Quarterly rpt on consolidated results for the financial period ended 31 Jan 2022

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2022
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Jan 2022
The figures	have not been audited

Attachments

EWI Q1-2022 results.pdf *462.8 kB*

Q1-2022 Press Release.pdf *156.6 kB*

Default Currency | Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Jan 2022

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jan 2022	31 Jan 2021	31 Jan 2022	31 Jan 2021
		$$'000	$$'000	$$'000	$$'000
1	Revenue	49,244	303,276	49,244	303,276
2	Profit/(loss) before tax	-12,738	77,470	-12,738	77,470
3	Profit/(loss) for the period	-14,269	56,597	-14,269	56,597
4	Profit/(loss) attributable to ordinary equity holders of the parent	-14,660	56,034	-14,660	56,034
5	Basic earnings/(loss) per share (Subunit)	-0.61	2.33	-0.61	2.33
6	Proposed/Declared dividend per share (Subunit)	0.00	1.00	0.00	1.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent ($$)	1.1400		1.1700	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	16 Mar 2022
Category	Financial Results
Reference Number	FRA-15032022-00001

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

Interim Financial Report
31 January 2022

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

Interim Financial Report - 31 January 2022

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ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

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

	3 MONTHS ENDED	
	31 JANUARY 2022	**31 JANUARY 2021**
	RM'000	**RM'000**
Revenue	49,244	303,276
Direct expenses	(40,191)	(233,632)
Gross profit	9,053	69,644
Other income	2,390	8,000
Marketing expenses	(1,759)	(12,398)
Administrative and general expenses	(8,913)	(20,064)
Unrealised gain/(loss) on foreign exchange	1,819	(6,497)
Finance costs	(11,345)	(14,304)
Share of results in joint ventures	(3,983)	53,089
(Loss)/Profit before tax	(12,738)	77,470
Taxation	(1,531)	(20,873)
(Loss)/Profit for the period	(14,269)	56,597
Other comprehensive (loss)/income, net of tax		
Items that may be reclassified to profit or loss subsequently:		
Hedge of net investment	658	(13,798)
Exchange differences on translation of foreign operations	(58,399)	129,661
Total comprehensive (loss)/income for the period	(72,010)	172,460
(Loss)/Profit for the period attributable to:		
Owners of the Company	(14,660)	56,034
Non-controlling interests	391	563
	(14,269)	56,597
Total comprehensive (loss)/income for period attributable to:		
Owners of the Company	(72,372)	171,654
Non-controlling interests	362	806
	(72,010)	172,460
(Loss)/Earnings per share attributable to owners of the Company:		
Basic (loss)/earnings per share (sen)	(0.61)	2.33
Diluted (loss)/earnings per share (sen)	(0.61)	2.33

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

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022
(The figures have not been audited)

	As At 31 JANUARY 2022 RM'000	As At 31 OCTOBER 2021 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,078	2,290
Right-of-use assets	2,191	2,418
Goodwill	505	695
Investment in joint ventures	452,799	464,122
Inventories - land held for development	136,215	143,995
Amounts owing by joint ventures	1,415,199	1,394,946
	2,008,987	2,008,466
Current assets		
Inventories - property development costs	197,674	250,375
Amounts owing by joint ventures	1,120,903	1,137,390
Trade and other receivables	15,595	4,721
Contract costs	1,531	2,038
Current tax assets	8,729	9,164
Cash, bank balances and deposits	207,577	336,115
	1,552,009	1,739,803
TOTAL ASSETS	3,560,996	3,748,269
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Hedging reserve	(658)	(1,316)
Exchange translation reserve	75,822	134,192
Accumulated losses	(201,107)	(186,447)
Equity attributable to owners of the Company	2,742,926	2,815,298
Non-controlling interests	2,338	1,976
Total equity	2,745,264	2,817,274
Non-current liabilities		
Borrowings	557,574	761,904
Lease liabilities	1,471	1,822
Deferred tax liabilities	2,782	3,855
Derivative financial liabilities	708	1,387
	562,535	768,968

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022 (continued)
(The figures have not been audited)

