Quarterly rpt on consolidated results for the financial period ended 31 Jan 2024

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2024
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Jan 2024
The figures	have not been audited

Attachments

EWI Q1-2024 results.pdf *463.5 kB*

Q1-2024 Press Release.pdf *166.6 kB*

Default Currency | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Jan 2024

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jan 2024	31 Jan 2023	31 Jan 2024	31 Jan 2023
		$$'000	$$'000	$$'000	$$'000
1	Revenue	31,673	22,368	31,673	22,368
2	Profit/(loss) before tax	1,527	-30,357	1,527	-30,357
3	Profit/(loss) for the period	302	-30,754	302	-30,754
4	Profit/(loss) attributable to ordinary equity holders of the parent	182	-30,821	182	-30,821
5	Basic earnings/(loss) per share (Subunit)	0.01	-1.28	0.01	-1.28
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 ($$)	0.6500		0.6900	

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 Mar 2024
Category	Financial Results
Reference Number	FRA-19032024-00001

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

Interim Financial Report
31 January 2024

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

Interim Financial Report - 31 January 2024

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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 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2024	**31 JANUARY 2023**
	RM'000	**RM'000**
Revenue	31,673	22,368
Direct expenses	(27,988)	(18,032)
Gross profit	3,685	4,336
Other income	3,312	4,460
Marketing expenses	(799)	(1,658)
Administrative and general expenses	(7,350)	(7,573)
Impairment loss on amount owing by a joint venture	(7,227)	-
Gain/(Loss) on foreign exchange	5,600	(25,974)
Finance costs	-	(7,982)
Share of results in joint ventures	4,306	4,034
Profit/(Loss) before tax	1,527	(30,357)
Taxation	(1,225)	(397)
Profit/(Loss) for the period	302	(30,754)
Other comprehensive income/(loss), net of tax		
Items that may be reclassified to profit or loss subsequently:		
Hedge of net investment	-	28
Exchange differences on translation of foreign operations	44,122	(67,910)
Total comprehensive income/(loss) for the period	44,424	(98,636)
Profit/(Loss) for the period attributable to:		
Owners of the Company	182	(30,821)
Non-controlling interests	120	67
	302	(30,754)
Total comprehensive income/(loss) for period attributable to:		
Owners of the Company	44,276	(98,664)
Non-controlling interests	148	28
	44,424	(98,636)
Earning/(Loss) per share attributable to owners of the Company:		
Basic earning/(loss) per share (sen)	0.01	(1.28)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2023 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 2024
(The figures have not been audited)

	As At 31 JANUARY 2024 RM'000	As At 31 OCTOBER 2023 RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,075	1,321
Goodwill	-	31
Investment in joint ventures	264,205	270,038
Inventories - land held for development	147,787	143,809
Amounts owing by joint ventures	641,872	606,324
Deferred tax assets	696	213
	1,055,635	1,021,736
Current assets		
Inventories - property development costs	4,177	31,370
Amounts owing by joint ventures	268,758	296,759
Trade and other receivables	24,306	23,321
Contract costs	-	60
Current tax assets	2,137	1,040
Other investments	33	33
Cash and cash equivalents	210,770	295,207
	510,181	647,790
TOTAL ASSETS	1,565,816	1,669,526
EQUITY AND LIABILITIES		
Equity		
Share capital	1,092,454	1,092,454
Exchange translation reserve	128,283	84,189
Retained earnings	334,361	478,179
Equity attributable to owners of the Company	1,555,098	1,654,822
Non-controlling interests	884	736
Total equity	1,555,982	1,655,558
Non-current liabilities		
Deferred tax liabilities	6	41
	6	41

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024 (continued)
(The figures have not been audited)

	As At 31 JANUARY 2024 RM'000	As At 31 OCTOBER 2023 RM'000
Current liabilities		
Trade and other payables	7,168	9,257
Current tax liabilities	2,660	4,670
	9,828	13,927
Total liabilities	9,834	13,968
TOTAL EQUITY AND LIABILITIES	1,565,816	1,669,526
Net assets per share attributable to owners of the Company (RM)	0.65	0.69

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2023 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 2024
(The figures have not been audited)

	← *Attributable to owners of the Company* →						
	← *Non-distributable* →						
	Share capital RM'000	**Hedging reserve RM'000**	**Exchange translation reserve RM'000**	**Distributable retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 November 2023	1,092,454	-	84,189	478,179	1,654,822	736	1,655,558
Other comprehensive income for the period:							
- Exchange differences on translation of foreign operations	-	-	44,094	-	44,094	28	44,122
Income for the period	-	-	-	182	182	120	302
Total comprehensive income for the period	-	-	44,094	182	44,276	148	44,424
Transactions with owners of the Company:							
Dividends paid to owners of the Company	-	-	-	(144,000)	(144,000)	-	(144,000)
At 31 JANUARY 2024	1,092,454	-	128,283	334,361	1,555,098	884	1,555,982
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)/Income 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

