
| Total | 3,503 | | 100% |

Residential segment

Sales of residential homes under the Group's *Eco Townships* remain the largest contributor, with RM1.09 billion recorded and 1,219 units sold. Upgrader homes priced above RM650,000 comprise 83% of YTD sales under this pillar, attesting to the continued strength of demand for higher-end products across the Group's townships.

Eco Rise projects contributed RM909 million in sales to the Group as at 31 August 2024. This has substantially exceeded the full year sales of RM509 million recorded under this pillar in FY2023. The Group's *duduk* series of apartments remain very popular, with RM775 million sales achieved, accounting for 85% of *Eco Rise* YTD sales and representing more than 1,800 units sold.

Collectively, the Group's residential segment under *Eco Townships* and *Eco Rise* brought in RM2.0 billion as at 31 August 2024, making up 57% of total YTD sales.

3. Prospects for the Current Financial Year (Continued)

Commercial segment

The Group's *Eco Hubs* pillar brought in RM454 million, which includes sales from new launches, namely *Utopia East* and *Esplanade Square* strata shops in *Eco Grandeur*, Klang Valley, as well as the 2nd phase of *Borealis* shop offices in *Eco Horizon*, Penang. *Riang Square* shop offices have also just been launched for sale ahead of the upcoming *Riang D' Eco Majestic duduk* apartment launch in the Klang Valley.

From a place-making standpoint, *Huni Square* and *Se.Ruang Square* have commenced operations within the recently completed *Huni D' Eco Ardence* and *Se.Ruang D' Eco Sanctuary* in the Klang Valley. This will further boost value creation whilst serving as a strong proof-of-concept on the fundamental appeal of the Group's *duduk* apartments, as residents get to enjoy a wide range of amenities with ample retail, food & beverage and lifestyle options within the immediate vicinity of their homes.

Industrial segment

Industrial demand continues to power ahead. The launch of **QUANTUM** on 1 August 2024 as an additional revenue pillar will further broaden and deepen our share of the industrial real estate market.

Malaysia has gained a very good reputation globally as an ideal location for digital, high-technology and high-value added manufacturing ventures. This is backed by proactive Government initiatives to develop the nation as the hub for such investments in this region, particularly the country moves towards its ASEAN 2025 chairmanship. EcoWorld Malaysia is well-positioned to meet the amplified industrial demand, given our two sizeable, diversified yet complementary industrial revenue pillars. Through our four *Eco Business Parks* we are able to serve traditional industrialists whilst **QUANTUM** enables us to focus on technopreneurs and digital players.

Following the 7 June 2024 conditional sale of 123.141 acres of land at our **QUANTUM Edge** park in Kulai to Microsoft Payments (Malaysia) Sdn. Bhd. for RM402.3 million (RM75 per sq ft), the Group sold another 57.081 acres to Asia's leading data centre provider, Princeton Digital Group. This 2nd conditional sale of industrial land at **QUANTUM Edge** was sealed on 16 August 2024 for a cash consideration of RM223.8 million (RM90 per sq ft).

Both deals are in line with EcoWorld Malaysia's strategy of identifying market leading players to catalyse its industrial parks. This significantly accelerates the development timeline of the Group's projects and creates positive spillover effects that will benefit EcoWorld Malaysia and the surrounding communities, thus creating a virtuous cycle to contribute to economic growth.

The combined YTD sales of *Eco Business Parks* and **QUANTUM** enabled the Group to set a new record high of RM1.05 billion industrial sales in 10 months, which has exceeded the previous full year record of RM1.04 billion achieved in FY2023.

Prospects and plans going forward

Arising from the strong sales performance of all 5 of the Group's revenue pillars, cash flows generated from operating activities increased to RM657.6 million for the 9-month period up to 31 July 2024. The significant build-up in cash generated further reflects the maturity of the Group's ongoing projects which are mostly in a highly cash-generative phase. Accordingly, the Group's net gearing position has continued to reduce from 0.24 times in 2Q 2024 to 0.21 times in 3Q 2024.

Meanwhile, EcoWorld Malaysia's future revenue as at 31 August 2024 stands at RM4.49 billion, which provides the Group with both near and mid-term future earnings and cashflow visibility.

