

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY ECO WORLD INTERNATIONAL BERHAD ("EWI")**Issuer & Securities****Issuer/ Manager**

GUOCOLAND LIMITED

Securities

GUOCOLAND LIMITED - SG1R95002270 - F17

Stapled Security

No

Announcement Details**Announcement Title**

General Announcement

Date & Time of Broadcast

21-Jun-2023 18:08:10

Status

New

Announcement Sub Title

Announcement by Eco World International Berhad ("EWI")

Announcement Reference

SG230621OTHRZCVP

Submitted By (Co./ Ind. Name)

Mary Goh Swon Ping

Designation

Group Company Secretary

Description (Please provide a detailed description of the event in the box below)

Attached is the announcement by EWI on its results for the 2nd Quarter ended 30 April 2023.

Attachments [EWI-Results of 2Q ended 30Apr23.pdf](#)

Total size = 703K MB

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	30 APRIL 2022	30 APRIL 2023	30 APRIL 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	22,704	33,077	45,072	82,321
Direct expenses	(17,364)	(27,359)	(35,396)	(67,550)
Gross profit	<u>5,340</u>	<u>5,718</u>	<u>9,676</u>	<u>14,771</u>
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	<u>(2,120)</u>	<u>(66,528)</u>	<u>(32,477)</u>	<u>(79,266)</u>
Taxation	(2,345)	(596)	(2,742)	(2,127)
Loss for the period	<u>(4,465)</u>	<u>(67,124)</u>	<u>(35,219)</u>	<u>(81,393)</u>
Other comprehensive income/(loss), net of tax				
<i>Items that may be reclassified to profit or loss subsequently:</i>				
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	<u>89,422</u>	<u>(142,147)</u>	<u>(9,214)</u>	<u>(214,157)</u>
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
	<u>(4,465)</u>	<u>(67,124)</u>	<u>(35,219)</u>	<u>(81,393)</u>
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
	<u>89,422</u>	<u>(142,147)</u>	<u>(9,214)</u>	<u>(214,157)</u>
Loss per share attributable to owners of the Company:				
Basic loss per share (sen)	<u>(0.19)</u>	<u>(2.81)</u>	<u>(1.47)</u>	<u>(3.42)</u>

(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
	<u>1,419,404</u>	<u>1,350,445</u>
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
	<u>1,310,117</u>	<u>1,602,215</u>
TOTAL ASSETS	<u>2,729,521</u>	<u>2,952,660</u>
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	<u>2,437,793</u>	<u>2,447,187</u>
Non-controlling interests	1,181	1,001
Total equity	<u>2,438,974</u>	<u>2,448,188</u>
Non-current liabilities		
Lease liabilities	195	770
Deferred tax liabilities	460	1,184
	<u>655</u>	<u>1,954</u>

ECO WORLD INTERNATIONAL BERHAD
(Registration No: 201301030020 (1059850-A))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2023 (continued)
(The figures have not been audited)

	As At	As At
	30 APRIL 2023	31 OCTOBER 2022
	RM'000	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 -----→					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	←----- 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	RM'000	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	-	-	-
<i>Transactions with owners of the Company:</i>								
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	<u>(17,958)</u>	<u>(5,092)</u>
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	<u>14,655</u>	<u>57,642</u>
Interest received	254	142
Tax paid	(3,121)	(4,613)
Tax refund	531	8,585
Net cash generated from operating activities	<u><u>12,319</u></u>	<u><u>61,756</u></u>
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	<u><u>234,199</u></u>	<u><u>(75,574)</u></u>
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	<u><u>(228,535)</u></u>	<u><u>(136,080)</u></u>

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)

<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>
<i>Exchange ratio of 1 unit of foreign currency to RM⁽¹⁾</i>	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
<i>Main foreign currency</i>	<i>GBP</i>	<i>AUD</i>	<i>RM</i>		
<i>Exchange ratio of 1 unit of foreign currency to RM⁽²⁾</i>	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)
	<u>10,935</u>	<u>(625)</u>

- (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 (<i>Note a</i>)	164,087
(ii) Eco World London by way of shareholder’s loan (<i>Note b</i>)	144,008
(iii) Eco World London DMCo by way of shareholder’s loan (<i>Note b</i>)	1,827
	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		CHANGES
	30/04/2023	31/01/2023	
	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
Total⁴	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 April 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
<u>Net Cash at JVs</u>		
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	30/04/2022	30/04/2023	30/04/2022
	RM'000	RM'000	RM'000	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	-
	<u>2,345</u>	<u>596</u>	<u>2,742</u>	<u>2,127</u>

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	-	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