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2023 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 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2024	**31 JANUARY 2023**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Profit/(Loss) before tax	1,527	(30,357)
Adjustments for:		
Non-cash items	(1,651)	6,650
Non-operating items	(3,011)	3,736
Operating loss before working capital changes	(3,135)	(19,971)
Changes in inventories	27,780	17,906
Changes in receivables and other current assets	80	1,730
Changes in payables and other current liabilities	(2,213)	941
Changes in contract liabilities	-	(520)
Cash generated from operations	22,512	86
Interest received	391	85
Tax paid	(4,966)	(2,151)
Net cash generated from/(used in) operating activities	17,937	(1,980)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(5)	-
Net advances repaid by joint ventures	16,418	294,884
Placement of other investment	-	(216,249)
Dividends received from joint venture	19,301	-
Interest received	2,277	4,161
Net cash generated from investing activities	37,991	82,796
Cash Flows From Financing Activities		
Drawdown of borrowings	-	128,610
Repayment of borrowings	-	(147,412)
Dividends paid to owners of the Company	(144,000)	-
Repayment of lease liabilities	-	(251)
Interest paid in relation to lease liabilities	-	(22)
Interest paid	-	(9,118)
Net cash used in financing activities	(144,000)	(28,193)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2024 (continued)
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2024	**31 JANUARY 2023**
	RM'000	**RM'000**
Net changes in cash and cash equivalents	(88,072)	52,623
Cash and cash equivalents at 1 November 2023/ 2022	295,207	614,220
Effect of exchange rate changes	3,635	(14,201)
Cash and cash equivalents at 31 January 2024/ 2023	210,770	652,642
Cash and cash equivalents comprise the following:		
Deposits	146,026	464,468
Cash and bank balances	64,744	188,174
	210,770	652,642

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2023 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 2023.

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 2023, 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 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements – Disclosures of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2024 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 2024.

A4. Changes in Estimates

There were no material changes in estimates during the financial period ended 31 January 2024.

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 2024.

A6. Dividends Paid

On 17 January 2024, the Company paid final dividend of 6 sen per share on the 2,400,001,780 ordinary shares in issue, amounting to RM144,000,107 in respect of the financial year ended 31 October 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 January 2024 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	31,673	-	-	31,673
Inter-segment revenue	-	-	-	-	-
Total revenue	-	31,673	-	-	31,673
Segment results	(3,527)	2,118	(3,005)	-	(4,414)
Share of results in joint ventures	4,306	-	-	-	4,306
Impairment loss on amount owing by a joint venture	(7,227)	-	-	-	(7,227)
Depreciation	(4)	(40)	(6)	-	(50)
Gain on foreign exchange	-	-	5,600	-	5,600
Other income	-	301	-	-	301
Finance income	12	356	2,643	-	3,011
(Loss)/Profit before tax	(6,440)	2,735	5,232	-	1,527
Taxation	(161)	(1,064)	-	-	(1,225)
(Loss)/Profit for the period	(6,601)	1,671	5,232	-	302
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(1)]	*5.9180*	*3.1113*	*1.0000*		

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	1,198,547	210,817	156,452	-	1,565,816
Segment liabilities	919	6,038	2,877	-	9,834
Main foreign currency	*GBP*	*AUD*	*RM*		
Exchange ratio of 1 unit of foreign currency to RM [(2)]	*6.0027*	*3.1163*	*1.0000*		

Note:
[(1)] *Average rates for the financial period ended 31 January 2024.*
[(2)] *Closing rates as at 31 January 2024.*

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

There were no significant events after 31 January 2024 until 19 March 2024, 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 2024.

(b) There were no changes in the composition of the Group during the period between 1 February 2024 until 19 March 2024, being the latest practicable date from the date of issue of this interim financial report.

A10. Commitments and Contingencies

	As at 31/01/2024 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 advances (*Note a*)	177,366
(ii) Eco World London by way of shareholder's advances *(Note b)*	140,511
(iii) Eco World London DMCo by way of shareholder's advances *(Note b)*	-

Note a

This represents the balance of the undrawn commitments which the shareholders of EW Ballymore have committed to fund under the shareholders' agreement. The likelihood of EW Ballymore drawing any undrawn commitments or requiring further funding in the future is low considering that construction of the joint venture projects were completed, there is no outstanding banking facilities and EW Ballymore group has made sufficient distributions to repay the shareholders' advances in full (excluding interest on advances).