3. Prospects for the Current Financial Year (Continued)

Accordingly, the Group is strongly positioned to acquire more landbank and is actively working on several potential acquisitions to broaden and deepen its market share under every segment of the property market, as it continues to strive for robust and sustainable growth for the future.

As at 31 August 2024, EcoWorld Malaysia's land bank is as follows:

| Location of projects | No of projects | Land bank (acres) | |
|----------------------|----------------|--------------------|--------------|
| | | Original land size | Undeveloped |
| Klang Valley | 9 | 4,742 | 1,666 |
| Iskandar Malaysia * | 10 | 3,763 | 1,237 |
| Penang | 4 | 464 | 191 |
| The Group | 23 | 8,969 | 3,094 |

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

4. Variance of Actual Profit from Forecast Profit

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

5. Income Tax

Income tax comprises:-

| | 3 MONTHS ENDED | | 9 MONTHS ENDED | |
|-----------------------------|----------------|---------------|----------------|---------------|
| | 31/07/2024 | 31/07/2023 | 31/07/2024 | 31/07/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | | | | |
| - for current quarter | 11,528 | 21,130 | 77,562 | 36,456 |
| - in respect of prior years | 5,518 | 1,687 | 7,293 | (1,261) |
| Deferred tax | | | | |
| - for current quarter | 15,537 | (1,897) | (5,075) | 21,339 |
| - in respect of prior years | (1,632) | 4,087 | 2,451 | 7,402 |
| | <u>30,951</u> | <u>25,007</u> | <u>82,231</u> | <u>63,936</u> |

The Group's effective tax rate for 3Q 2024 and 3Q YTD 2024 are higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

6. Status of Corporate Proposals

There were no corporate proposals previously announced by the Company that remained uncompleted as at 12 September 2024, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report, except as follows:

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

6. Status of Corporate Proposals (Continued)

- (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 agreed to extend the approval period, which will be expiring on 18 October 2024, by 3 months to expire on 18 January 2025 for parties to fulfil the remaining conditions precedent under the SPA. Given that the Development Agreement is unconditional upon all conditions precedent in the SPA being fulfilled, the approval period under the Development Agreement will correspondingly be extended to expire on 18 January 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 (“SPA”) with Microsoft Payments (Malaysia) Sdn. Bhd. to dispose of industrial land measuring approximately 123.141 acres located in Kulai, Iskandar Malaysia for a cash consideration of RM402.3 million. The SPA is conditional upon conditions precedent being fulfilled.

7. Group Borrowings and Debt Securities

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

| | As at 31 July 2024 | | |
|-------------------|-----------------------|----------------------|----------------------------|
| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| Revolving credits | 40,391 | 152,000 | 192,391 |
| Term loans | 305,160 | 1,898 | 307,058 |
| Bridging loans | 171,114 | 7,817 | 178,931 |
| Medium term notes | - | 20,000 | 20,000 |
| Sukuk | 179,505 | - | 179,505 |
| | <u>696,170</u> | <u>181,715</u> | <u>877,885</u> |
| Unsecured | | | |
| Revolving credits | - | 340,000 | 340,000 |
| Medium term notes | - | 249,990 | 249,990 |
| Sukuk | 1,098,960 | - | 1,098,960 |
| Overdraft | - | 17,468 | 17,468 |
| | <u>1,098,960</u> | <u>607,458</u> | <u>1,706,418</u> |
| | <u>1,795,130</u> | <u>789,173</u> | <u>2,584,303</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> |

7. Group Borrowings and Debt Securities (Continued)

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

| | As at 31 July 2024 | As at 31 October 2023 |
|-----------------------------------|--------------------|-----------------------|
| | % | % |
| Floating interest rate borrowings | 5.31 | 5.20 |
| Fixed interest rate borrowings | 5.46 | 5.46 |

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

The Group's gearing ratios were as follows:

| | As at 31 July 2024 | As at 31 October 2023 |
|-----------------------|--------------------|-----------------------|
| Gross Gearing (times) | 0.53 | 0.53 |
| Net Gearing (times) | 0.21 | 0.25 |

8. Material Litigation

The Group was not engaged in any material litigation as at 12 September 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), except as follows:

