Quarterly rpt on consolidated results for the financial period ended 31 Jul 2023

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2023
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Jul 2023
The figures	have not been audited

Attachments

EWI Q3-2023 results.pdf
474.2 kB

EWI 3Q 2023 Results Press Release.pdf
172.1 kB

Default Currency | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Jul 2023

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022
		$$'000	$$'000	$$'000	$$'000
1	Revenue	31,172	34,498	76,244	116,819
2	Profit/(loss) before tax	-10,112	-55,449	-42,589	-134,715
3	Profit/(loss) for the period	-12,171	-56,440	-47,390	-137,833
4	Profit/(loss) attributable to ordinary equity holders of the parent	-12,302	-56,678	-47,679	-138,689
5	Basic earnings/(loss) per share (Subunit)	-0.51	-2.36	-1.99	-5.78
6	Proposed/Declared dividend per share (Subunit)	33.00	0.00	33.00	0.00
		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 ($$)	1.0400		1.0200	

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	20 Sep 2023
Category	Financial Results
Reference Number	FRA-11092023-00002

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

Interim Financial Report
31 July 2023

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

Interim Financial Report - 31 July 2023

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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 JULY 2023
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	31 JULY 2023	31 JULY 2022	31 JULY 2023	31 JULY 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	31,172	34,498	76,244	116,819
Direct expenses	(27,466)	(26,803)	(62,862)	(94,353)
Gross profit	3,706	7,695	13,382	22,466
Other income	10,364	1,377	24,070	3,723
Marketing expenses	(1,494)	(1,275)	(4,251)	(4,186)
Administrative and general expenses	(9,776)	(8,905)	(25,507)	(28,855)
Impairment loss on investment in a joint venture	-	-	-	(36,162)
Gain/(Loss) on foreign exchange	13,438	(6,060)	16,107	4,023
Finance costs	(1,192)	(11,330)	(16,586)	(33,405)
Share of results in joint ventures	(25,158)	(36,951)	(49,804)	(62,319)
Loss before tax	(10,112)	(55,449)	(42,589)	(134,715)
Taxation	(2,059)	(991)	(4,801)	(3,118)
Loss for the period	(12,171)	(56,440)	(47,390)	(137,833)
Other comprehensive income/(loss), net of tax				
Items that may be reclassified to profit or loss subsequently:				
Hedge of net investment	605	(4)	832	126
Exchange differences on translation of foreign operations	66,872	(15,530)	92,650	(148,424)
Total comprehensive income/(loss) for the period	55,306	(71,974)	46,092	(286,131)
Loss for the period attributable to:				
Owners of the Company	(12,302)	(56,678)	(47,679)	(138,689)
Non-controlling interests	131	238	289	856
	(12,171)	(56,440)	(47,390)	(137,833)
Total comprehensive income/(loss) for period attributable to:				
Owners of the Company	55,125	(72,193)	45,731	(286,870)
Non-controlling interests	181	219	361	739
	55,306	(71,974)	46,092	(286,131)
Loss per share attributable to owners of the Company:				
Basic loss per share (sen)	(0.51)	(2.36)	(1.99)	(5.78)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2022 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 JULY 2023
(The figures have not been audited)

	As At 31 JULY 2023 RM'000	As At 31 OCTOBER 2022 RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,481	1,691
Right-of-use assets	831	1,511
Goodwill	85	287
Investment in joint ventures	229,872	263,785
Inventories - land held for development	142,744	141,679
Amounts owing by joint ventures	840,253	941,258
Deferred tax assets	-	234
	1,215,266	1,350,445
Current assets		
Inventories - property development costs	54,807	114,437
Amounts owing by joint ventures	409,438	807,609
Trade and other receivables	26,382	22,549
Contract costs	196	807
Current tax assets	4	1,470
Other investments	33	41,123
Cash, bank balances and deposits	801,314	614,220
	1,292,174	1,602,215
TOTAL ASSETS	2,507,440	2,952,660
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,454	2,592,454
Hedging reserve	-	(832)
Exchange translation reserve	92,590	12
Accumulated losses	(192,126)	(144,447)
Equity attributable to owners of the Company	2,492,918	2,447,187
Non-controlling interests	1,362	1,001
Total equity	2,494,280	2,448,188
Non-current liabilities		
Lease liabilities	-	770
Deferred tax liabilities	340	1,184
	340	1,954

