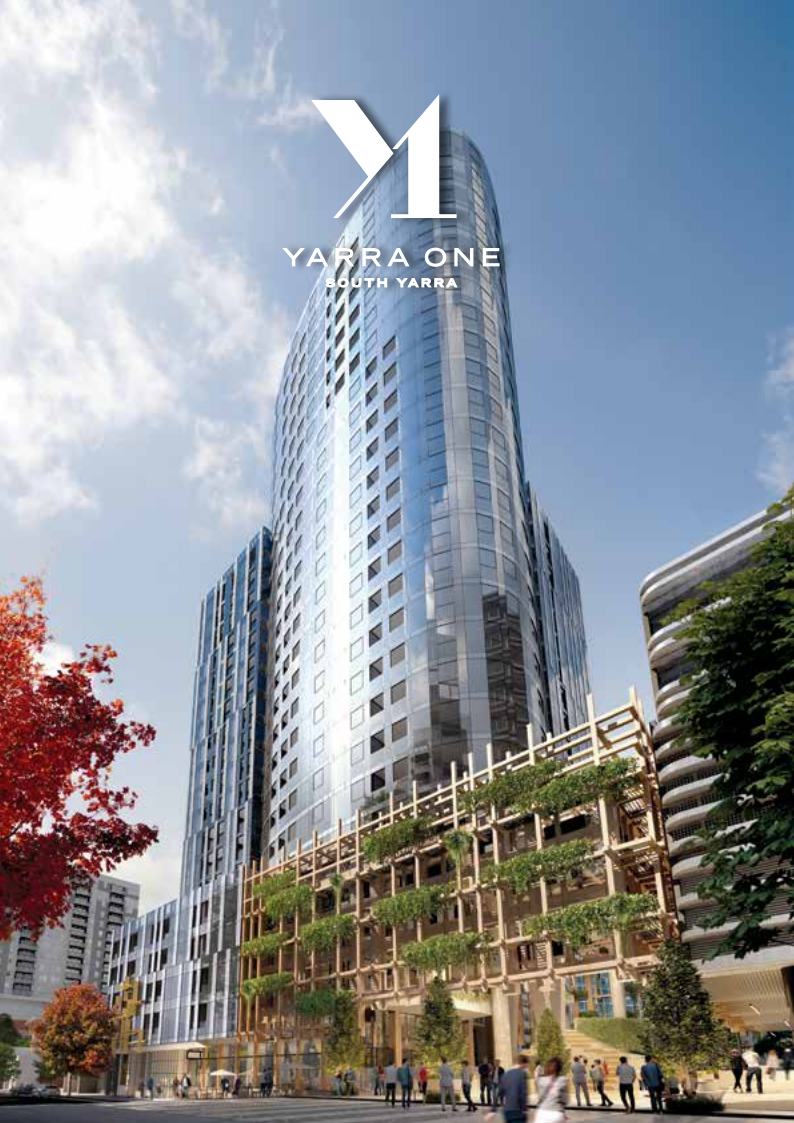






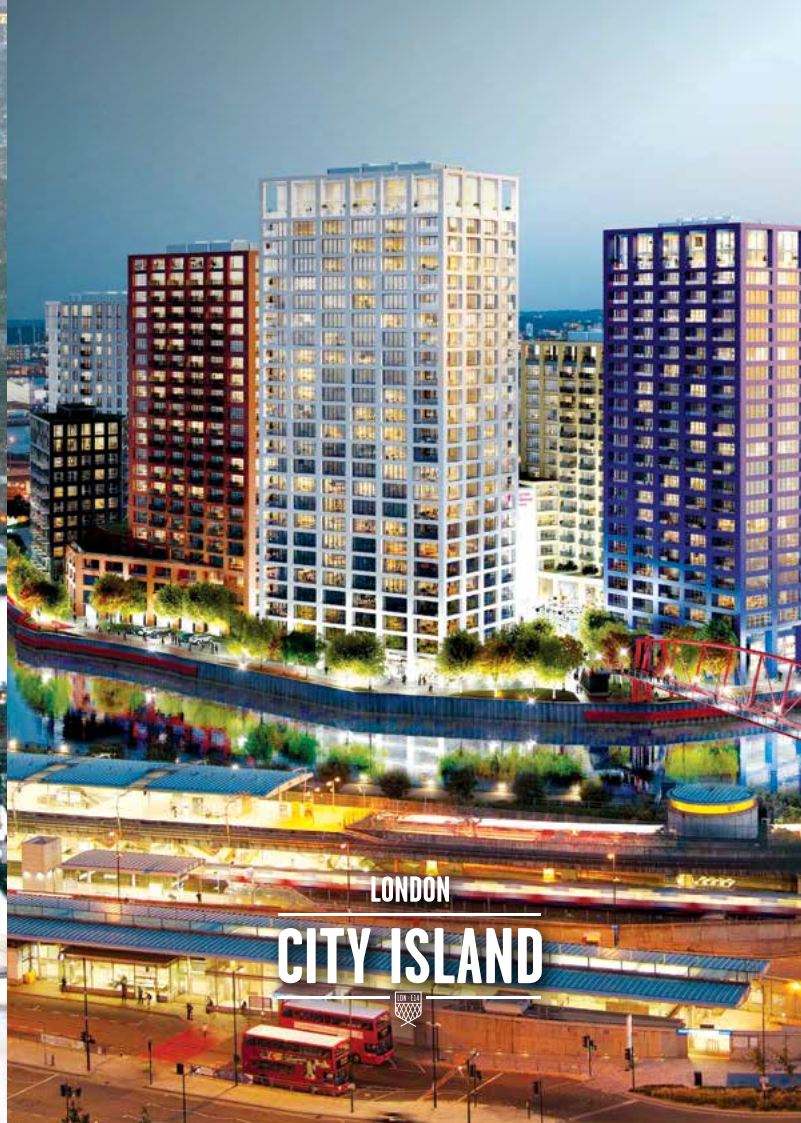
Y1
YARRA ONE
SOUTH YARRA



Eg:




WARDIAN
LONDON



LONDON
CITY ISLAND

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VISION & MISSION



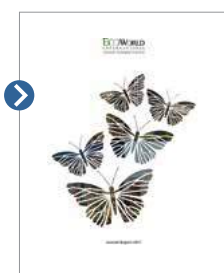
Vision:

Creating Tomorrow & Beyond

Mission:

