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

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2023
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Jan 2023
The figures	have not been audited

Attachments

EWI Q1-2023 results.pdf *533.0 kB*

Q1-2023 Press Release.pdf *215.0 kB*

Default Currency | Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Jan 2023

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jan 2023	31 Jan 2022	31 Jan 2023	31 Jan 2022
		$$'000	$$'000	$$'000	$$'000
1	Revenue	22,368	49,244	22,368	49,244
2	Profit/(loss) before tax	-30,357	-12,738	-30,357	-12,738
3	Profit/(loss) for the period	-30,754	-14,269	-30,754	-14,269
4	Profit/(loss) attributable to ordinary equity holders of the parent	-30,821	-14,660	-30,821	-14,660
5	Basic earnings/(loss) per share (Subunit)	-1.28	-0.61	-1.28	-0.61
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 ($$)	0.9800		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	22 Mar 2023
Category	Financial Results
Reference Number	FRA-20032023-00001

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

Interim Financial Report
31 January 2023

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

Interim Financial Report - 31 January 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 JANUARY 2023
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2023	**31 JANUARY 2022**
	RM'000	**RM'000**
Revenue	22,368	49,244
Direct expenses	(18,032)	(40,191)
Gross profit	4,336	9,053
Other income	4,460	1,219
Marketing expenses	(1,658)	(1,759)
Administrative and general expenses	(7,573)	(8,913)
(Loss)/Gain on foreign exchange	(25,974)	2,990
Finance costs	(7,982)	(11,345)
Share of results in joint ventures	4,034	(3,983)
Loss before tax	(30,357)	(12,738)
Taxation	(397)	(1,531)
Loss for the period	(30,754)	(14,269)
Other comprehensive (loss)/income, net of tax		
Items that may be reclassified to profit or loss subsequently:		
Hedge of net investment	28	658
Exchange differences on translation of foreign operations	(67,910)	(58,399)
Total comprehensive loss for the period	(98,636)	(72,010)
Loss for the period attributable to:		
Owners of the Company	(30,821)	(14,660)
Non-controlling interests	67	391
	(30,754)	(14,269)
Total comprehensive loss for period attributable to:		
Owners of the Company	(98,664)	(72,372)
Non-controlling interests	28	362
	(98,636)	(72,010)
Loss per share attributable to owners of the Company:		
Basic loss per share (sen)	(1.28)	(0.61)

(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 JANUARY 2023
(The figures have not been audited)

	As At 31 JANUARY 2023 RM'000	As At 31 OCTOBER 2022 RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,590	1,691
Right-of-use assets	1,284	1,511
Goodwill	268	287
Investment in joint ventures	256,670	263,785
Inventories - land held for development	139,971	141,679
Amounts owing by joint ventures	939,034	941,258
Deferred tax assets	457	234
	1,339,274	1,350,445
Current assets		
Inventories - property development costs	95,131	114,437
Amounts owing by joint ventures	465,295	807,609
Trade and other receivables	20,327	22,549
Contract costs	574	807
Current tax assets	934	1,470
Other investments	257,373	41,123
Cash, bank balances and deposits	652,642	614,220
	1,492,276	1,602,215
TOTAL ASSETS	2,831,550	2,952,660
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,454	2,592,454
Hedging reserve	(804)	(832)
Exchange translation reserve	(67,859)	12
Accumulated losses	(175,268)	(144,447)
Equity attributable to owners of the Company	2,348,523	2,447,187
Non-controlling interests	1,029	1,001
Total equity	2,349,552	2,448,188
Non-current liabilities		
Lease liabilities	484	770
Deferred tax liabilities	821	1,184
	1,305	1,954

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

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

	As At 31 JANUARY 2023 RM'000	As At 31 OCTOBER 2022 RM'000
Current liabilities		
Trade and other payables	13,767	14,266
Contract liabilities	94	621
Borrowings	463,760	482,816
Lease liabilities	1,087	1,051
Current tax liabilities	1,175	2,932
Derivative financial liabilities	810	832
	480,693	502,518
Total liabilities	481,998	504,472
TOTAL EQUITY AND LIABILITIES	2,831,550	2,952,660
Net assets per share attributable to owners of the Company (RM)	0.98	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 JANUARY 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	-	-	28	-	-	28	-	28
- Exchange differences on translation of foreign operations	-	-	-	(67,871)	-	(67,871)	(39)	(67,910)
Loss for the period	-	-	-	-	(30,821)	(30,821)	67	(30,754)
Total comprehensive (loss)/income for the period	-	-	28	(67,871)	(30,821)	(98,664)	28	(98,636)
At 31 JANUARY 2023	2,592,454	-	(804)	(67,859)	(175,268)	2,348,523	1,029	2,349,552
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