	As At 31 JANUARY 2022 RM'000	As At 31 OCTOBER 2021 RM'000
Current liabilities		
Trade and other payables	23,765	17,080
Contract liabilities	87	1,389
Borrowings	222,893	138,634
Lease liabilities	1,051	919
Current tax liabilities	5,401	4,005
	253,197	162,027
Total liabilities	815,732	930,995
TOTAL EQUITY AND LIABILITIES	3,560,996	3,748,269
Net assets per share attributable to owners of the Company (RM)	1.14	1.17

(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 INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2022
(The figures have not been audited)

	← *Attributable to owners of the Company* →							
	← *Non-distributable* →							
	Share capital RM'000	**Warrant reserve RM'000**	**Hedging reserve RM'000**	**Exchange translation reserve RM'000**	**(Accumulated losses)/ Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 November 2021	2,592,451	276,418	(1,316)	134,192	(186,447)	2,815,298	1,976	2,817,274
Other comprehensive (loss)/income for the period:								
- Hedge of net investment	-	-	658	-	-	658	-	658
- Exchange differences on translation of foreign operations	-	-	-	(58,370)	-	(58,370)	(29)	(58,399)
Loss for the period	-	-	-	-	(14,660)	(14,660)	391	(14,269)
Total comprehensive (loss)/income for the period	-	-	658	(58,370)	(14,660)	(72,372)	362	(72,010)
At 31 JANUARY 2022	2,592,451	276,418	(658)	75,822	(201,107)	2,742,926	2,338	2,745,264
At 1 November 2020	2,592,451	276,418	(329)	(73,451)	(56,017)	2,739,072	9,074	2,748,146
Other comprehensive income/(loss) for the period:								
- Hedge of net investment	-	-	(13,798)	-	-	(13,798)	-	(13,798)
- Exchange differences on translation of foreign operations	-	-	-	129,418	-	129,418	243	129,661
Profit for the period	-	-	-	-	56,034	56,034	563	56,597
Total comprehensive income/(loss) for the period	-	-	(13,798)	129,418	56,034	171,654	806	172,460
Transactions with owners of the Company:								
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(4,801)	(4,801)
At 31 JANUARY 2021	2,592,451	276,418	(14,127)	55,967	17	2,910,726	5,079	2,915,805

(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 INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

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

	3 MONTHS ENDED	
	31 JANUARY 2022	**31 JANUARY 2021**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(12,738)	77,470
Adjustments for:		
Non-cash items	2,691	(36,417)
Non-operating items	10,392	9,120
Operating profit before working capital changes	345	50,173
Changes in inventories	39,636	222,972
Changes in receivables and other current assets	502	37,636
Changes in payables and other current liabilities	(3,022)	16,452
Changes in contract liabilities	(1,302)	(27,770)
Cash generated from operations	36,159	299,463
Interest received	112	3,865
Tax paid	(850)	(555)
Net cash generated from operating activities	35,421	302,773
Cash Flows From Investing Activities		
Purchase of plant and equipment	(14)	(324)
Proceeds from disposal of plant and equipment	-	2
Advances to joint ventures	(40,494)	(19,616)
Withdrawal of deposits, debt service reserve and interest service reserve accounts	5,865	2,920
Interest received	841	532
Net cash used in investing activities	(33,802)	(16,486)
Cash Flows From Financing Activities		
Drawdown of borrowings	10,629	32,387
Repayment of borrowings	(119,215)	-
Dividend paid to non-controlling interests of a subsidiary	-	(4,801)
Repayment of lease liabilities	(219)	(233)
Interest paid in relation to lease liabilities	(33)	(53)
Interest paid	(13,182)	(17,624)
Net cash (used in)/generated from financing activities	(122,020)	9,676

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
(Incorporated in Malaysia)

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

	3 MONTHS ENDED	
	31 JANUARY 2022	**31 JANUARY 2021**
	RM'000	**RM'000**
Net changes in cash and cash equivalents	(120,401)	295,963
Cash and cash equivalents at 1 November 2021/ 2020	317,355	269,975
Effect of exchange rate changes	(2,272)	10,988
Cash and cash equivalents at 31 January 2022/ 2021	194,682	576,926
Cash and cash equivalents comprise the following:		
Deposits	172,630	109,484
Cash and bank balances	34,947	478,560
	207,577	588,044
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(12,895)	(11,118)
	194,682	576,926

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

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Accounting Standard ("IAS") 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

This 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 interim financial report does not include all of the information required for a complete set of MFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 October 2021, except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee Interpretations ("IC Interpretations"), which are relevant to the Group and effective for annual periods beginning on or after 1 November 2021:

Amendments to MFRS 9	Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2
Amendment to MFRS 16	Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations do not have any impact to the Interim Financial Statements of the Group.