We will achieve our vision through a culture of excellence and teamwork by:

- Creating world-class eco-living in all our developments
- Being a caring and responsible organisation which actively contributes back to society
- Having a reputation for providing unmatched product and service quality to our customers at all times
- Leading with passion in the pursuit of innovation and sustainability to create enduring value
- Delivering exciting and consistent growth to our stakeholders and shareholders



ECO WORLD
INTERNATIONAL
BEHAD
Annual Report 2017

ABOUT US



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MILESTONES & ACHIEVEMENTS



**2015-
2016**



**FEB-
2017**



- London City Island won Best New Place to Live Award by London Planning Awards



**MAY-
2017**

- London City Island won Development of the Year Award by RESI Awards
- London City Island won Grand Prix Award and Best Regeneration Project by London Evening Standard
- London City Island won Residential Development by Wharf Development Awards
- Launched Yarra One in Melbourne





- Eco World Sydney Development Pty Ltd acquired the West Village, Parramatta site in Sydney, Australia
- Entered into a strategic partnership with the Ballymore Group through the acquisition of 75% stake in Eco World-Ballymore Holding Company Limited ("**EcoWorld-Ballymore**")
- Launched London City Island Phase 2 ("**London City Island**"), Embassy Gardens Phase 2 ("**Embassy Gardens**") and Wardian London in London and West Village in Sydney
- Signed a Collaboration Agreement with Eco World Development Group Berhad ("**EcoWorld Malaysia**") to establish a framework for strategic alliance



APR-2017



- Successfully listed on Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")
- Announced the acquisition of Yarra One site in Melbourne, Australia



NOV-DEC 2017

- Entered into a call and put option agreement to buy 25 apartment units in a strata scheme that sits in Macquarie Park, Sydney, Australia
- Signed a sale & purchase agreement with Willmott Dixon Holdings Limited ("**Willmott Dixon**")



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Azlan Bin Mohd Zainol

Chairman/Independent Non-Executive Director

Tan Sri Dato' Sri Liew Kee Sin

Executive Vice Chairman

Dato' Teow Leong Seng

President & Chief Executive Officer/Executive Director

Cheah Tek Kuang

Senior Independent Non-Executive Director

**Dato' Voon Tin Yow
Choong Yee How
Cheng Hsing Yao**

Non-Independent Non-Executive Directors

**Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato' Seri Ahmad Johan Bin Mohammad Raslan
Dato' Siow Kim Lun**

Independent Non-Executive Directors

AUDIT COMMITTEE

Dato' Seri Ahmad Johan Bin Mohammad Raslan
(Chairman)
Tan Sri Azlan Bin Mohd Zainol
Dato' Siow Kim Lun

NOMINATION AND REMUNERATION COMMITTEE

Cheah Tek Kuang (Chairman)
Tan Sri Azlan Bin Mohd Zainol
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato' Siow Kim Lun

RISK MANAGEMENT COMMITTEE

Cheah Tek Kuang (Chairman)
Tan Sri Azlan Bin Mohd Zainol
Dato' Teow Leong Seng

WHISTLEBLOWING COMMITTEE

Dato' Siow Kim Lun
Cheah Tek Kuang
Dato' Teow Leong Seng

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

➤ REGISTERED OFFICE

Suite 59, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel : +603-3361 2552
Fax : +603-3341 3530

➤ REGISTRAR

Symphony Share Registrars
Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Helpdesk: +603-7849 0777
Fax : +603-7841 8151/8152

➤ AUDITORS

Mazars PLT (LLP0010622-LCA)
(AF001954)
Chartered Accountants
Wisma Selangor Dredging
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel : +603-2161 5222
Fax : +603-2161 3909

STOCK EXCHANGE LISTING Bursa Malaysia Securities Berhad (Main Market)

STOCK NAME EWINT (Ordinary Shares)
EWINT-WA (Warrants)

STOCK CODE 5283
5283 WA

WEBSITE www.ecoworldinternational.com

PRINCIPAL BANKERS CIMB Bank Berhad
DBS Bank Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited

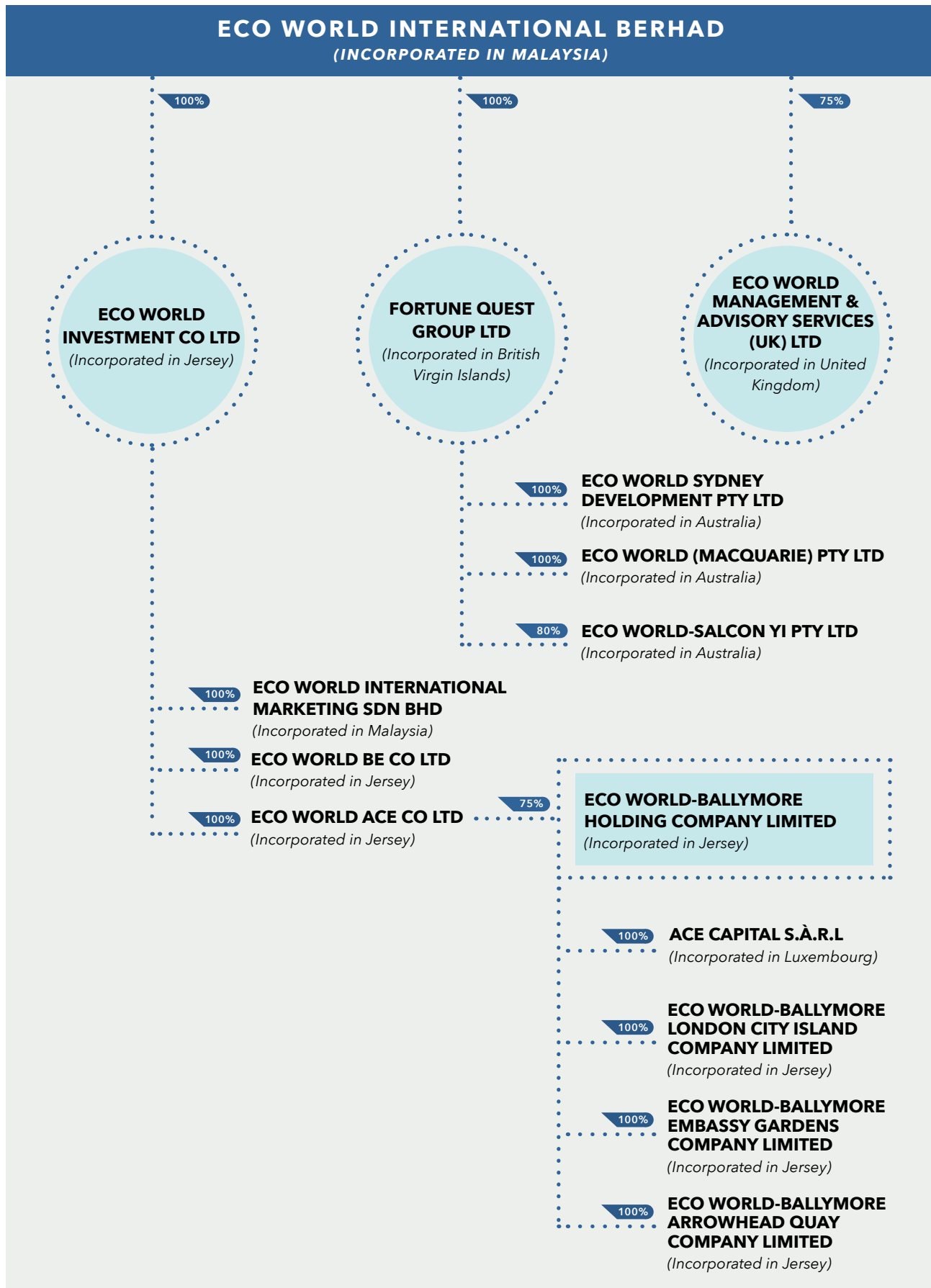
FINANCIAL HIGHLIGHTS

Year Ended	Audited 31 October 2017	Pro Forma* 31 October 2016	Pro Forma* 31 October 2015
Financial Results (RM'000)			
Revenue	488	970	7,454
Loss before taxation	(87,251)	(236,936)	(101,455)
Loss attributable to owners of the Company	(87,633)	(238,326)	(99,264)
Financial Position (RM'000)			
Total cash, bank balances and deposits	992,388	18,573	27,373
Total assets	2,712,362	1,225,472	1,235,887
Total borrowings	128,597	923,867	841,109
Total net assets	2,547,644	112,671	298,016
Share capital	2,592,451	246,541	246,541
Equity attributable to owners of the Company	2,544,876	107,883	295,593
Financial Ratios			
Basic loss per share (sen)	(5.76)	(96.70)	(40.30)
Net assets per share attributable to owners of the Company (RM)	1.06	0.46	1.21
Return on equity (%)	(0.04)	(1.94)	(0.40)
Net gearing ratio (times)	-	8.39	2.75
Share price			
- High (RM)	1.36	-	-
- Low (RM)	1.00	-	-

* The financial results for Financial Year Ended 31 October 2015 ("FY2015") to Financial Year Ended 31 October 2016 ("FY2016") are based on pro forma results as disclosed in the Prospectus of Eco World International Berhad dated 9 March 2017.

Group 2017 Summary	3 months ended 31 October 2017	3 months ended 31 July 2017	3 months ended 30 April 2017	3 months ended 31 January 2017
(RM'000)				
Revenue	27	97	37	327
Loss before tax	(35,701)	(22,232)	(23,838)	(5,480)
Profit attributable to owners of the Company	(32,557)	(24,197)	(24,817)	(6,062)
Share capital	2,592,451	2,592,451	2,592,451	295,699
Equity attributable to owners of the Company	2,544,876	2,582,829	2,598,305	85,923
Total assets	2,712,362	2,678,783	2,686,001	1,386,984
Total net assets	2,547,644	2,590,008	2,604,835	91,659
Basic loss per share (sen)	(1.36)	(1.01)	(2.43)	(2.46)
Net assets per share attributable to owners of the Company (RM)	1.06	1.08	1.08	0.37

CORPORATE STRUCTURE



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CHAIRMAN'S STATEMENT



TAN SRI AZLAN BIN MOHD ZAINOL

Chairman/Independent Non-Executive Director

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD, I WOULD LIKE TO EXPRESS OUR SINCERE APPRECIATION FOR YOUR SUPPORT WHICH ENABLED ECO WORLD INTERNATIONAL BERHAD ("**ECOWORLD INTERNATIONAL**" OR "**THE GROUP**") TO BE SUCCESSFULLY LISTED ON BURSA MALAYSIA ON 3 APRIL 2017.

The capital raised during the initial public offering ("**IPO**") and anticipated maiden earnings to be recognised in financial year ending 31 October 2018 ("**FY2018**") has placed the Group in a strong position to pursue land bank expansion and catalyse our next phase of growth.

THREE NEW ACQUISITIONS ANNOUNCED IN AUSTRALIA & THE UNITED KINGDOM

Fresh off the listing, the Group acquired a new site in Melbourne through the purchase of an 80% stake in Eco World-Salcon Y1 Pty Ltd ("**EcoWorld-Salcon**") which was completed in September 2017. Known as Yarra One, the project comprises a 27-storey tower, housing mainly residential units. Its location at the heart of South Yarra, a highly popular suburb, makes it an ideal project for us to make our debut in the city which has been declared the world's most liveable for the seventh year running by the Economist Intelligence Unit in its global survey.

Thereafter, the Group has continued to work towards strengthening our presence in the United Kingdom ("**UK**") and Australian markets. I am pleased to share that EcoWorld International signed a call and put option agreement to acquire a new site in Sydney on 24 November 2017. The site is situated in Macquarie Park which is Sydney's second largest business district and one of the largest employment, business and technology precincts in the Southern Hemisphere where there is strong local demand for new homes. We are working towards completion of this acquisition by late-2018.

We have also announced a significant joint-venture ("**JV**") in the UK with Be Living Holdings Limited ("**Be Living**") which is the development arm of Willmott Dixon, a prominent UK construction and development company. The JV contemplates the proposed acquisition by EcoWorld International of a 70% stake in Be Living's residential development business.