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023 (continued)
(The figures have not been audited)

	As At 31 JULY 2023 RM'000	As At 31 OCTOBER 2022 RM'000
Current liabilities		
Trade and other payables	7,096	14,266
Contract liabilities	-	621
Borrowings	-	482,816
Lease liabilities	1,053	1,051
Current tax liabilities	4,671	2,932
Derivative financial liabilities	-	832
	12,820	502,518
Total liabilities	13,160	504,472
TOTAL EQUITY AND LIABILITIES	2,507,440	2,952,660
Net assets per share attributable to owners of the Company (RM)	1.04	1.02

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2022 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 JULY 2023
(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 RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 November 2022	2,592,454	-	(832)	12	(144,447)	2,447,187	1,001	2,448,188
Other comprehensive (loss)/income for the period:								
- Hedge of net investment	-	-	832	-	-	832	-	832
- Exchange differences on translation of foreign operations	-	-	-	92,578	-	92,578	72	92,650
(Loss)/Income for the period	-	-	-	-	(47,679)	(47,679)	289	(47,390)
Total comprehensive (loss)/income for the period	-	-	832	92,578	(47,679)	45,731	361	46,092
At 31 JULY 2023	2,592,454	-	-	92,590	(192,126)	2,492,918	1,362	2,494,280
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	-	-	126	-	-	126	-	126
- Exchange differences on translation of foreign operations	-	-	-	(148,307)	-	(148,307)	(117)	(148,424)
(Loss)/Income for the period	-	-	-	-	(138,689)	(138,689)	856	(137,833)
Total comprehensive (loss)/income for the period	-	-	126	(148,307)	(138,689)	(286,870)	739	(286,131)
Transfer of reserves upon expiry of Warrants	-	(276,418)	-	-	276,418	-	-	-
Transactions with owners of the Company:								
Issuance of ordinary shares pursuant to exercise of warrants	3	-	-	-	-	3	-	3
Dividend declared to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,358)	(1,358)
At 31 JULY 2022	2,592,454	-	(1,190)	(14,115)	(48,718)	2,528,431	1,357	2,529,788

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2022 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 JULY 2023
(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2023	**31 JULY 2022**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Loss before tax	(42,589)	(134,715)
Adjustments for:		
Non-cash items	56,966	100,205
Non-operating items	(6,505)	30,753
Operating profit/(loss) before working capital changes	7,872	(3,757)
Changes in inventories	57,557	91,538
Changes in receivables and other current assets	875	4,786
Changes in payables and other current liabilities	437	1,007
Changes in contract liabilities	(614)	(1,297)
Changes in derivatives	(605)	-
Cash generated from operations	65,522	92,277
Interest received	439	194
Tax paid	(3,336)	(5,361)
Tax refund	1,150	8,585
Net cash generated from operating activities	63,775	95,695
Cash Flows From Investing Activities		
Purchase of plant and equipment	(33)	(25)
Proceeds from disposal of plant and equipment	-	2
Net advances repaid by joint ventures	570,340	328,546
Withdrawal of restricted cash and bank balances, and other investment	41,091	6,363
Interest received	19,802	2,458
Net cash generated from investing activities	631,200	337,344
Cash Flows From Financing Activities		
Drawdown of borrowings	261,332	272,446
Repayment of borrowings	(744,053)	(663,350)
Proceeds from issuance of ordinary shares	-	3
Dividend paid to non-controlling interests of a subsidiary	-	(1,358)
Repayment of lease liabilities	(769)	(672)
Interest paid in relation to lease liabilities	(56)	(92)
Interest paid	(23,799)	(34,043)
Net cash used in financing activities	(507,345)	(427,066)

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2023 (continued)
(The figures have not been audited)

	9 MONTHS ENDED	
	31 JULY 2023	**31 JULY 2022**
	RM'000	**RM'000**
Net changes in cash and cash equivalents	187,630	5,973
Cash and cash equivalents at 1 November 2022/ 2021	614,220	317,355
Effect of exchange rate changes	(536)	1,159
Cash and cash equivalents at 31 July 2023/ 2022	801,314	324,487
Cash and cash equivalents comprise the following:		
Deposits	748,262	313,843
Cash and bank balances	53,052	23,041
	801,314	336,884
Less: Deposit pledged, debt service reserve and interest service reserve accounts	-	(12,397)
	801,314	324,487

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2022 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 2022.