A2. Seasonal or Cyclical Factors

The business operations of the Group during the financial period ended 31 January 2022 have not been materially affected by any seasonal or cyclical factors.

A3. 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 financial period ended 31 January 2022.

A4. Changes in Estimates

There were no material changes in estimates during the financial period ended 31 January 2022.

A5. Debt 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 financial period ended 31 January 2022.

A6. Dividends Paid

There was no payment of dividend during the financial period ended 31 January 2022.

A7. Segmental Reporting

The Group's operating and reportable segments are business units operating in different geographical locations:

(i) United Kingdom - the areas of operation are principally property development activities and provision of advisory and project monitoring services;
(ii) Australia - the area of operation is principally property development activities; and
(iii) Malaysia - the areas of operation are investment holding and promotional and marketing services.

A7. Segmental Reporting (continued)

The segmental analysis for the financial period ended 31 January 2022 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	49,086	484	(326)	49,244
Inter-segment revenue	-	-	-	-	-
Total revenue	-	49,086	484	(326)	49,244
Segment results	(1,900)	4,135	(3,483)	-	(1,248)
Share of results in joint ventures	(3,983)	-	-	-	(3,983)
Depreciation	(71)	(41)	(259)	-	(371)
Unrealised (loss)/gain on foreign exchange	-	(2)	1,821	-	1,819
Other income	-	103	1,334	-	1,437
Finance income	5	72	876	-	953
Finance costs	-	(1,085)	(10,260)	-	(11,345)
(Loss)/Profit before tax	(5,949)	3,182	(9,971)	-	(12,738)
Taxation	(355)	(1,176)	-	-	(1,531)
(Loss)/Profit for the period	(6,304)	2,006	(9,971)	-	(14,269)
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.6252*	*2.9914*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	3,020,421	359,625	180,950	-	3,560,996
Segment liabilities	12,924	119,281	683,527	-	815,732
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*5.6224*	*2.9504*	*1.0000*		

Note:
[(1)] *Average rates for the financial period ended 31 January 2022.*
[(2)] *Closing rates as at 31 January 2022.*

A8. Significant Events after the End of the Interim Financial Period

There were no significant events after 31 January 2022 until 15 March 2022, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6.

A9. Changes in the Composition of the Group

(a) There were no changes in the composition of the Group during the financial period ended 31 January 2022.

(b) There were no changes in the composition of the Group during the period between 1 February 2022 until 15 March 2022, being the latest practicable date from the date of issue of this interim financial report except as follows:

(i) incorporation of Eco World-Ballymore Asset Management 2 Limited on 24 February 2022 as wholly-owned subsidiary of Eco-World Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company 2 Limited became an indirect 75% owned joint venture company of the Group; and

(ii) incorporation of Eco World-Ballymore Asset Management 3 Limited on 24 February 2022 as wholly-owned subsidiary of Eco-World Ballymore Holding Company Limited. As a result, Eco World-Ballymore Asset Management Company 3 Limited became an indirect 75% owned joint venture company of the Group.

A10. Fair Value of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 31 January 2022 are as follows:

	Notional Amount RM'000	**Fair Value Assets/ (Liabilities) RM'000**
Cross currency swaps		
- Between 1 to 5 years	10,935	(708)
	10,935	(708)

(b) Fair value of financial liabilities

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

A11. Commitments and Contingencies

	As at 31/01/2022 RM'000
Approved and contracted for:	
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("EW-Ballymore Holding") by way of share subscription and shareholder's loans (*Note a*)	166,129
(ii) EcoWorld London by way of shareholder's loan *(Note b)*	-
(iii) EcoWorld London DMCo by way of shareholder's loan *(Note b)*	1,850

Note a

The Group and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event that EW-Ballymore Holding is unable, on its own, to repay its banking facilities when due ("Increased Commitments"). The Increased Commitments shall be in the ratio of 75:25 based on the current proportion of the joint venture partners' existing equity interests in EW-Ballymore Holding.