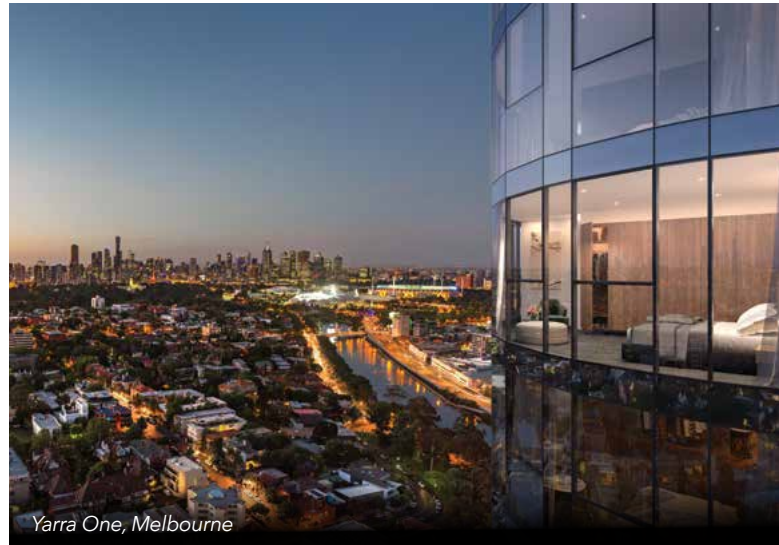
Through this JV, we aim to jointly develop 12 sites across Greater London and the South East of England with Be Living. The estimated total gross development value ("**GDV**") of the 12 sites is at least GBP2.6 billion (approximately RM14 billion) with acquisition of the sites slated to be carried out in two stages.

The sites are all located within the London commuter belt in areas where the local population live and commute to the capital for work. These developments will therefore allow EcoWorld International to tap into the large pool of domestic and foreign investors in the mass housing segment thus broadening the spectrum of price points currently offered by the Group's existing portfolio of projects within Central London.

We will also be acquiring a 70% stake in a development management entity with a full multi-disciplinary development management team in conjunction with the JV. Their integration as part of EcoWorld International will complement and strengthen our existing staff force as we will then have the in-house capability and manpower to manage our own projects in the UK.

ONGOING PROJECTS & MAIDEN HANDOVER IN FY2018

Our original three projects in London – London City Island, Embassy Gardens and Wardian London were at various stages of development in Financial Year Ended 31 October 2017 ("**FY2017**").



This year has seen good progress on site with more than 80% of the work packages by value for the launched blocks in all three projects awarded to-date. FY2018 will be an important year for the Group as the anticipated handover of units in London City Island and Embassy Gardens this year will allow us to start recognising development profit.

In Australia, we have commenced the construction of West Village since November 2017 and aim to start building Yarra One by the first half of 2018. Both are targeted to complete and be handed over to our buyers in 2020. The three projects in London and two projects in Australia provide clear earnings visibility for the Group over the next three years. Beyond 2020, our earnings are expected to be sustained by contributions from the 12 UK projects to be jointly developed with Be Living, as well as the new project in Macquarie Park, Sydney.

NEW APPOINTMENTS

To further support the Group in our growth and expansion plans, I would like to welcome Dato' Voon Tin Yow, Mr Choong Yee How and Mr Cheng Hsing Yao as Non-Independent Non-Executive Directors, as well as Tan Sri Datuk Dr Rebecca Fatima Sta Maria as an Independent Non-Executive Director of EcoWorld International. These distinguished individuals will add breadth and depth to our strategic decision-making by bringing together their vast experience in property development, construction, banking and trade policy.

I also extend my gratitude to our management team and employees for their commitment and contribution to the business, as well as our customers, business associates and shareholders for your confidence in EcoWorld. As we look forward to 2018, I am confident that with the continued support of all stakeholders, we will be able to overcome all challenges to bring about another fruitful year for EcoWorld International.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS



DATO' TEOW LEONG SENG

President & Chief Executive Officer/Executive Director

SIGNIFICANT EVENTS

EcoWorld International had a busy year in 2017. We started the financial year with preparations for our IPO on Bursa Malaysia. After the listing in April 2017, our acquisition of EcoWorld-Salcon, which owns the Yarra One site, was announced in the same month. While working towards completing this acquisition in September 2017, management was also busy scouting for new sites in the UK and Australia.

Our efforts came to fruition towards the end of the calendar year 2017 when we successfully entered into several agreements with the potential to significantly increase the Group's development presence in the UK and Australia as well as broaden our market reach. This augurs well for EcoWorld International's future growth prospects as we pursue our goal of becoming a truly international developer with a strong local presence and customer following where our projects are based, similar to what the EcoWorld brand enjoys in Malaysia today.

FINANCIAL REVIEW

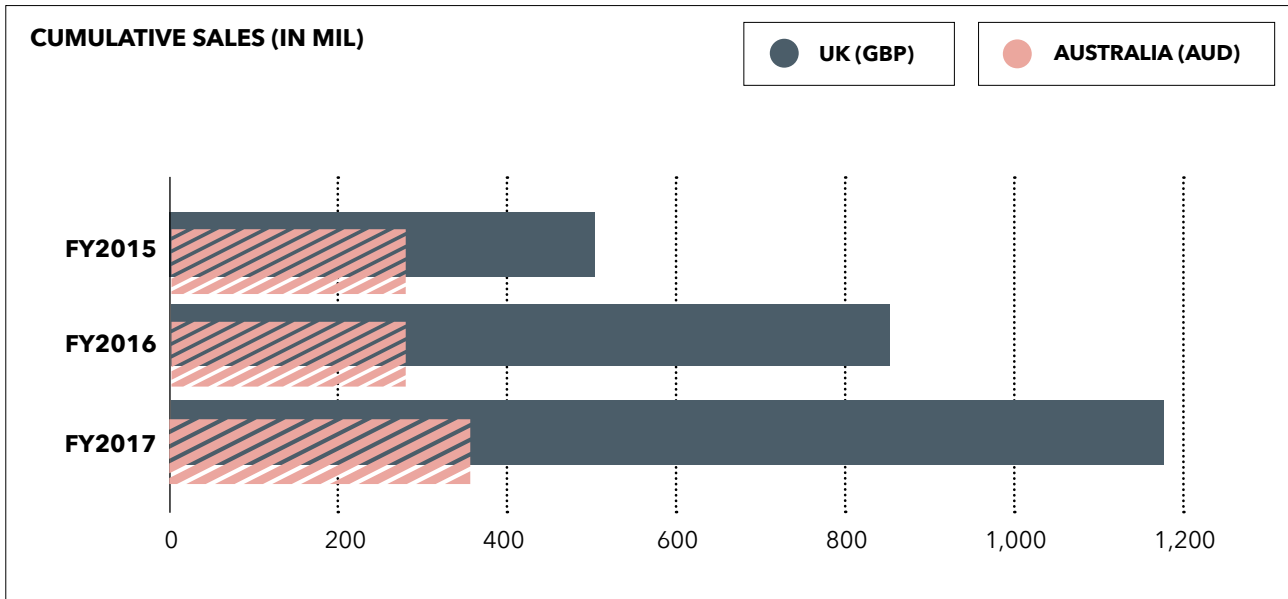
The Group recorded GBP301 million and AUD95 million worth of sales in FY2017. The sales achieved, coupled with a strengthening of the British pound sterling ("**GBP**") and Australian dollar ("**AUD**") against the Malaysian ringgit ("**RM**"), raised our total cumulative sales by RM2.4 billion to RM7.7 billion¹ as at 31 October 2017 from RM5.3 billion² as at 31 October 2016. As at 31 October 2017, the Group's share of unbilled sales, based on our effective stake in the various projects undertaken by our JV companies and subsidiaries, stands at RM5.85 billion.

