# Quarterly rpt on consolidated results for the financial period ended 30 Apr 2023

## ECO WORLD INTERNATIONAL BERHAD

| | |
|---|---|
| **Financial Year End** | 31 Oct 2023 |
| **Quarter** | 2 Qtr |
| **Quarterly report for the financial period ended** | 30 Apr 2023 |
| **The figures** | have not been audited |

**Attachments**

EWI Q2-2023 results.pdf *533.7 kB*

EWI 2Q FY23 Results Press Release.pdf *227.9 kB*

**Default Currency** | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION
### 30 Apr 2023

| | | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|---|---|---|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | 30 Apr 2023 | 30 Apr 2022 | 30 Apr 2023 | 30 Apr 2022 |
| | | $$'000 | $$'000 | $$'000 | $$'000 |
| 1 | Revenue | 22,704 | 33,077 | 45,072 | 82,321 |
| 2 | Profit/(loss) before tax | -2,120 | -66,528 | -32,477 | -79,266 |
| 3 | Profit/(loss) for the period | -4,465 | -67,124 | -35,219 | -81,393 |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent | -4,556 | -67,351 | -35,377 | -82,011 |
| 5 | Basic earnings/(loss) per share (Subunit) | -0.19 | -2.81 | -1.47 | -3.42 |
| 6 | Proposed/Declared dividend per share (Subunit) | 0.00 | 0.00 | 0.00 | 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 ($$) | 1.0200 | | 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** | 21 Jun 2023 |
| **Category** | Financial Results |
| **Reference Number** | FRA-12062023-00003 |

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

**Interim Financial Report**
**30 April 2023**

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

**Interim Financial Report - 30 April 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 30 APRIL 2023**
*(The figures have not been audited)*

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|---|---|---|---|---|
| | **30 APRIL 2023 RM'000** | **30 APRIL 2022 RM'000** | **30 APRIL 2023 RM'000** | **30 APRIL 2022 RM'000** |
| Revenue | 22,704 | 33,077 | 45,072 | 82,321 |
| Direct expenses | (17,364) | (27,359) | (35,396) | (67,550) |
| **Gross profit** | 5,340 | 5,718 | 9,676 | 14,771 |
| Other income | 9,246 | 1,127 | 13,706 | 2,346 |
| Marketing expenses | (1,099) | (1,152) | (2,757) | (2,911) |
| Administrative and general expenses | (8,158) | (11,037) | (15,731) | (19,950) |
| Impairment loss on investment in a joint venture | - | (36,162) | - | (36,162) |
| Gain/(Loss) on foreign exchange | 28,643 | 7,093 | 2,669 | 10,083 |
| Finance costs | (7,412) | (10,730) | (15,394) | (22,075) |
| Share of results in joint ventures | (28,680) | (21,385) | (24,646) | (25,368) |
| **Loss before tax** | (2,120) | (66,528) | (32,477) | (79,266) |
| Taxation | (2,345) | (596) | (2,742) | (2,127) |
| Loss for the period | (4,465) | (67,124) | (35,219) | (81,393) |
| **Other comprehensive income/(loss), net of tax** | | | | |
| *Items that may be reclassified to profit or loss subsequently:* | | | | |
| Hedge of net investment | 199 | (528) | 227 | 130 |
| Exchange differences on translation of foreign operations | 93,688 | (74,495) | 25,778 | (132,894) |
| **Total comprehensive income/(loss) for the period** | 89,422 | (142,147) | (9,214) | (214,157) |
| **Loss for the period attributable to:** | | | | |
| Owners of the Company | (4,556) | (67,351) | (35,377) | (82,011) |
| Non-controlling interests | 91 | 227 | 158 | 618 |
| | (4,465) | (67,124) | (35,219) | (81,393) |
| **Total comprehensive income/(loss) for period attributable to:** | | | | |
| Owners of the Company | 89,270 | (142,305) | (9,394) | (214,677) |
| Non-controlling interests | 152 | 158 | 180 | 520 |
| | 89,422 | (142,147) | (9,214) | (214,157) |
| **Loss per share attributable to owners of the Company:** | | | | |
| Basic loss per share (sen) | (0.19) | (2.81) | (1.47) | (3.42) |