The Group's share of the Increased Commitments is GBP90 million (equivalent to approximately RM506.02 million based on the exchange rate of GBP1.00 : RM5.6224 as at 31 January 2022). If funding in excess of the Increased Commitments is required to satisfy any claims from the banking facilities, the Company shall have the obligation to fund the excess amount should the other joint venture partner not fund its proportionate share. Any funding provided in excess of the Increased Commitments by one partner will result in a corresponding adjustment to the equity interest in the joint venture.

Note b

The Group and the other joint venture partner are jointly committed to provide additional funding into EcoWorld London or EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies or EcoWorld London DMCo under any 3rd party finance agreement ("Additional Funding"). Any Additional Funding shall be in the ratio of 70:30 based on the current proportion of the joint venture partners' existing equity interests in EcoWorld London and EcoWorld London DMCo.

During the current quarter, the approved and contracted funding to Eco World London have been fully utilised. However, the Group continues to make additional contribution to the joint venture together with the joint venture partner proportionately to meet the funding requirements of the joint venture.

If a joint venture partner ("Funding Shareholder") funds the other partner's ("Non-Funding Shareholder") share of the Additional Funding ("Shortfall") and the Non-Funding Shareholder does not fund the Shortfall within the stipulated timeframe, the Funding Shareholder has an option to acquire all of the shares held by the Non-Defaulting Shareholder in EcoWorld London group of companies or EcoWorld London DMCo, as the case may be, at a discount or a portion of such shares at a nominal price.

A12. Significant Related Party Transactions

		3 MONTHS ENDED 31/01/2022 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	73,991
	- Repayment of advances by joint ventures	(33,470)
	- Sales commission received/receivable from joint ventures	484
(ii)	Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad ("EW Berhad") where certain directors of the Company are also the directors of EW Berhad	
	- Agent fees paid or payable	107
	- Support service fees paid or payable	37
	- Rental paid or payable	45
(iii)	Transaction with a joint venture of EW Berhad where certain directors of the Company are also the directors of EW Berhad	
	- Rental paid or payable	252
(iv)	Transaction with a company where a subsidiary director has interest	
	- Consultancy fee paid or payable	239

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	3 MONTHS ENDED		
	31/01/2022 RM'000	31/01/2021 RM'000	CHANGES RM'000
Gross profit	9,053	69,644	(60,591)
Share of results in joint ventures	(3,983)	53,089	(57,072)
(Loss)/Profit before interest and tax	(1,393)	91,774	(93,167)
(Loss)/Profit before tax	(12,738)	77,470	(90,208)
(Loss)/Profit for the period	(14,269)	56,597	(70,866)
(Loss)/Profit for the period attributable to owners of the Company	(14,660)	56,034	(70,694)

Gross profit for 1Q 2022 was RM9.05 million, which was RM60.59 million lower than the gross profit recorded in 1Q 2021 of RM69.64 million. The lower gross profit reported in 1Q 2022 was mainly due to lower revenue and profit recognition from Yarra One and West Village following lesser handover of units sold to customers in the current quarter compared against the previous corresponding quarter when the Group commenced the handover of Yarra One project.

During the current quarter, the Group recorded a loss before tax ("LBT") of RM12.74 million, as compared to profit before tax ("PBT") of RM77.47 million reported for 1Q 2021. The LBT reported in 1Q 2022 was mainly due to lower revenue and profit recognition from Yarra One from lesser number of units sold being handed over to customers and share of losses in joint ventures in the current quarter as opposed to share of profits in joint ventures in the previous corresponding quarter. The losses were partly offset by lower marketing expenses resulting from smaller number of handover of units sold to customers in Yarra One and West Village, lower impairment of goodwill and unrealised gain on foreign exchange recorded in the current quarter as opposed to unrealised loss on foreign exchange in the previous corresponding quarter.

Share of results in joint ventures in 1Q 2022 was lower as a lesser number of units sold to customers were handed over in the current quarter.

Revenue for the Group for 1Q 2022 was RM49.24 million which was RM254.03 million lower than the revenue recorded in 1Q 2021 of RM303.28 million as the majority of units from West Village and Yarra One have been handed over to customers in the corresponding quarter last financial year. The revenue also comprises fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the United Kingdom ("UK").