Note b

This represents the balance of the committed funding which the shareholders of EcoWorld London have committed to fund under the shareholders' agreement. Drawing on the balance of the committed funding will continuously be made for working capital requirements and meeting other obligations of the EcoWorld London group.

A11. Significant Related Party Transactions

		3 MONTHS ENDED 31/01/2024 RM'000
(i)	Transactions with joint ventures	
	- Advances to joint ventures	20,826
	- Repayment of advances by joint ventures	37,689
	- Dividend received from joint venture	19,301
(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	
	- Support service fees paid or payable	67
	- Rental paid or payable	45
	- Secondment fee	840
(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	13
(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		
	31/01/2024 RM'000	31/01/2023 RM'000	CHANGES RM'000
Gross profit	3,685	4,336	(651)
Share of results in joint ventures	4,306	4,034	272
Profit/(Loss) before interest and tax	1,527	(22,375)	23,902
Profit/(Loss) before tax	1,527	(30,357)	31,884
Profit/(Loss) for the period	302	(30,754)	31,056
Profit/(Loss) for the period attributable to owners of the Company	182	(30,821)	31,003

1Q 2024 vs. 1Q 2023

The Group's revenue comprises the property sales proceeds from its projects in Australia, namely West Village and Yarra One. The Group recorded a higher revenue in 1Q 2024 of RM31.67 million as compared to 1Q 2023 of RM22.37 million as there were higher priced commercial units being sold in the current quarter as compared to wholly residential units being sold in 1Q 2023. However, the Group recorded lower gross profit during the current quarter following discounts given to accelerate sales in the current quarter.

Revenue recorded by the Group's joint-ventures totalled RM225.64 million (1Q 2023: RM487.75 million), of which the Group's effective share (unconsolidated) amounted to RM164.96 million (1Q 2023: RM329.15 million), mainly due to lower sales completions. However, the Group recorded higher share of profits in joint ventures during the current quarter as Eco World-Ballymore recorded higher profit in the current quarter as a result of product mix with higher profit margin.

The Group recorded a profit before tax ("PBT") of RM1.53 million during the quarter as compared to loss before tax ("LBT") of RM30.36 million reported for 1Q 2023. The higher profits in 1Q 2024 were mainly due to the following:

i. foreign exchange gains of RM5.60 million arising from appreciation of British Pound ("GBP") against Ringgit Malaysia ("RM") on GBP denominated bank balances and repayment of shareholder's advances from Eco World-Ballymore as opposed to foreign exchange losses recorded in 1Q 2023 of RM25.97 million; and

ii. lower finance costs by RM7.98 million as a result of full settlement of all borrowings during 3Q 2023.

Despite the Group having discontinued recognition of share of further losses in Eco World London in the current quarter upon full write-down of its investment in the joint venture as at 31 October 2023, the Group recognised additional impairment of amount owing by Eco World London in the current quarter of RM7.23 million following losses in Eco World London during the current quarter, which partially offset the above improvements in results in the current quarter.

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

	3 MONTHS ENDED		
	31/01/2024	**31/10/2023**	**CHANGES**
	RM'000	**RM'000**	**RM'000**
Gross profit	3,685	4,613	(928)
Share of results in joint ventures	4,306	(25,225)	29,531
Profit/(Loss) before interest and tax	1,527	(36,922)	38,449
Profit/(Loss) before tax	1,527	(36,934)	38,461
Profit/(Loss) for the period	302	(37,598)	37,900
Profit/(Loss) for the period attributable to owners of the Company	182	(37,694)	37,876

The Group recorded PBT of RM1.53 million in the current quarter as opposed to LBT of RM36.93 million in the preceding quarter ended 31 October 2023.

The improvement in results recorded in the current quarter was mainly due to the following:

i. lower impairment of amount owing by Eco World London with initial recognition of impairment of RM90.96 million in the preceding quarter ended 31 October 2023. Additional impairment of RM7.23 million was recognised in the current quarter arising from losses recorded by Eco World London during the current quarter. Furthermore, Eco World London's losses were lower in the current quarter as compared to the preceding quarter in which the losses included impairment of inventory of planning projects, charge out of additional sales and marketing cost and staff redundancy cost; and

ii. Eco World-Ballymore recorded profits in the current quarter as compared to losses in 4Q 2023 mainly due to declines in fair value of commercial properties in the previous quarter.