(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 30 APRIL 2023**
*(The figures have not been audited)*

| | As At 30 APRIL 2023 RM'000 | As At 31 OCTOBER 2022 RM'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Plant and equipment | 1,501 | 1,691 |
| Right-of-use assets | 1,058 | 1,511 |
| Goodwill | 263 | 287 |
| Investment in joint ventures | 243,821 | 263,785 |
| Inventories - land held for development | 138,988 | 141,679 |
| Amounts owing by joint ventures | 1,033,078 | 941,258 |
| Deferred tax assets | 695 | 234 |
| | 1,419,404 | 1,350,445 |
| **Current assets** | | |
| Inventories - property development costs | 79,832 | 114,437 |
| Amounts owing by joint ventures | 285,484 | 807,609 |
| Trade and other receivables | 21,549 | 22,549 |
| Contract costs | 452 | 807 |
| Current tax assets | 419 | 1,470 |
| Other investments | 281,006 | 41,123 |
| Cash, bank balances and deposits | 641,375 | 614,220 |
| | 1,310,117 | 1,602,215 |
| **TOTAL ASSETS** | 2,729,521 | 2,952,660 |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Share capital | 2,592,454 | 2,592,454 |
| Hedging reserve | (605) | (832) |
| Exchange translation reserve | 25,768 | 12 |
| Accumulated losses | (179,824) | (144,447) |
| **Equity attributable to owners of the Company** | 2,437,793 | 2,447,187 |
| Non-controlling interests | 1,181 | 1,001 |
| **Total equity** | 2,438,974 | 2,448,188 |
| **Non-current liabilities** | | |
| Lease liabilities | 195 | 770 |
| Deferred tax liabilities | 460 | 1,184 |
| | 655 | 1,954 |

**ECO WORLD INTERNATIONAL BERHAD**
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 APRIL 2023 (continued)**
*(The figures have not been audited)*

| | As At 30 APRIL 2023 RM'000 | As At 31 OCTOBER 2022 RM'000 |
|---|---|---|
| **Current liabilities** | | |
| Trade and other payables | 14,941 | 14,266 |
| Contract liabilities | 86 | 621 |
| Borrowings | 269,959 | 482,816 |
| Lease liabilities | 1,122 | 1,051 |
| Current tax liabilities | 3,159 | 2,932 |
| Derivative financial liabilities | 625 | 832 |
| | 289,892 | 502,518 |
| **Total liabilities** | 290,547 | 504,472 |
| **TOTAL EQUITY AND LIABILITIES** | 2,729,521 | 2,952,660 |
| **Net assets per share attributable to owners of the Company (RM)** | 1.02 | 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 30 APRIL 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 | - | - | 227 | - | - | 227 | - | 227 |
| - Exchange differences on translation of foreign operations | - | - | - | 25,756 | - | 25,756 | 22 | 25,778 |
| Loss for the period | - | - | - | - | (35,377) | (35,377) | 158 | (35,219) |
| Total comprehensive (loss)/income for the period | - | - | 227 | 25,756 | (35,377) | (9,394) | 180 | (9,214) |
| **At 30 APRIL 2023** | 2,592,454 | - | (605) | 25,768 | (179,824) | 2,437,793 | 1,181 | 2,438,974 |
| **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 | - | - | 130 | - | - | 130 | - | 130 |
| - Exchange differences on translation of foreign operations | - | - | - | (132,796) | - | (132,796) | (98) | (132,894) |
| Loss for the period | - | - | - | - | (82,011) | (82,011) | 618 | (81,393) |
| Total comprehensive (loss)/income for the period | - | - | 130 | (132,796) | (82,011) | (214,677) | 520 | (214,157) |
| 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 |
| **At 30 APRIL 2022** | 2,592,454 | - | (1,186) | 1,396 | 7,960 | 2,600,624 | 2,496 | 2,603,120 |