(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 JANUARY 2023
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2023	**31 JANUARY 2022**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Loss before tax	(30,357)	(12,738)
Adjustments for:		
Non-cash items	6,650	2,691
Non-operating items	3,736	10,392
Operating (loss)/profit before working capital changes	(19,971)	345
Changes in inventories	17,906	39,636
Changes in receivables and other current assets	1,730	502
Changes in payables and other current liabilities	941	(3,022)
Changes in contract liabilities	(520)	(1,302)
Cash generated from operations	86	36,159
Interest received	85	112
Tax paid	(2,151)	(850)
Net cash generated from operating activities	(1,980)	35,421
Cash Flows From Investing Activities		
Purchase of plant and equipment	-	(14)
Net advances repaid by/(advances to) joint ventures	294,884	(40,494)
(Placement)/withdrawal of restricted cash and bank balances, and other investment	(216,249)	5,865
Interest received	4,161	841
Net cash generated from/(used in) investing activities	82,796	(33,802)
Cash Flows From Financing Activities		
Drawdown of borrowings	128,610	10,629
Repayment of borrowings	(147,412)	(119,215)
Repayment of lease liabilities	(251)	(219)
Interest paid in relation to lease liabilities	(22)	(33)
Interest paid	(9,118)	(13,182)
Net cash used in financing activities	(28,193)	(122,020)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2023 (continued)
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2023	**31 JANUARY 2022**
	RM'000	**RM'000**
Net changes in cash and cash equivalents	52,623	(120,401)
Cash and cash equivalents at 1 November 2022/ 2021	614,220	317,355
Effect of exchange rate changes	(14,201)	(2,272)
Cash and cash equivalents at 31 January 2023/ 2022	652,642	194,682
Cash and cash equivalents comprise the following:		
Deposits	464,468	172,630
Cash and bank balances	188,174	34,947
	652,642	207,577
Less: Deposit pledged, debt service reserve and interest service reserve accounts	-	(12,895)
	652,642	194,682

(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 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 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 January 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 January 2023.

A4. Changes in Estimates

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

A6. Dividends Paid

There was no payment of dividend during the financial period ended 31 January 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 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 2023 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	22,305	119	(56)	22,368
Inter-segment revenue	-	-	62	(62)	-
Total revenue	-	22,305	181	(118)	22,368
Segment results	(1,827)	1,067	(3,826)	-	(4,586)
Share of results in joint ventures	4,034	-	-	-	4,034
Depreciation	(14)	(41)	(254)	-	(309)
Loss on foreign exchange	-	-	(25,974)	-	(25,974)
Other income	-	131	83	-	214
Finance income	441	-	3,805	-	4,246
Finance costs	-	(359)	(7,623)	-	(7,982)
Profit/(Loss) before tax	2,634	798	(33,789)	-	(30,357)
Taxation	(123)	(274)	-	-	(397)
Profit/(Loss) for the period	2,511	524	(33,789)	-	(30,754)
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.2894*	*2.9857*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	1,685,435	249,907	896,208	-	2,831,550
Segment liabilities	2,456	18,846	460,696	-	481,998
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*5.2484*	*2.9870*	*1.0000*		

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

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

There were no significant events after 31 January 2023 until 21 March 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 31 January 2023.

(b) There were no changes in the composition of the Group during the period between 1 February 2023 until 21 March 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 31 January 2023 are as follows:

	Notional Amount RM'000	**Fair Value Assets/ (Liabilities) RM'000**
Cross currency swaps		
- Less than 1 year	10,935	(810)
	10,935	(810)

(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 31/01/2023 RM'000
Approved and contracted for:	
- Commitment to fund joint ventures	
(i) Eco World-Ballymore Holding Company Limited ("EW-Ballymore") by way of share subscription and shareholder's loans (*Note a*)	155,078
(ii) EcoWorld London by way of shareholder's loan *(Note b)*	114,981
(iii) EcoWorld London DMCo by way of shareholder's loan *(Note b)*	1,727

Note a

The Group and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding 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 additional funding 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/or EcoWorld London DMCo to prevent a breach of a covenant or undertaking by the EcoWorld London group of companies and/or EcoWorld London DMCo under any 3rd party finance agreement. Any 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 or EcoWorld London DMCo, as the case may be, at a discounted or a nominal price.