Revenue recorded by the Group's joint-ventures totalled RM387.55 million (1Q 2021: RM 1,003.33 million), of which the Group's effective share (unconsolidated) amounted to RM279.12 million (1Q 2021: RM 735.67 million). Lower revenue was a result of fewer handovers in the current quarter as compared to 1Q 2021 which recorded higher number of units handed over in Wardian following its completion in September 2020. In addition, a lower progressive revenue was recognised from Built-to-Rent projects as the projects approached completion during the current quarter.

B2. 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
Gross profit	9,053	4,709	4,344
Share of results in joint ventures	(3,983)	(50,180)	46,197
Loss before interest and tax	(1,393)	(39,949)	38,556
Loss before tax	(12,738)	(55,523)	42,785
Loss for the period	(14,269)	(55,666)	41,397
Loss for the period attributable to owners of the Company	(14,660)	(56,256)	41,596

The Group's current quarter LBT was RM12.74 million, which was RM42.79 million lower than the LBT recorded in preceding quarter ended 31 October 2021 of RM55.52 million.

The lower LBT recorded in the current quarter was mainly due to lower share of losses in joint venture and higher results from West Village and Yarra One, partly offset by lower realised and unrealised gain on foreign exchange and lower other income. The higher share of losses in the preceding quarter was mainly due to non-recurring items such as impairment of inventories and write-off of project planning costs.

B3. Sales Achieved and Prospects for the Next Financial Year

PROJECTS	LANDBANK	CUMULATIVE SALES	4 MONTHS ENDED 28/2/2022[1]		Effective Future Revenue[3]
	As at 28/2/2022 (Acres)	As at 28/2/2022 RM'mil	Units Sold[2]	Sales value RM'mil	RM'mil
London	50.7	14,226	116	631	1,317
Sydney	1.9	907	4	16	4
Melbourne	0.5	529	12	37	11
Total[4]	**53.1**	**15,663**	**132**	**685**	**1,333**

Notes:
(1) Sales values based on exchange rates of £1:RM5.6117 and A$1:3.0217 as at 28 Feb 2022
(2) Refer to number of units exchanged only.
(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at 28 Feb 2022
(4) Total may not add up because of rounding

EcoWorld International delivered RM685 million sales based on contracts exchanged in the first four months of FY2022. The Group also has a strong reservation pipeline of RM393 million - total sales including reserves as at 28 February 2022 adds up to a total of RM1.077 billion.

Embassy Gardens and London City Island were the biggest contributors to sales, generating RM240 million and RM229 million respectively. The Group's sales in the first four months of this year were 68% higher than the sales recorded in the same period in FY2021 as attractive incentive packages offered by projects under the EW-Ballymore joint venture have sustained buying interest. Recovering local demand in Australia also contributed to the stronger sales results achieved by the Group. Despite the Group having a good start in FY2022, the near-term outlook remains challenging. The Group's key international markets, especially Hong Kong and key cities in China, are still experiencing movement restrictions due to continued measures imposed to combat Covid-19, with the possibility of lockdown not ruled out in these cities. Supply chain constraints and rising inflation rates are also stoking fears that interest rates may have to rise in the coming months which would impair the borrowing capacity of local home buyers as real incomes are reduced. International demand, which is already low, may be further dampened by concerns regarding the potential escalation of the current conflict in Europe between Russia and Ukraine.

B3. Sales Achieved and Prospects for the Next Financial Year (continued)

Against the above backdrop, the Group'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, inflationary concerns may not be entirely bad as real estate is traditionally seen a good hedge against inflation. The Group's active projects in Australia are completed while those in EW-Ballymore joint venture are very close to achieving full completion. The impact of an inflationary environment on these projects could be asymmetrical in a favourable manner, where selling prices will benefit from rising property prices while costs are largely shielded from inflationary pressure as these projects are mostly completed.

Meanwhile, the Group continues to see good interest from investors, both institutional and retail, for its projects in the UK and Australia. This includes several large offers which Management is assessing. Should these offers be accepted by the Board, it will help accelerate the plans to repatriate the capital invested in the Group's completed projects in the UK and Australia. It remains the Board's intention to sell the remaining units in EcoWorld-Ballymore and Australia in the next two to three years with a key goal of making further distributions to shareholders after setting aside a portion of the capital recouped from its completed projects to be reinvested for future growth.