(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 30 APRIL 2023**
*(The figures have not been audited)*

| | 6 MONTHS ENDED | |
|---|---|---|
| | **30 APRIL 2023** | **30 APRIL 2022** |
| | **RM'000** | **RM'000** |
| **Cash Flows From Operating Activities** | | |
| Loss before tax | (32,477) | (79,266) |
| Adjustments for: | | |
| Non-cash items | 12,290 | 53,893 |
| Non-operating items | 2,229 | 20,281 |
| Operating loss before working capital changes | (17,958) | (5,092) |
| Changes in inventories | 30,233 | 65,325 |
| Changes in receivables and other current assets | 1,857 | (1,214) |
| Changes in payables and other current liabilities | 1,051 | (80) |
| Changes in contract liabilities | (528) | (1,297) |
| Cash generated from operations | 14,655 | 57,642 |
| Interest received | 254 | 142 |
| Tax paid | (3,121) | (4,613) |
| Tax refund | 531 | 8,585 |
| **Net cash generated from operating activities** | 12,319 | 61,756 |
| **Cash Flows From Investing Activities** | | |
| Purchase of plant and equipment | - | (19) |
| Proceeds from disposal of plant and equipment | - | 2 |
| Net advances repaid by/(advances to) joint ventures | 461,171 | (77,001) |
| Placement of restricted cash and bank balances, and other investment | (239,882) | (207) |
| Interest received | 12,910 | 1,651 |
| **Net cash generated from/(used in) investing activities** | 234,199 | (75,574) |
| **Cash Flows From Financing Activities** | | |
| Drawdown of borrowings | 261,332 | 34,347 |
| Repayment of borrowings | (474,053) | (147,777) |
| Proceeds from issuance of ordinary shares | - | 3 |
| Repayment of lease liabilities | (505) | (441) |
| Interest paid in relation to lease liabilities | (40) | (64) |
| Interest paid | (15,269) | (22,148) |
| **Net cash used in financing activities** | (228,535) | (136,080) |

**ECO WORLD INTERNATIONAL BERHAD**
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE PERIOD ENDED 30 APRIL 2023 (continued)**
*(The figures have not been audited)*

| | 6 MONTHS ENDED | |
|---|---|---|
| | **30 APRIL 2023** | **30 APRIL 2022** |
| | **RM'000** | **RM'000** |
| **Net changes in cash and cash equivalents** | 17,983 | (149,898) |
| **Cash and cash equivalents at 1 November 2022/ 2021** | 614,220 | 317,355 |
| **Effect of exchange rate changes** | 9,172 | (2,063) |
| **Cash and cash equivalents at 30 April 2023/ 2022** | 641,375 | 165,394 |
| | | |
| **Cash and cash equivalents comprise the following:** | | |
| Deposits | 615,297 | 163,179 |
| Cash and bank balances | 26,078 | 21,181 |
| | 641,375 | 184,360 |
| Less: Deposit pledged, debt service reserve and interest service reserve accounts | - | (18,966) |
| | 641,375 | 165,394 |

(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 30 April 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 30 April 2023.

## A4. Changes in Estimates

There were no material changes in estimates during the financial period ended 30 April 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 30 April 2023.

## A6. Dividends Paid

There was no payment of dividend during the financial period ended 30 April 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 30 April 2023 is as follows:

| | United Kingdom RM'000 | Australia RM'000 | Malaysia RM'000 | Eliminations RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| Revenue | | | | | |
| External revenue | - | 44,998 | 136 | (62) | 45,072 |
| Inter-segment revenue | - | - | 62 | (62) | - |
| Total revenue | - | 44,998 | 198 | (124) | 45,072 |
| | | | | | |
| Segment results | (3,941) | 3,664 | (7,923) | - | (8,200) |
| Share of results in joint ventures | (24,646) | - | - | - | (24,646) |
| Depreciation | (24) | (81) | (507) | - | (612) |
| Gain on foreign exchange | - | - | 2,669 | - | 2,669 |
| Other income | - | 373 | 168 | - | 541 |
| Finance income | 471 | 37 | 12,657 | - | 13,165 |
| Finance costs | - | (441) | (14,953) | - | (15,394) |
| (Loss)/Profit before tax | (28,140) | 3,552 | (7,889) | - | (32,477) |
| Taxation | (202) | (1,148) | (1,392) | - | (2,742) |
| (Loss)/Profit for the period | (28,342) | 2,404 | (9,281) | - | (35,219) |
| | | | | | |
| *Main foreign currency* | *GBP* | *AUD* | *RM* | | |
| *Exchange ratio of 1 unit of foreign currency to RM* [(1)] | *5.3846* | *2.9772* | *1.0000* | | |

| | United Kingdom RM'000 | Australia RM'000 | Malaysia RM'000 | Eliminations RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| Segment assets | 1,587,901 | 236,793 | 904,827 | - | 2,729,521 |
| | | | | | |
| Segment liabilities | 735 | 7,793 | 282,019 | - | 290,547 |
| | | | | | |
| *Main foreign currency* | *GBP* | *AUD* | *RM* | | |
| *Exchange ratio of 1 unit of foreign currency to RM* [(2)] | *5.5533* | *2.9350* | *1.0000* | | |

*Note:*
[(1)] *Average rates for the financial period ended 30 April 2023.*
[(2)] *Closing rates as at 30 April 2023.*

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

There were no significant events after 30 April 2023 until 20 June 2023, 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 30 April 2023.