On 18 April 2022, Hasrat Budi Sdn. Bhd. ("HBSB"), a wholly-owned subsidiary of the Company, filed a Writ of Summons in the Kuala Lumpur High Court vide Suit No. WA-22NCC-159-04/2022 against Revolusi Asia Sdn. Bhd., Entomo Malaysia Sdn. Bhd. and Raveenderen a/l Ramamoothie (collectively, the "Defendants") for breach of certain representations and warranties provided by the Defendants to HBSB under a share sale agreement entered into among the parties on 27 August 2021. HBSB is seeking to recover, amongst others, costs incurred totalling RM524,786.59 and general damages to be assessed by the Court.

The next Case Management is fixed on 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 second interim dividend in respect of the financial year ending 31 October 2024:

- (i) Amount per share : Dividend of 2 sen per share
- (ii) Previous corresponding financial period : Dividend of 2 sen per share
- (iii) Date payable : 23 October 2024
- (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 4 October 2024.

(b) Total dividend for the current financial period: 4 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 | | 9 MONTHS ENDED | |
|--|------------------|------------------|------------------|------------------|
| | 31/07/2024 | 31/07/2023 | 31/07/2024 | 31/07/2023 |
| Profit for the period attributable to owners of the Company (RM'000) | <u>80,442</u> | <u>66,337</u> | <u>220,119</u> | <u>186,030</u> |
| Weighted average number of ordinary shares ('000) | <u>2,946,400</u> | <u>2,944,370</u> | <u>2,945,051</u> | <u>2,944,370</u> |
| Basic Earnings Per Ordinary Share (sen) | <u>2.73</u> | <u>2.25</u> | <u>7.47</u> | <u>6.32</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.

| | 3 MONTHS ENDED | | 9 MONTHS ENDED | |
|---|------------------|------------------|------------------|------------------|
| | 31/07/2024 | 31/07/2023 | 31/07/2024 | 31/07/2023 |
| Profit for the period attributable to owners of the Company (RM'000) | <u>80,442</u> | <u>66,337</u> | <u>220,119</u> | <u>186,030</u> |
| Weighted average number of ordinary shares for basic Earnings Per Ordinary Share ('000) | 2,946,400 | 2,944,370 | 2,945,051 | 2,944,370 |
| Effect of potential exercise of Warrants ('000) | <u>164,025</u> | <u>#</u> | <u>117,638</u> | <u>#</u> |
| Weighted average number of ordinary shares ('000) | <u>3,110,425</u> | <u>2,944,370</u> | <u>3,062,689</u> | <u>2,944,370</u> |
| Diluted Earnings Per Ordinary Share (sen) | <u>2.59</u> | <u>2.25 *</u> | <u>7.19</u> | <u>6.32 *</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

| | 9 MONTHS ENDED 31/07/2024 RM'000 |
|---|---|
| i) Guarantees given by the Company to secure the bank borrowings of: | |
| - Paragon Pinnacle Sdn. Bhd. ("Paragon Pinnacle") | 412,200 |
| - Eco Horizon Sdn. Bhd. ("Eco Horizon") | 78,700 |
| | <hr/> <hr/> |
| | AS AT 31/07/2024 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 | 120,842 |
| - Eco Horizon | 322,244 |
| | <hr/> <hr/> |

There has been no material impact on the earnings and net tangible assets of the Group for the 9 months ended 31 July 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 31/07/2024 RM'000 | 9 MONTHS ENDED 31/07/2024 RM'000 |
|---|---|---|
| Interest income | 22,429 | 65,828 |
| Other income including investment income | 7,437 | 22,674 |
| Interest expense | (30,448) | (90,097) |
| Depreciation and amortisation | (5,757) | (16,385) |
| Net allowance for impairment of receivables | (2,263) | (6,828) |
| Reversal of write down of inventories | 181 | 583 |
| Gain or loss on disposal of properties | - | 1,194 |
| Impairment of right-of-use assets | (6,291) | (6,291) |
| Foreign exchange gain or (loss) | (349) | (414) |
| Gain or loss on derivatives | - | - |
| Exceptional items | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

By order of the Board
Chua Siew Chuan
Company Secretary
19 September 2024