For the current financial year the Group's loss after tax narrowed by 60% to RM87 million. This is mainly due to interest income earned on IPO proceeds and an unrealised foreign exchange gain of RM35 million recognised in FY2017 as compared to an unrealised foreign exchange loss of RM75 million recognised in FY2016. The foreign exchange gain and loss arose from exchange rate movements which raised or reduced the RM-value of GBP and United States dollar denominated loans advanced by EcoWorld International to its JV companies and subsidiaries. Our interest expense

1 Based on exchange rates of GBP1.00: RM5.5870 and AUD1.00: RM3.2456 as at 31 October 2017.

2 Based on the exchange rate of GBP1.00: RM5.1097 and AUD1.00: RM3.1929 as at 31 October 2016.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS



also fell 40% to RM32 million as we pared down all our borrowings at the holding-company level using a portion of the proceeds raised from the IPO exercise in April 2017. As at 31 October 2017, our consolidated borrowings stood at just RM129 million, comprising mainly the financing obtained for the development of West Village and Yarra One. This was 86% lower than the level of borrowings a year ago.

The Group reported losses in both FY2016 and FY2017 as most of the sales secured by our subsidiaries and JV companies will be recognised as revenue only upon handover of units sold to the buyers.

Despite the loss reported, the Group's financial position as at the end of FY2017 remains strong with RM992 million in cash, bank balance and deposits, and net cash (after deducting debt) of RM864 million. The Group's high cash balance arose mainly from surplus IPO proceeds after paring down borrowings and utilisation to fund the development activities undertaken by our subsidiaries and JV companies in the current financial year.

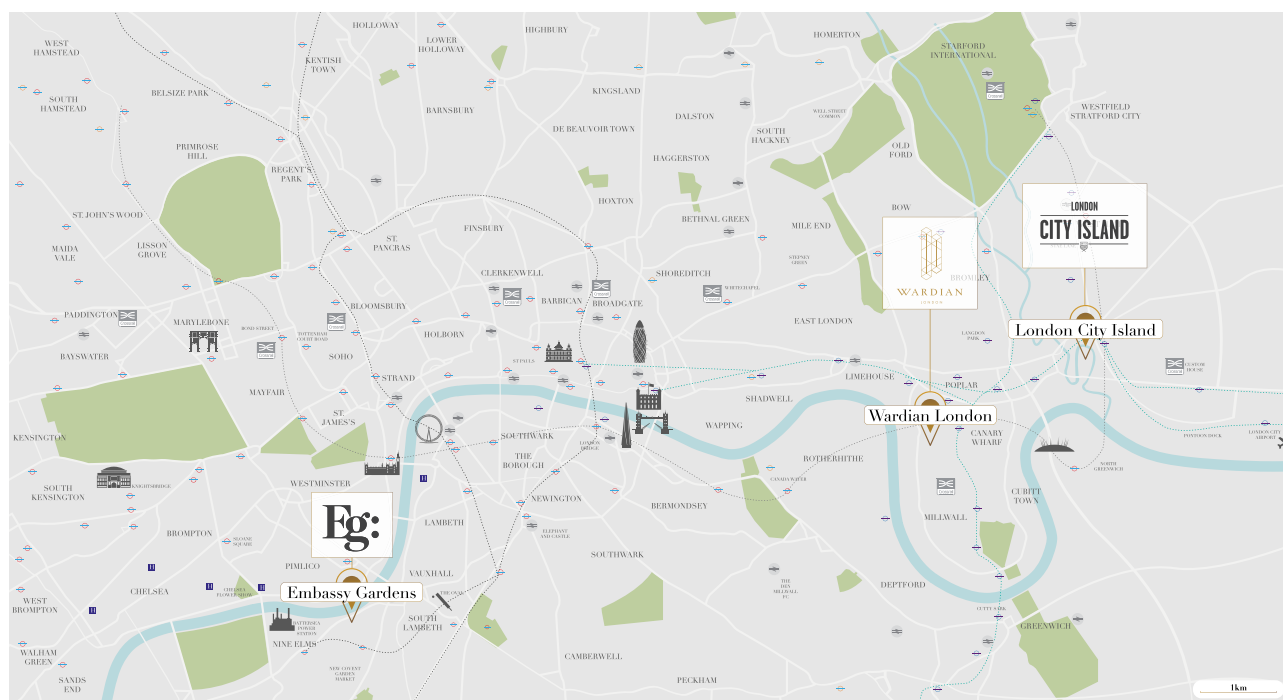
The IPO exercise also raised our total assets and total equity substantially and shrank our total liabilities. Total assets rose 121% to RM2.7 billion while the new shares and warrants issued during the IPO increased our share capital and warrants reserve by RM2.3 billion and RM276 million, respectively. As at 31 October 2017, total shareholders' funds stands at RM2.54 billion which provides a net asset value per share of RM1.06 (FY2016: RM0.44).

REVIEW OF OPERATIONS

EcoWorld International has five projects in its portfolio as at 31 October 2017. Our three projects in London, namely London City Island, Embassy Gardens and Warden London are jointly-developed with the Ballymore Group. These projects were launched in FY2015 and have been very well received thanks to the inherent appeal, locational advantages as well as the distinctive and differentiated features of each site. In addition, all three projects are sold at different price points which enable us to target a relatively wide range of buyers comprising local occupiers and international investors from the upper mainstream to the lower prime markets.