A12. Significant Related Party Transactions

		3 MONTHS ENDED 31/01/2023 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	34,421
	- Repayment of advances by joint ventures	(313,531)
	- Sales commission received/receivable from joint ventures	119
(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	108
	- Support service fees paid or payable	67
	- Rental paid or payable	45
	- Secondment fee	810
(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	272
(iv)	Transaction with a company where a subsidiary director has interest	
	- Consultancy fee paid or payable	189

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

B1. Review of Group Performance

	3 MONTHS ENDED		
	31/01/2023 RM'000	31/01/2022 RM'000	CHANGES RM'000
Gross profit	4,336	9,053	(4,717)
Share of results in joint ventures	4,034	(3,983)	8,017
Loss before interest and tax	(22,375)	(1,393)	(20,982)
Loss before tax	(30,357)	(12,738)	(17,619)
Loss for the period	(30,754)	(14,269)	(16,485)
Loss for the period attributable to owners of the Company	(30,821)	(14,660)	(16,161)

(a) 1Q 2023 vs. 1Q 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 1Q 2023 of RM22.37 million as compared to 1Q 2022 of RM49.24 million mainly due to lower number of units sold and handed over to customers as the Group is only selling the remaining units of both projects in this financial year. This had led to a lower gross profit recorded during the quarter of RM4.34 million.

Revenue recorded by the Group's joint-ventures totalled RM487.75 million (1Q 2022: RM 387.55 million), of which the Group's effective share (unconsolidated) amounted to RM329.15 million (1Q 2022: RM 279.12 million). Higher revenue during the quarter followed the commencement of handover in Kew Capital Court in 4Q 2022.

The Group recorded a loss before tax ("LBT") of RM30.36 million during the quarter as compared to LBT of RM12.74 million reported for 1Q 2022, mainly due to foreign exchange losses of RM25.97 million in the current quarter. This is as opposed to foreign exchange gains of RM2.99 million recorded in 1Q 2022. The foreign exchange losses arose from the weakening of the British Pound ("GBP") against Ringgit Malaysia ("RM") after the repayment of advances totaling £107.86 million from the Group's UK joint venture companies i.e. EW-Ballymore and EW London to EWI. As the cash repaid was still retained in GBP as at 31 January 2023, for reporting purposes, it was translated using the GBP:MYR exchange rate then prevailing which was lower than the historical exchange rate used to record the advances in EWI's books. Subsequent to 1Q 2023, the GBP has appreciated. Should the GBP remain at current level or continue to strengthen against RM, the foreign exchange losses recognized in 1Q 2023 will be fully or partially reversed in later quarters.

This LBT was partly compensated by the following:

- Group's share of profits in joint ventures in current quarter as opposed to share of losses in joint ventures in previous corresponding quarter following the commencement of handover in Kew Capital Court in 4Q 2022;

- Higher other interest income from money market funds and fixed deposits following the repayment of capital contribution from EW Ballymore and EW London; and

- Lower finance costs as a result of progressive repayment of loans.

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

	3 MONTHS ENDED		
	31/01/2023	**31/10/2022**	**CHANGES**
	RM'000	**RM'000**	**RM'000**
Gross profit	4,336	7,223	(2,887)
Share of results in joint ventures	4,034	(40,588)	44,622
Loss before interest and tax	(22,375)	(85,933)	63,558
Loss before tax	(30,357)	(94,645)	64,288
Loss for the period	(30,754)	(95,423)	64,669
Loss for the period attributable to owners of the Company	(30,821)	(95,729)	64,908

The Group's current quarter LBT of RM30.36 million, was RM64.29 million lower than the LBT recorded in preceding quarter ended 31 October 2022 of RM94.65 million.

The lower LBT recorded in the current quarter was mainly due to non-recurring loss on impairment on investment in EW-Ballymore of RM37.95 million in previous quarter and share of losses in joint ventures in previous quarter mainly as a result of fair value loss on commercial properties in EW-Ballymore and revision of profit margin on EW London's Build-to-Rent project following extended construction programme in FY2022.