(b) There were no changes in the composition of the Group during the period between 1 May 2023 until 20 June 2023, being the latest practicable date from the date of issue of this interim financial report.

## A10. Fair Value of Financial Instruments

(a) Details of derivative financial instruments outstanding as at 30 April 2023 are as follows:

| | **Notional Amount RM'000** | **Fair Value Assets/ (Liabilities) RM'000** |
|---|---|---|
| Cross currency swaps | | |
| - Less than 1 year | 10,935 | (625) |
| | 10,935 | (625) |

(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 30/04/2023 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 loans (*Note a*) | 164,087 |
| (ii) Eco World London by way of shareholder's loan *(Note b)* | 144,008 |
| (iii) Eco World London DMCo by way of shareholder's loan *(Note b)* | 1,827 |

*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 shareholders' 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.

## A12. Significant Related Party Transactions

| | | 6 MONTHS ENDED 30/04/2023 RM'000 |
|---|---|---|
| (i) | Transactions with joint ventures | |
| | - Advances to joint ventures | 76,381 |
| | - Repayment of advances by joint ventures | (525,494) |
| | - Sales commission received/receivable from joint ventures | 135 |
| (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 | 134 |
| | - Rental paid or payable | 90 |
| | - Secondment fee | 1,612 |
| (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 | 545 |
| (iv) | Transaction with a company where a subsidiary director has interest | |
| | - Consultancy fee paid or payable | 364 |

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

### B1. Review of Group Performance

| | 3 MONTHS ENDED | | | 6 MONTHS ENDED | | |
|---|---|---|---|---|---|---|
| | 30/04/2023 RM'000 | 30/04/2022 RM'000 | CHANGES RM'000 | 30/04/2023 RM'000 | 30/04/2022 RM'000 | CHANGES RM'000 |
| Gross profit | 5,340 | 5,718 | (378) | 9,676 | 14,771 | (5,095) |
| Share of results in joint ventures | (28,680) | (21,385) | (7,295) | (24,646) | (25,368) | 722 |
| Profit/(Loss) before interest and tax | 5,292 | (55,798) | 61,090 | (17,083) | (57,191) | 40,108 |
| Loss before tax | (2,120) | (66,528) | 64,408 | (32,477) | (79,266) | 46,789 |
| Loss for the period | (4,465) | (67,124) | 62,659 | (35,219) | (81,393) | 46,174 |
| Loss for the period attributable to owners of the Company | (4,556) | (67,351) | 62,795 | (35,377) | (82,011) | 46,634 |

**(a) 2Q 2023 vs. 2Q 2022**

The Group's revenue comprises the property sales proceeds from its projects in Australia, namely West Village and Yarra One, and the 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 2Q 2023 of RM22.70 million as compared to 2Q 2022 of RM33.08 million mainly due to lower number of units sold and handed over to customers as the Group is only selling the remaining unsold units of both projects in this financial year.

Revenue recorded by the Group's joint-ventures totalled RM314.51 million (2Q 2022: RM604.42 million), of which the Group's effective share (unconsolidated) amounted to RM224.37 million (2Q 2022: RM418.18 million).

The Group recorded a loss before tax ("LBT") of RM2.12 million during the quarter as compared to LBT of RM66.53 million reported for 2Q 2022. The lower LBT was mainly due to improvements in several income and expense items recorded in the current quarter:

i. higher foreign exchange gain on retranslation of foreign currency bank balances denominated in British Pound ("GBP") as GBP strengthened against Ringgit Malaysia ("RM");

ii. higher interest income from unit trust and fixed deposit following capital contribution repayments from Eco World-Ballymore and Eco World London; and

iii. lower finance costs as a result of progressive repayment of loans.