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 assist in understanding 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 2022, 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 2022:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)
Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)
Amendments to Illustrative Examples accompanying MFRS 16	Leases (Annual Improvements to MFRS Standards 2018−2020)
Amendments to MFRS 116	Property, Plant and Equipment − Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract

The adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretations does 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 July 2023 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 July 2023.

A4. Changes in Estimates

There were no material changes in estimates during the financial period ended 31 July 2023.

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 July 2023.

A6. Dividends Paid

There was no payment of dividend during the financial period ended 31 July 2023.

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 real estate development activities and provision of advisory and project monitoring services;
(ii) Australia - the area of operation is principally real estate 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 July 2023 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	76,150	201	(107)	76,244
Inter-segment revenue	-	-	62	(62)	-
Total revenue	-	76,150	263	(169)	76,244
Segment results	(6,023)	3,410	(12,845)	-	(15,458)
Share of results in joint ventures	(49,804)	-	-	-	(49,804)
Depreciation	(34)	(122)	(762)	-	(918)
Gain on foreign exchange	-	-	16,107	-	16,107
Other income	-	714	264	-	978
Finance income	504	198	22,390	-	23,092
Finance costs	-	(441)	(16,145)	-	(16,586)
(Loss)/Profit before tax	(55,357)	3,759	9,009	-	(42,589)
Taxation	(495)	(2,129)	(2,177)	-	(4,801)
(Loss)/Profit for the period	(55,852)	1,630	6,832	-	(47,390)
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.5211*	*2.9954*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	1,518,745	229,844	758,851	-	2,507,440
Segment liabilities	537	7,762	4,861	-	13,160
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*5.7873*	*3.0143*	*1.0000*		

Note:
[(1)] *Average rates for the financial period ended 31 July 2023.*
[(2)] *Closing rates as at 31 July 2023.*

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

There were no significant events after 31 July 2023 until 19 September 2023, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6 and B9.

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 July 2023.

(b) There were no changes in the composition of the Group during the period between 1 August 2023 until 19 September 2023, being the latest practicable date from the date of issue of this interim financial report.

A10. Commitments and Contingencies

	As at 31/07/2023 RM'000
Approved and contracted for:	
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("Eco World-Ballymore") by way of share subscription and shareholder's advances (*Note a*)	171,001
(ii) Eco World London by way of shareholder's advances *(Note b)*	142,377
(iii) Eco World London DMCo by way of shareholder's advances *(Note b)*	-

Note a

The Group and the other joint venture partner are jointly committed to agree on the action to be taken in the event of (i) an emergency giving rise to public liability of the EW-Ballymore Holding / its shareholders; (ii) damage or lack of repair to any of the joint venture projects which will cause a material diminution in value of the property; or (iii) an acceleration of or a default under any finance documents entered into by or on behalf of EW-Ballymore Holding. The Group and the other joint venture partner could agree to provide the additional funding in the ratio of 75:25 based on their current proportion of the existing equity interests in EW-Ballymore Holding. The likelihood for further funding in the future is low considering that construction of the joint venture projects were completed and the development facility obtained by EW-Ballymore Holding was fully repaid in April 2022. Furthermore, EW-Ballymore Holding commenced repayment of shareholder's advances from May 2022 onwards.

Note b

The Group and the other joint venture partner are jointly committed to provide funding into EcoWorld London and EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies and EcoWorld London DMCo under any 3rd party finance agreement. Any committed funding provided 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.

In the event of a non-compliance under the shareholders' agreement, the compliant shareholder has an option to acquire all or a portion of the shares held by the non-compliant shareholder in EcoWorld London group of companies and/or EcoWorld London DMCo, as the case may be, at a discounted or a nominal price.