The improvement in results was partially offset by the reversal of impairment on investment in Eco World-Ballymore recognised in the preceding quarter.

B3. Sales Achieved and Prospects for the Current Financial Period

PROJECTS	LANDBANK	CUMULATIVE SALES	4 MONTHS ENDED 29/02/2024[1]		Effective Future Revenue[3]
	As at 29/2/2024 (Acres)	As at 29/2/2024 RM'mil	Units Sold[2]	Sales value RM'mil	RM'mil
London	50.7	18,103	40	217	152
Sydney	1.9	984	1	6	-
Melbourne	0.5	742	2	20	-
Total[4]	**53.1**	**19,829**	**43**	**243**	**152**

Notes:
(1) Based on exchange rates of £1:RM6.0188 and A$1:RM3.0939 as at Feb 29, 2024
(2) Refer to number of units exchanged only.
(3) Effective future revenue based on effective stake in joint ventures and subsidiaries as at Feb 29, 2024
(4) Total may not add up because of rounding

EcoWorld International achieved RM243 million sales in the first 4 months of FY2024. This, plus reserves of RM203 million, add up to a total of RM446 million. Embassy Gardens, which brought in RM105 million sales, was the biggest contributor to sales, followed by Wardian (RM75 million), Yarra One (RM20 million) and Millbrook Park (RM18 million).

Sales of completed stocks continued to generate significant cash for the Group. Following the distribution of RM144 million dividend during the first quarter of FY2024, the Group has a net cash balance of RM211 million as at 31 Jan 2024. The effective future revenue of RM152 million and reserves of RM203 million as at 31 January 2024 are expected to contribute positively to the cash balance in the near term.

	As at 31 Oct 2023 RM'000	As at 31 Jan 2024 RM'000
Cash, deposits and other investments[1]	295,240	210,803
Total Borrowings	-	-
Net cash	**295,240**	**210,803**

Notes:
(1) Other investments relate to deposits that must be maintained and for financing facilities

As at 29 February 2024, the Group has approximately RM650 million of completed and nearly-completed stocks that are available for sale, of which the Group's effective share is approximately RM500 million. Sales of completed stocks are estimated to generate excess cash up to RM500 million for the Group over 2024 and 2025. The Group is currently undertaking a second capital reduction exercise with the intention of distributing the excess cash to shareholders.

Recent data from the UK's Office for National Statistics reveals a 3.9% decline in London house prices during the last three months of 2023. The persistent challenges of high living costs and elevated interest rates are dampening the demand from potential homebuyers. In light of the current market conditions, the Board believes it remains unconducive for the Group to undertake any new launches or acquisitions in the near term.

Accordingly, all launches for the remaining sites continue to be put on hold, pending review of their feasibility in view of the ongoing weak sentiment among homebuyers and significant cost inflation. The decision to proceed with new launches will be contingent upon an improvement in market conditions, stabilisation of cost pressures, and ability to meet the expected returns required.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 January 2024.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED	
	31/01/2024	31/01/2023
	RM'000	RM'000
Current tax		
Foreign tax		
- current quarter	1,737	921
Deferred tax		
Foreign tax		
- current quarter	(512)	(575)
- in respect of prior years	-	51
	1,225	397

Tax expenses are provided for profitable subsidiaries and any 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

Save and except for the proposed reduction of the issued share capital of the Company of RM500 million pursuant to Section 117 of the Companies Act 2016, there is no corporate proposal that has been announced by the Company which is yet to be completed as at 19 March 2024.

B7. Group Borrowings and Debt Securities

During the current quarter, the Group does not have any borrowings and debt securities.

B8. Material Litigation

The Group was not engaged in any material litigation as at 19 March 2024, 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 2024.

B10. Earnings Per Share Attributable to Owners of the Company

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

Basic earnings/(loss) per share have been calculated by dividing the Group's profit/(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	
	31/01/2024	**31/01/2023**
Profit/(Loss) for the period attributable to owners of the Company (RM'000)	182	(30,821)
Weighted average number of ordinary shares ('000)	2,400,002	2,400,002
Basic Earnings/(Loss) Per Ordinary Share (sen)	0.01	(1.28)

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2023 were unqualified.

B12. Notes to the Statement of Comprehensive Income

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

	3 MONTHS ENDED 31/01/2024 RM'000
Interest income	3,011
Depreciation and amortisation	(50)
Foreign exchange gain	5,600
Impairment of goodwill	(31)
Impairment loss on amount owing by a joint venture	(7,227)

By order of the Board
Tan Ai Ning
Company Secretary
20 March 2024