In addition, in the previous corresponding financial quarter, the group provided an impairment loss on the investment in Eco World-Ballymore.

The current quarter's reduction in LBT was offset by higher losses incurred on joint ventures resulting from higher share of losses in Eco World London due to lower completions and increased construction and defects rectification costs.

**B1. Review of Group Performance (continued)**

**(b) 2Q YTD 2023 vs. 2Q YTD 2022**

Revenue for the Group for 2Q YTD 2023 of RM45.07 million was RM37.25 million lower than the corresponding period of RM82.32 million as a result of lesser sales of the remaining units 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 RM802.27 million (2Q YTD 2022: RM991.98 million), of which the Group's effective share (unconsolidated) amounted to RM553.52 million (2Q YTD 2022: RM697.30 million).

The Group recorded a LBT of RM32.48 million in the current financial period, as compared to LBT of RM79.27 million reported for 2Q YTD 2022.

The reduction in LBT reported in the current financial period, was due to a combination of factors, including higher interest income from unit trust and fixed deposit following capital contribution repayments from Eco World-Ballymore and Eco World London, lower finance costs as a result of progressive repayment of loans and lower administrative expense mainly due to lower staff costs. In the previous corresponding financial period, the group provided an impairment loss on investment in Eco World-Ballymore.

The improvement in LBT was partially offset by the following:

- Lower revenue and profit contribution from Yarra One and West Village; and

- Lower foreign exchange gain recognised in 2Q YTD 2023 arising from translation gains on GBP-denominated cash being partially offset by foreign exchange losses on repayments from joint ventures. This is as compared to 2Q YTD 2022 which saw higher translation gains on GBP-denominated loans.

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

| | 3 MONTHS ENDED | | |
|---|---|---|---|
| | **30/04/2023** | **31/01/2023** | **CHANGES** |
| | **RM'000** | **RM'000** | **RM'000** |
| Gross profit | 5,340 | 4,336 | 1,004 |
| Share of results in joint ventures | (28,680) | 4,034 | (32,714) |
| Profit/(Loss) before interest and tax | 5,292 | (22,375) | 27,667 |
| Loss before tax | (2,120) | (30,357) | 28,237 |
| Loss for the period | (4,465) | (30,754) | 26,289 |
| Loss for the period attributable to owners of the Company | (4,556) | (30,821) | 26,265 |

The Group's current quarter LBT of RM2.12 million has reduced by RM28.24 million from the LBT recorded in the preceding quarter ended 31 January 2023 of RM30.36 million.

The improvement in the LBT recorded in the current quarter was mainly due to the appreciation of the GBP which resulted in foreign exchange gains recognised in the current quarter as opposed to foreign exchange losses in the previous quarter.

## B3. Sales Achieved and Prospects for the Current Financial Year

| PROJECTS | LANDBANK | CUMULATIVE SALES | 7 MONTHS ENDED 31/05/2023[(1)] | | Effective Future Revenue[(3)] |
|---|---|---|---|---|---|
| | As at 31/05/2023 (Acres) | As at 31/05/2023 RM'mil | Units Sold[(2)] | Sales value RM'mil | RM'mil |
| London | 50.7 | 16,477 | 112 | 556 | 200 |
| Sydney | 1.9 | 931 | 4 | 9 | 7 |
| Melbourne | 0.5 | 663 | 21 | 55 | 13 |
| **Total[4]** | **53.1** | **18,071** | **137** | **619** | **220** |

*Notes:*
*(1) Based on exchange rates of £1:RM5.7102 and A$1:2.9945 as at May 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 May 31, 2023*
*(4) Total may not add up because of rounding*

EcoWorld International achieved RM619 million sales in the first 7 months of FY2023. This, plus reserves of RM299 million, add up to a total of RM918 million. Embassy Gardens, which generated RM268 million sales, was the biggest contributor to sales, followed by Wardian (RM113 million), London City Island (RM92 million) and Yarra One (RM55 million).