In the financial year under review, these three projects contributed approximately GBP301 million sales, bringing the Group's cumulative sales in the UK to GBP1.18 billion. These new sales also raised the overall take-up rate by unit to 74% as at 31 October 2017.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS



EcoWorld International projects in Central London, UK

UK

Projects	Total land area (acres)	Description	Average price per sq ft*	Estimated GDV	
London City Island	5.95	Nine buildings comprising: • 1,130 private residential units • 15 units of affordable homes • Commercial area	GBP850	GBP691 mil	
Embassy Gardens	5.44	Three buildings comprising: • 709 private residential units • 163 units of affordable homes • Commercial area	GBP1,450	GBP933 mil	
Wardian London	1.35	Two towers comprising: • 626 private residential units • 138 units of affordable homes • Commercial area	GBP1,200	GBP566 mil	

* Approximate average price of pre-sold private units.

From a brand awareness standpoint FY2017 has also been a good year for the Group given the numerous accolades won by our London City Island project. These include 1) Best New Place to Live by London Planning Awards, 2) Development of the Year by RESI Awards, 3) Grand Prix Award and Best Regeneration Project by London Evening Standard, and 4) winner of Residential Development category at The Wharf Property Awards 2017. These notable awards are a good prelude to the maiden handover of the Phase 2 development which will commence in FY2018.

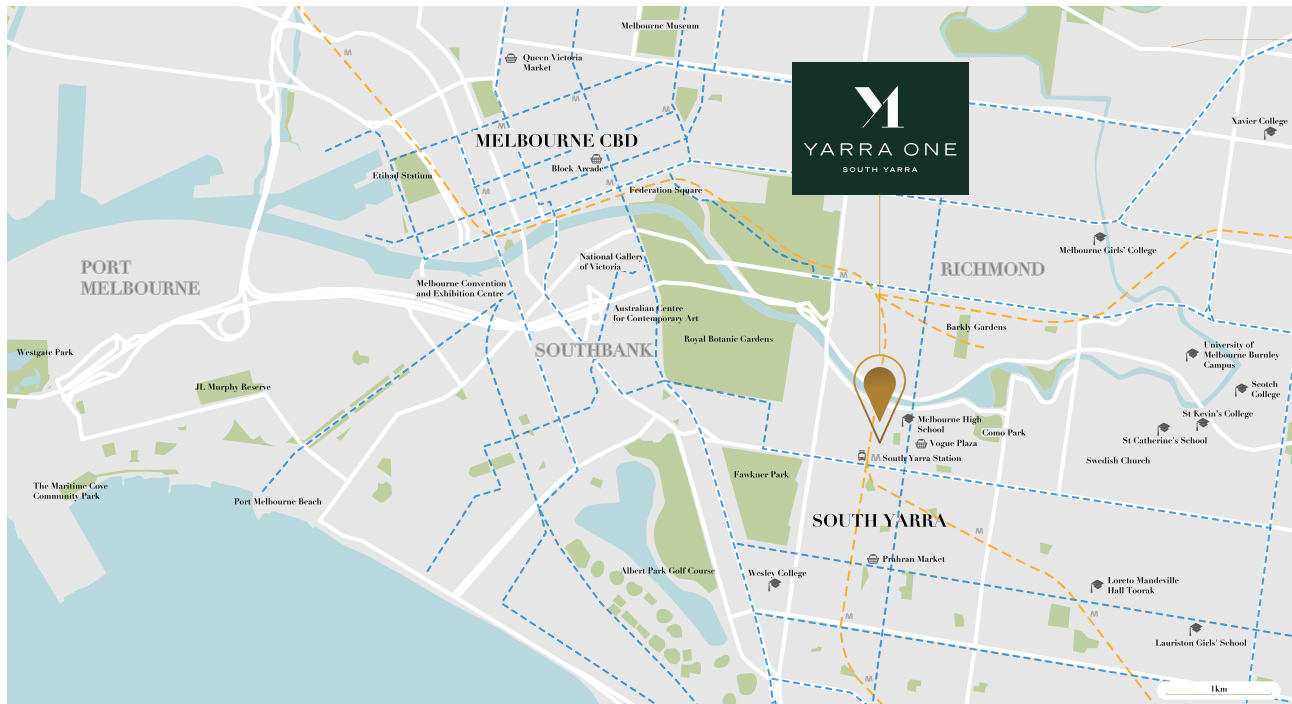
Down in Australia, EcoWorld International has launched two projects to-date. The first, known as West Village, is located in Parramatta, west of Sydney. West Village is wholly-owned by the Group and was launched in FY2015. The second, known as Yarra One, is developed in partnership with Salcon Berhad. Located in Melbourne, Yarra One was launched in May 2017. In the financial year under review, these two Australian projects contributed AUD95 million sales and achieved an overall take-up rate by units of 69% as at 31 October 2017.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