As regards to project updates, EcoWorld London has successfully obtained the planning permission for the Woking site, which has an estimated Gross Development Value of around £350 million. Management is targeting to finalise the development programme and launch the project by late calendar year 2022 if market conditions are conducive. The launch of Woking will mark the Group's maiden expansion beyond the city of London in the UK. EcoWorld London is also working towards obtaining the planning permission for Oxbow Phase 4, which is targeted to be launched around the same time as Woking.

B4. Variance of Actual Profit from Forecast Profit

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

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED	
	31/01/2022	31/01/2021
	RM'000	RM'000
Current tax		
Foreign tax		
- current quarter	2,407	5,748
Deferred tax		
Foreign tax		
- current quarter	(876)	15,137
- in respect of prior years	-	(12)
	1,531	20,873

The effective tax rate of Malaysia operations for the current quarter is lower than the statutory tax rate of 24% mainly due to the inclusion of certain non-taxable items in the income statement. Correspondingly, expenditures which relate to the derivation of non-taxable income by the Group have been treated as permanent losses for tax purposes. The effective foreign tax rates of the Group's subsidiaries in Australia and UK are approximately the statutory tax rate of 30% and 19% respectively.

B6. Status of Corporate Proposals

Save for the proposed acquisitions of the remaining two Stage 2 sites namely Tulse Hill and Ealing under of the joint venture with Be Living Holdings Limited which are pending fulfilment of conditions precedent, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 15 March 2022.

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 January 2022 were as follows:

	As at 31/01/2022				As at 31/10/2021
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000	RM Equivalent '000
Short term borrowings					
- Term loan	Unsecured	GBP	15,000	83,458	-
- Revolving credit	Unsecured	GBP	24,800	139,435	138,634
				222,893	138,634
Long term borrowings					
- Term loan	Secured	AUD	36,767	108,477	150,807
- Term loan	Unsecured	GBP	-	-	77,709
- Revolving credit	Unsecured	GBP	-	-	84,418
- Medium term notes	Unsecured	RM	-	449,097	448,970
				557,574	761,904
Total borrowings					
- Term loan	Secured	AUD	36,767	108,477	150,807
- Term loan	Unsecured	GBP	15,000	83,458	77,709
- Revolving credit	Unsecured	GBP	24,800	139,435	223,052
- Medium term notes	Unsecured	RM	-	449,097	448,970
				780,467	900,538

As at 31 January 2022, the Group's medium term notes, revolving credit and term loans comprise facilities based on fixed and floating rates to finance the projects in UK and Australia and are denominated in RM, GBP and AUD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 15 March 2022, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

No dividend has been declared or recommended for payment by the Company during the financial period ended 31 January 2022.

B10. Earnings Per Share Attributable to Owners of the Company

(a) Basic (loss)/earnings per share attributable to owners of the Company

Basic (loss)/earnings per share have been calculated by dividing the Group's (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares in issue is calculated as follows:

	3 MONTHS ENDED	
	31/01/2022	**31/01/2021**
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(14,660)	56,034
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000
Basic (Loss)/Earnings Per Ordinary Share (sen)	(0.61)	2.33

(b) Diluted (loss)/earnings per share attributable to owners of the Company

Diluted (loss)/earnings per share have been calculated by dividing the Group's (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the 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 (loss)/earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted (loss)/earnings per share.

	3 MONTHS ENDED	
	31/01/2022	**31/01/2021**
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(14,660)	56,034
Weighted average number of ordinary shares for Basic (Loss)/Earnings Per Ordinary Share ('000)	2,400,000	2,400,000
Effect of potential exercise of Warrants ('000)	#	#
Weighted average number of ordinary shares ('000)	2,400,000	2,400,000
Diluted (Loss)/Earnings Per Ordinary Share (sen)	(0.61)	2.33

Notes:

\# *The calculation of diluted (loss)/earnings per ordinary share does not assume the potential exercise of Warrants as the effect on (loss)/profit per ordinary share is anti-dilutive*

B11. Auditors' Report on Preceding Annual Financial Statements

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

B12. Notes to the Statement of Comprehensive Income

Comprehensive income/(loss) has been arrived at after crediting/(charging):

	3 MONTHS ENDED 31/01/2022 RM'000
Interest income	953
Interest expense	(11,345)
Depreciation and amortisation	(371)
Foreign exchange gain	
- realised	1,171
- unrealised	1,819
Impairment of goodwill	(154)

By order of the Board
Tan Ai Ning
Company Secretary
16 March 2022