A11. Significant Related Party Transactions

		9 MONTHS ENDED 31/07/2023 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	129,784
	- Repayment of advances by joint ventures	(703,475)
	- Sales commission received/receivable from joint ventures	201
(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	123
	- Support service fees paid or payable	201
	- Rental paid or payable	135
	- Secondment fee	2,271
(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	825
(iv)	Transaction with a company where a subsidiary director has interest	
	- Consultancy fee paid or payable	549

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

B1. Review of Group Performance

	3 MONTHS ENDED			9 MONTHS ENDED		
	31/07/2023 RM'000	31/07/2022 RM'000	CHANGES RM'000	31/07/2023 RM'000	31/07/2022 RM'000	CHANGES RM'000
Gross profit	3,706	7,695	(3,989)	13,382	22,466	(9,084)
Share of results in joint ventures	(25,158)	(36,951)	11,793	(49,804)	(62,319)	12,515
Loss before interest and tax	(8,920)	(44,119)	35,199	(26,003)	(101,310)	75,307
Loss before tax	(10,112)	(55,449)	45,337	(42,589)	(134,715)	92,126
Loss for the period	(12,171)	(56,440)	44,269	(47,390)	(137,833)	90,443
Loss for the period attributable to owners of the Company	(12,302)	(56,678)	44,376	(47,679)	(138,689)	91,010

(a) 3Q 2023 vs. 3Q 2022

The Group's revenue comprises the property sales proceeds from its projects in Australia, namely West Village and Yarra One, and fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the UK. The Group recorded a lower revenue in 3Q 2023 of RM31.17 million as compared to 3Q 2022 of RM34.50 million mainly due to discounts given to accelerate sales of remaining units sold in the current quarter in line with the Group's monetisation strategy.

Revenue recorded by the Group's joint-ventures totalled RM250.31 million (3Q 2022: RM653.03 million), of which the Group's effective share (unconsolidated) amounted to RM182.58 million (3Q 2022: RM475.49 million), mainly due to lower sales completions. The Group however recorded lower share of losses in joint ventures during the current quarter which consist mainly of initial planning costs being written-off following decision not to proceed with the acquisition of Tulse Hill project while higher share of losses in the previous corresponding quarter was mainly due to the recognition of additional cost arising from the extended construction programme in Eco World London.

The Group recorded a loss before tax ("LBT") of RM10.11 million during the quarter as compared to LBT of RM55.45 million reported for 3Q 2022. The lower LBT was mainly due to:

i. foreign exchange gains arising from repayment of shareholder's advances from Eco World-Ballymore and conversion of bank balances denominated in British Pound ("GBP") to Ringgit Malaysia ("RM") as opposed to foreign exchange losses recorded in 3Q 2022;

ii. lower finance costs as a result of full settlement of all borrowings during the current quarter;

iii. lower share of losses in Eco World London during the current quarter, as mentioned above; and

iv. higher interest income from unit trust and fixed deposits following repayment of shareholder's advances from Eco World-Ballymore and Eco World London.

B1. Review of Group Performance (continued)

(b) 3Q YTD 2023 vs. 3Q YTD 2022

Revenue for the Group for 3Q YTD 2023 of RM76.24 million was RM40.58 million lower than the corresponding period of RM116.82 million as a result of lesser units sold in West Village and Yarra One in the current period as compared to the previous period.

Revenue recorded by the Group's joint-ventures totalled RM1,052.57 million (3Q YTD 2022: RM1,645.01 million), of which the Group's effective share (unconsolidated) amounted to RM736.10 million (3Q YTD 2022: RM1,172.79 million), mainly due to lower sales completions. The Group however recorded lower share of losses in joint ventures during the current financial period as in the previous corresponding financial period, both joint ventures recorded downward revision of project profit margins mainly arising from extended construction programme and higher inventory holding costs as a result of the longer period of time taken for sales realisation.

The Group recorded a LBT of RM42.59 million in the current financial period, as compared to LBT of RM134.72 million reported for 3Q YTD 2022.

The lower LBT reported in the current financial period was mainly due to:

i. higher interest income from unit trust and fixed deposit following repayment of shareholder's advances from Eco World-Ballymore and Eco World London;

ii. lower finance costs as a result of progressive repayment of loans; and

iii. higher foreign exchange gain recognised in 3Q YTD 2023.