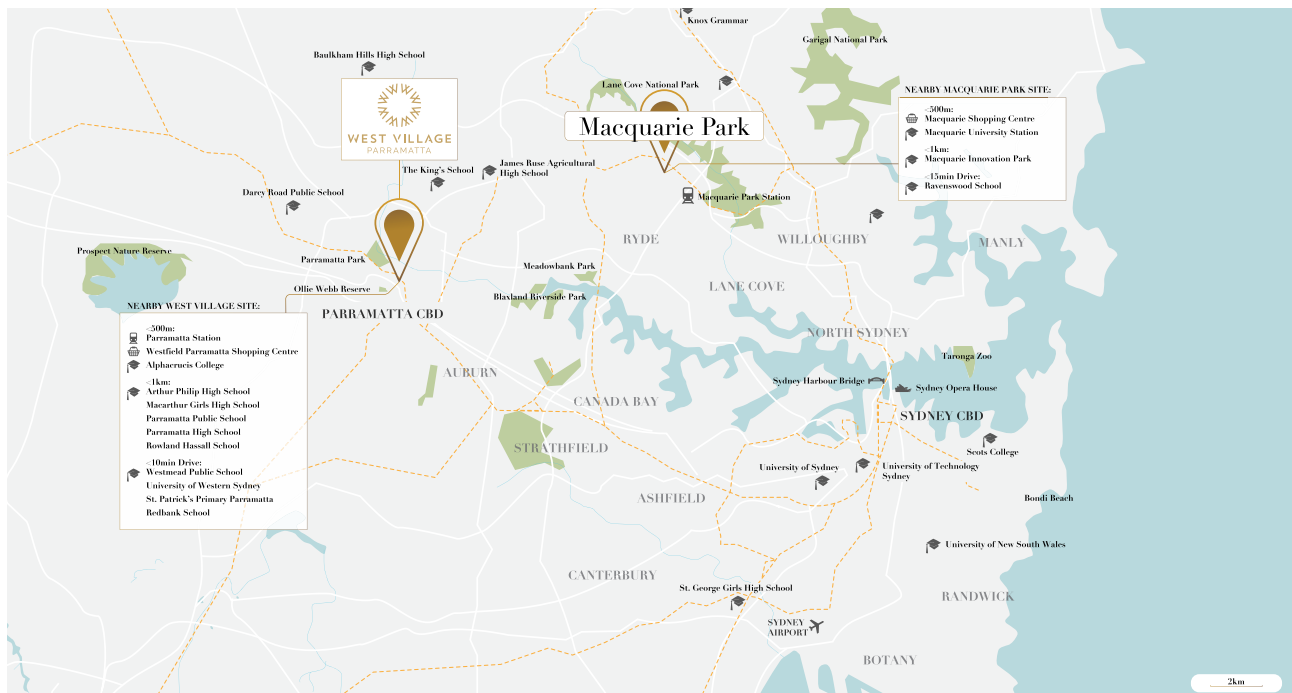
AUSTRALIA

Projects	Total land area (acres)	Description	Average price per sq ft*	Estimated GDV	
West Village, Parramatta	1.18	A 39-storey tower and a six-storey wrap-around podium comprising: • 398 private residential units • Commercial and retail space	AUD1,000	AUD315 mil	
Yarra One, Melbourne	0.53	A 27-storey tower comprising: • 256 residential units • Retail and office podium	AUD1,050	AUD243 mil	

* Approximate average price of pre-sold private units.



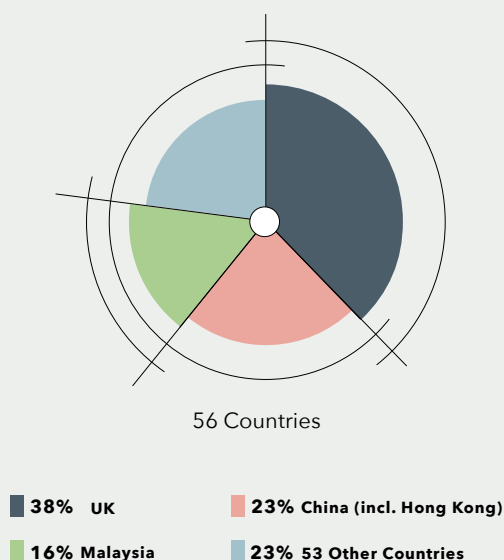
EcoWorld International project in Melbourne, Australia



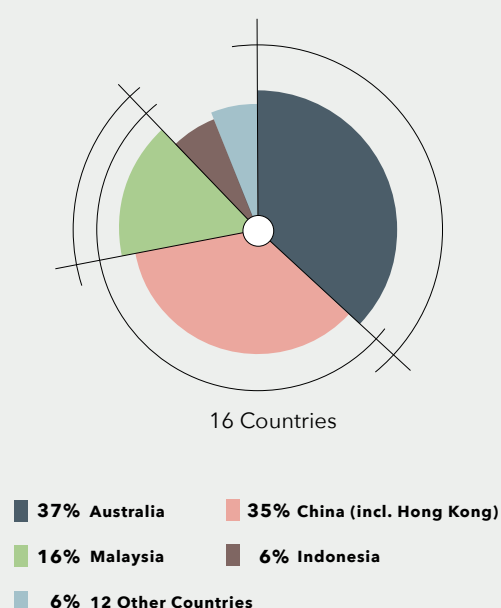
EcoWorld International projects in Greater Sydney, Australia

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

UK PROJECTS BY PURCHASER NATIONALITY



AUSTRALIA PROJECTS BY PURCHASER NATIONALITY



MARKET BACKDROP

The London property market has slowed after the European Union ("EU") referendum in June 2016. Across the UK's capital, sales agents have reported dampened sentiment among buyers as a result of uncertainties arising from the Brexit talks between the UK and the EU. Unit sales by new residential schemes in London has fallen from its peak in 2015³. However, sales in 2017 remained significantly higher than the annual sales in 2009 to 2012, underpinned by a strong Build-to-Rent ("BTR") sector and the UK Government's Help-to-Buy ("HTB") schemes.

As at 31 October 2017, EcoWorld International has a diversified pool of buyers comprising both local as well as foreign purchasers from over 60 countries. This is a testament to the Group's success in building a wide global sales network even as we work to continually broaden the customer base and enlarge our footprint in the domestic markets of the UK and Australia.

The UK Government has also announced on 2 October 2017 that it will invest a further GBP10 billion in the popular HTB equity loan scheme, where the government will provide an equity loan (interest-free for five years) for new build residential properties of up to 40% of the price within Greater London and 20% outside of London. The new funding means that the HTB equity loan scheme could help around 135,000 more people to buy homes by 2021. This would bring the total number of households across England that would be supported through the scheme since it began in 2013 to around 360,000. In addition, a stamp duty relief for the purchase of residential properties priced up to GBP500,000 has been announced for first home buyers, which will increase the purchasing power of this buyer group.

In Australia, the property sector attracted some negative headlines in 2017 as average house price growth in the major capital cities slowed. Higher stamp duties for foreign buyers and restriction on capital outflow in China were widely cited as the key reasons for the cooling of the property market in Australia. Nonetheless, property prices in Sydney and Melbourne, the two markets where EcoWorld International has ongoing projects, grew 4% to 7% in the first nine months of 2017⁴. On top of that, vacancy rates in these two cities remained low, at just 2%⁵. In July 2017, state governments in Australia raised the incentives for first home buyers, such as relief of stamp duty and higher grant, to help locals to get onto the property ladder. This is expected to further support domestic home buying demand.

STRATEGY - NEAR-TERM & LONG-TERM GROWTH

House price growth in the UK and Australia are likely to ease to a moderate pace in the medium term, after the strong upward trajectory in recent years. While this reduces the appetite of

³ Based on the data provided by Molior London.