B3. Sales Achieved and Prospects for the Current Financial Year

PROJECTS	LANDBANK	CUMULATIVE SALES	4 MONTHS ENDED 28/02/2023[1]		Effective Future Revenue[3]
	As at 28/02/2023 (Acres)	As at 28/02/2023 RM'mil	Units Sold[2]	Sales value RM'mil	RM'mil
London	50.7	15,428	66	305	245
Sydney	1.9	931	1	2	-
Melbourne	0.5	641	11	28	11
Total[4]	**53.1**	**17,001**	**78**	**335**	**255**

Notes:
(1) Based on exchange rates of £1:RM5.4241 and A$1:3.0172 as at Feb 28, 2023
(2) Refer to number of units exchanged only.
(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at Feb 28, 2023
(4) Total may not add up because of rounding

EcoWorld International achieved RM335 million sales in the first 4 months of FY2023. This, plus reserves of RM189 million, add up to a total of RM524 million. Embassy Gardens, which generated RM125 million sales, was the biggest contributor to sales, followed by Wardian (RM67 million), London City Island (RM63 million) and Oxbow (RM33 million).

Based on the above, the Group is on track to achieve its RM1.4 billion sales target for FY2023 with sales of completed stocks remaining central to achieving the target set. Despite homebuyers becoming more cautious following increases in interest rates, shortage of homes continues to provide support for housing demand. The Group plans to sustain the sales momentum by offering attractive incentive packages to buyers and tapping overseas demand through international marketing events in the coming months.

The focus on selling completed stocks has enabled significant cashflows to be generated for the Group. The Board is pleased to report that since turning into a net cash position in 4Q FY2022, the Group's total cash, deposits and other investments have further increased to RM910 million (excluding cash held at JV entities) as at 31 January 2023. This exceeds borrowings by a substantial sum of RM446 million.

	As at 31 Oct 2022 RM'000	As at 31 Jan 2023 RM'000
Cash, deposits and other investments[1]	655,343	910,015
Total Borrowings	482,816	463,760
Net cash	**172,527**	**446,255**

Notes:
(1) Other investments relate to deposits that must be maintained and restricted for use during the tenure of borrowings

The Group's net cash is expected to improve further in the coming quarters as funds at joint ventures are repatriated. Subject to achieving the sales target and receiving the relevant regulatory approvals, the Board's intention to distribute excess cash to shareholders in the later part of 2023, after setting aside funds required for the Group's working capital, is progressing as planned.

As regards project updates, the Board wishes to share that the development plan for Macquarie Park site has received approval from the relevant authorities in February 2023. The Group is reviewing the options for the site in view of the elevated uncertainties in the current property market. Similarly, the Group will continue to review the feasibility of its existing projects in the UK and proceed with launches only after 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 31 January 2023.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED	
	31/01/2023	**31/01/2022**
	RM'000	**RM'000**
Current tax		
Foreign tax		
- current quarter	921	2,407
Deferred tax		
Foreign tax		
- current quarter	(575)	(876)
- in respect of prior years	51	-
	397	1,531

The Group's losses were mainly attributed to foreign exchange losses arising from repayment of advances from the Group's joint venture companies. Tax expenses are provided for profitable subsidiaries and 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 for the proposed acquisition of the remaining one Stage 2 site namely Tulse Hill under of the joint venture with Be Living Holdings Limited which is pending fulfilment of conditions precedent, there is no other corporate proposal that has been announced by the Company which is not yet completed as at 21 March 2023.

B7. Group Borrowings and Debt Securities

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

	As at 31/01/2023				As at 31/10/2022
	Secured/ Unsecured	**Foreign Currency '000**		**RM Equivalent '000**	**RM Equivalent '000**
Short term borrowings					
- Term loan	Secured	AUD	4,689	14,006	33,200
- Medium term notes	Unsecured	RM	-	449,754	449,616
				463,760	482,816

As at 31 January 2023, the Group's medium term notes and term loans comprise facilities based on fixed and floating rates to finance the projects in UK and Australia and are denominated in RM and AUD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 21 March 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 31 January 2023.

B10. Earnings Per Share Attributable to Owners of the Company

Basic loss per share attributable to owners of the Company

Basic loss per share have been calculated by dividing the Group's loss 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	
	31/01/2023	**31/01/2022**
Loss for the period attributable to owners of the Company (RM'000)	(30,821)	(14,660)
Weighted average number of ordinary shares ('000)	2,400,002	2,400,000
Basic Loss Per Ordinary Share (sen)	(1.28)	(0.61)

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 31/01/2023 RM'000
Interest income	4,246
Interest expense	(7,982)
Depreciation and amortisation	(309)
Foreign exchange loss	(25,974)
Impairment of goodwill	(16)

By order of the Board
Tan Ai Ning
Company Secretary
22 March 2023