In addition, in the previous corresponding financial period, the group recorded higher share of losses from both joint ventures as mentioned above and recognised impairment losses on the investment in Eco World-Ballymore which contributed to the higher LBT recorded in that period.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	3 MONTHS ENDED		
	31/07/2023	**30/04/2023**	**CHANGES**
	RM'000	**RM'000**	**RM'000**
Gross profit	3,706	5,340	(1,634)
Share of results in joint ventures	(25,158)	(28,680)	3,522
(Loss)/Profit before interest and tax	(8,920)	5,292	(14,212)
Loss before tax	(10,112)	(2,120)	(7,992)
Loss for the period	(12,171)	(4,465)	(7,706)
Loss for the period attributable to owners of the Company	(12,302)	(4,556)	(7,746)

The Group's current quarter LBT of RM10.11 million has increased by RM7.90 million from the LBT recorded in the preceding quarter ended 30 April 2023 of RM2.12 million.

The higher LBT recorded in the current quarter was mainly due to lower foreign exchange gains recognised in the current quarter following lower bank balances denominated in GBP at the end of the current quarter.

B3. Sales Achieved and Prospects for the Current Financial Year

PROJECTS	LANDBANK	CUMULATIVE SALES	10 MONTHS ENDED 31/08/2023[1]		Effective Future Revenue[3]
	As at 31/08/2023 (Acres)	As at 31/08/2023 RM'mil	Units Sold[2]	Sales value RM'mil	RM'mil
London	50.7	17,285	173	915	270
Sydney	1.9	949	13	24	3
Melbourne	0.5	674	22	64	9
Total[4]	**53.1**	**18,907**	**208**	**1,003**	**283**

Notes:
(1) Based on exchange rates of £1:RM5.8712 and A$1:3.0008 as at Aug 31, 2023
(2) Refer to number of units exchanged only.
(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at Aug 31, 2023
(4) Total may not add up because of rounding

EcoWorld International achieved RM1,003 million sales in the first 10 months of FY2023. This, plus reserves of RM157 million, add up to a total of RM1,161 million which places the Group largely on track to achieve the sales target of RM1.4 billion for FY2023. Embassy Gardens, which generated RM525 million sales, was the biggest contributor to sales, followed by Wardian (RM172 million), London City Island (RM109 million) and Yarra One (RM64 million).

These sales have generated substantial cash for the Group. All borrowings, excluding those maintained by the EcoWorld London joint venture to fund its existing land, have been fully repaid during the third quarter of FY2023. As at 31 July 2023, the Group has a net cash of RM801 million. Including the Group's effective share of net cash balances at JV entities, the Group's total net cash balance stands at RM831 million as at 31 July 2023.

	As at 31 Oct 2022 RM'000	As at 31 Jul 2023 RM'000
Cash, deposits and other investments[1]	655,343	801,347
Total Borrowings	482,816	-
Net cash – Excluding JVs	**172,527**	**801,347**
Net Cash at JVs		
EW-Ballymore (75% owned by EWI)	64,182[2]	81,089[3]
EcoWorld London (70% owned by EWI)	(8,121)[2]	(51,858)[3]
Total Net Cash/(Debt) – Including JVs	**228,588**	**830,578**

Notes:
(1) Other investments relate to deposits that must be maintained and restricted for use during the tenure of borrowings
(2) Based on exchange rate of £1:RM5.4594 as at Oct 31, 2022
(3) Based on exchange rate of £1:RM5.7873 as at Jul 31, 2023

The Board has recently approved a dividend amounting to RM792 million, which will be paid to shareholders on 29th September 2023. The Company had earlier announced that it was targeting to make a first tranche dividend distribution of at least RM300 million to shareholders following the completion of its Capital Reduction Exercise. The significantly higher amount of RM792 million achieved is attributable to the steady progress made to date on the sale of completed stocks.

As at 31 August 2023, the Group has approximately RM1.1 billion of completed and nearly-completed stocks that are available for sale, of which the Group's effective share of these stocks is approximately RM800 million. The Group will continue to focus on monetising these stocks with the aim of distributing excess cash back to shareholders.

As regards project updates, all new launches continue to be put on hold, pending review of their feasibility in view of the ongoing weak sentiment among homebuyers and significant cost inflations. The Board will only consider proceeding with launches when market conditions improve, cost pressures stabilise and expected returns that meet the Group's requirements can be forecast with greater certainty.