These sales have generated substantial cash for the Group. Since turning net cash positive in 4Q FY2022, the Group's total cash, deposits and other investments have further increased to RM922 million (excluding cash held at JV entities) as at 30 April 2023. This exceeds remaining borrowings by RM652 million. Including the Group's effective share of net cash balances at JV entities, the Group's total net cash balance stands at RM727 million as at 30 Apr 2023.

| | As at 31 Oct 2022 RM'000 | As at 30 Apr 2023 RM'000 |
|---|---|---|
| Cash, deposits and other investments[1] | 655,343 | 922,381 |
| Total Borrowings | 482,816 | 269,959 |
| **Net cash – Excluding JVs** | **172,527** | **652,422** |
| | | |
| Net Cash at JVs | | |
| EW-Ballymore (75% owned by EWI) | 64,182[2] | 113,591[3] |
| EcoWorld London (70% owned by EWI) | (8,121)[2] | (38,527)[3] |
| **Total Net Cash/(Debt) – Including JVs** | **228,588** | **727,486** |

*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:RM5.5533 as at Apr 30, 2023*

Shareholders of EcoWorld International have recently approved a Capital Reduction exercise that paves the way for the planned distribution of excess cash back to shareholders in the form of dividends, after setting aside sufficient sums for the Group's operations and working capital. The Company is on track to be able to declare a first tranche dividend amounting to at least RM300 million in the near term while working towards achieving the RM900 million total distribution target set for 2023.

Sales of completed stocks is the key determinant for distributions to shareholders. Apart from offering incentive packages to buyers and maintaining its marketing campaigns, the Group is also exploring various options including bulk offers to accelerate sales. The Group remains hopeful that these sales initiatives will sustain the sales momentum enabling conversion of remaining stocks to cash despite the softening in real estate demand following hikes in interest rates and cost of living pressures in the UK and Australia.

As regards project updates, all new launches continue to be put on hold. Risk-reward assessment of undertaking new launches in the current environment remains unfavourable. As such, the Group is reviewing the options available and will consider proceeding with launches only when market conditions improve, cost pressures stabilise and expected returns that meet the Group's requirements can be forecast with greater certainty.

## B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 30 April 2023.

## B5. Taxation

Taxation comprises:

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|---|---|---|---|---|
| | 30/04/2023 RM'000 | 30/04/2022 RM'000 | 30/04/2023 RM'000 | 30/04/2022 RM'000 |
| Current tax | | | | |
| Malaysian tax | | | | |
| - current quarter/period | 1,392 | - | 1,392 | - |
| Foreign tax | | | | |
| - current quarter/period | 1,552 | 1,077 | 2,473 | 3,484 |
| Deferred tax | | | | |
| Foreign tax | | | | |
| - current quarter/period | (599) | (481) | (1,174) | (1,357) |
| - in respect of prior years | - | - | 51 | - |
| | 2,345 | 596 | 2,742 | 2,127 |

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 while losses in holding company and other subsidiaries were not available to set-off against the taxable profits in other companies within the Group.

## B6. Status of Corporate Proposals

Save and except for the following proposals, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 20 June 2023:

(a) proposed acquisition of the remaining one Stage 2 site namely Tulse Hill under the joint venture with Be Living Holdings Limited which is pending fulfilment of conditions precedent; and

(b) proposed reduction of the issued share capital of the Company of RM1,500 million pursuant to Section 117 of the Companies Act, 2016.

## B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 30 April 2023 were as follows:

| | As at 30/04/2023 | | | | 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 | - | 269,959 | 449,616 |
| | | | | 269,959 | 482,816 |

As at 30 April 2023, the Group's medium term notes based on fixed rates to finance the projects in UK and Australia are denominated in RM.

## B8. Material Litigation

The Group was not engaged in any material litigation as at 20 June 2023, 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 30 April 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 | | 6 MONTHS ENDED | |
|---|---|---|---|---|
| | 30/04/2023 | 30/04/2022 | 30/04/2023 | 30/04/2022 |
| Loss for the period attributable to owners of the Company (RM'000) | (4,556) | (67,351) | (35,377) | (82,011) |
| 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) | (0.19) | (2.81) | (1.47) | (3.42) |

## 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 30/04/2023 RM'000 | 6 MONTHS ENDED 30/04/2023 RM'000 |
|---|---|---|
| Interest income | 8,919 | 13,165 |
| Interest expense | (7,412) | (15,394) |
| Depreciation and amortisation | (303) | (612) |
| Foreign exchange gain | 28,643 | 2,669 |
| Impairment of goodwill | - | (16) |

By order of the Board
Tan Ai Ning
Company Secretary
21 June 2023