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

Given the above scenario, the immediate working capital requirements of the Group is expected to be lower than originally estimated. The appreciation of the GBP since the date the Group's intention to distribute excess cash back to shareholders was first announced in Q4 2022 has also increased the RM value of remaining unsold completed stocks, of which EcoWorld International's effective share is estimated at approximately RM800 million as mentioned above.

Accordingly, subject to the completion of sales of these stocks and the continued strength of the GBP, it is presently expected that total dividends payable (including the RM792 million to be paid in September 2023) from the Group's excess cash should exceed the original estimate of RM900 million earlier announced. In this regard, the Company is working towards declaring a 2nd tranche dividend of RM144 million^ from the excess cash in December 2023 with potentially more to come in FY2024. This is consistent with the intention to progressively distribute the bulk of the proceeds received from the monetisation of stocks (less reduced working capital requirements) to shareholders as dividends over time.

^ *The figures within the paragraph represents internal management targets and it does not for all intents and purposes constitute a declaration of dividend by the Company under paragraph 8.26 of the Main Market Listing Requirements*.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 July 2023.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2023	**31/07/2022**	**31/07/2023**	**31/07/2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax				
Malaysian tax				
- current quarter/period	785	-	2,177	-
- in respect of prior years	-	(5)	-	(5)
Foreign tax				
- current quarter/period	497	1,627	2,970	5,111
- in respect of prior years	192	88	192	88
Deferred tax				
Foreign tax				
- current quarter/period	734	(662)	(440)	(2,019)
- in respect of prior years	(149)	(57)	(98)	(57)
	2,059	991	4,801	3,118

The Group's losses were mainly attributed to the equity accounting of share of losses in joint ventures. Tax expenses are provided for profitable subsidiaries and taxable other income of the holding company as losses in other subsidiaries were not available to set-off against the taxable profits within the Group.

B6. Status of Corporate Proposals

The Company will no longer be pursuing Tulse Hill, being the remaining Stage 2 site under the joint venture with Be Living Holdings Limited. This is due to non-fulfilment of the viability condition on or before the long stop date (which is now expired), one of the conditions precedent under the sale and purchase agreement. Accordingly, there is no other corporate proposal that has been announced by the Company which is yet to be completed as at 19 September 2023.

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 July 2023 were as follows:

	As at 31/07/2023				As at 31/10/2022
	Secured/ Unsecured	**Foreign Currency '000**		**RM Equivalent '000**	**RM Equivalent '000**
Short term borrowings					
- Term loan	Secured	AUD	-	-	33,200
- Medium term notes	Unsecured	RM	-	-	449,616
				-	482,816

As at 31 July 2023, the Group's medium term notes based on fixed rates to finance the projects in UK and Australia were fully settled.

B8. Material Litigation

The Group was not engaged in any material litigation as at 19 September 2023, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

(a) No dividend has been declared or recommended for payment by the Company during the financial period ended 31 July 2023.

(b) On 24 August 2023, the Board of Directors declared the First Interim Dividend in respect of the financial year ending 31 October 2023:

Amount per share	: 33 sen single tier dividend
Entitlement to dividends based on record of depositors as at	: 11 September 2023
Date payable	: 29 September 2023

B10. Earnings Per Share Attributable to Owners of the Company

Basic loss 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		9 MONTHS ENDED	
	31/07/2023	**31/07/2022**	**31/07/2023**	**31/07/2022**
Loss for the period attributable to owners of the Company (RM'000)	(12,302)	(56,678)	(47,679)	(138,689)
Weighted average number of ordinary shares ('000)	2,400,002	2,400,000	2,400,002	2,400,000
Basic Loss Per Ordinary Share (sen)	(0.51)	(2.36)	(1.99)	(5.78)

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2022 were unqualified.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/07/2023 RM'000	**9 MONTHS ENDED 31/07/2023 RM'000**
Interest income	9,927	23,092
Interest expense	(1,192)	(16,586)
Depreciation and amortisation	(306)	(918)
Foreign exchange gain	13,438	16,107
Hedge of net investment reclassified to profit and loss	(605)	(605)
Impairment of goodwill	(187)	(203)

By order of the Board
Tan Ai Ning
Company Secretary
20 September 2023