⁴ Based on house price indices published by Australian Bureau of Statistics.

⁵ Based on JLL Australia's reports. Vacancy rate in Greater Melbourne was 2.2% in August 2017 while that in Greater Sydney was 2% in September 2017.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS



short-term property investors, EcoWorld International continues to anticipate resilient demand from owner-occupiers and investors with a longer investment horizon, driven by favourable supply-demand dynamics in the UK and Australia. On a more positive note, the current market weakness has presented some very good opportunities for the Group to acquire strategic sites at attractive prices, whether directly or through JVs.

In November 2017, EcoWorld International entered into a call and put option agreement to buy 25 apartment units in a strata scheme that sits in Macquarie Park, Sydney. At present there is an existing building located on the project site with 30 en-bloc apartment units. Under the Strata Schemes Development Act 2015 (New South Wales), at least 75% of unit owners in a strata scheme can agree to end their strata scheme, so the site can be redeveloped or sold.

Negotiation with the owners of the remaining five apartment units is underway and the Group expects to acquire all the apartment units for redevelopment by late-2018. This site is popular with Sydney-siders and the acquisition is in line with our ambitions to serve the needs of domestic homebuyers.

Thereafter, on 15 December 2017, we announced our proposed JV with Be Living, the development arm of prominent UK contractor and developer Willmott Dixon, to acquire a 70% stake in its residential development business with plans to jointly develop 12 sites in Greater London and the South East of England. The estimated

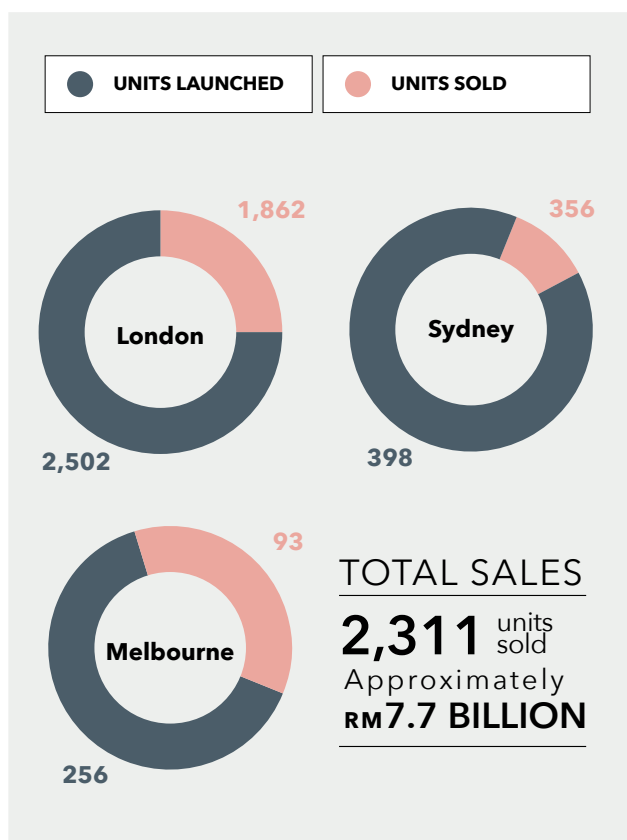
total GDV of the 12 sites is at least GBP2.6 billion (approximately RM14 billion) with acquisition of the sites to be carried out in two stages.

The stage one acquisition of the sites are targeted to be completed by the first quarter of 2018. Negotiations and documentations for the acquisition of the stage two sites are expected to conclude shortly after.

The JV with Be Living marks a highly significant step for the Group to gain substantial local market share due to the location and price points of the projects to be acquired. The sites are all situated close to or within a 10 minutes to 20 minutes walk to tube or rail stations offering a 30 minutes to 40 minutes commute to Central London and providing easy access to international airports.

All property projects in the stage one and stage two acquisitions target the mainstream market (priced between GBP500 psf to GBP800 psf), which has been very resilient due to the strong underlying local homebuyer and occupier demand within this mass housing segment. Domestic buyers of projects within the price range contemplated are also entitled to benefit from government homeownership initiatives such as the HTB scheme and stamp duty relief mentioned earlier. Further, the JV will enable the Group to establish an immediate footprint in the BTR subsector by co-developing the BTR platform with Be Living and enter the private rented sector given the increasing demand in the private rental market.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS



In addition, we will also be acquiring a development management company ("**DMCo**") with a full multi-disciplinary team of highly experienced personnel as part of the JV with Be Living. This will provide EcoWorld International, as the 70% shareholder of the DMCo, with a strong pool of in-house talent and manpower resources to grow its UK business and bring it to greater heights going forward.

RISK MANAGEMENT & COLLABORATIVE APPROACH

EcoWorld International remains confident about the long-term prospects of the UK and Australian property market but is also cognizant of the short-term challenges that these markets pose. Accordingly, the Group constantly reassesses its risk exposure and seeks to optimise the balance between opportunities and risks both in its operations and strategic direction.

The Group is exposed to the risk of fluctuation in foreign exchange rates as the Group reports its financial statements in RM while sales are mostly denominated in GBP and AUD. Although the Group does not have a currency hedging policy, a significant part of the currency risk is naturally hedged as most of the Group's expenditures, namely its development, construction, and project financing costs are denominated in the same currency as sales.

The level of unsold inventory is another key item that the Group closely monitors. Shareholders will be pleased to learn that among EcoWorld International's projects that have already been launched, 73% of the units have been pre-sold as at 31 October 2017. These pre-sales improve the security of the Group's future cash inflows.

EcoWorld International's ability to forge strong and mutually rewarding partnerships have also enabled us to gain accelerated, wider and more extensive access in our target markets, particularly in the UK. Apart from the benefits of pooling our expertise, networks and market knowledge, these partners, namely the Ballymore Group, Salcon Berhad and Be Living also retain equity stakes in the projects, which reduces the Group's financing obligations and enables project risks to be shared.

OUTLOOK

Looking forward to 2018, the property market will continue to pose some of the same challenges encountered in 2017. However, the Group is better positioned to turn these challenges into opportunities now than we were in early-2017, not least because of a stronger balance sheet and a more diversified product offering that will enable us to cater mainly to mainstream market homebuyers and long-term investors.

The decline in new supply due to cautious sentiments among developers also presents a unique opportunity for the Group to enhance our brand name in the UK and Australia by maintaining a steady stream of new launches and marketing activities that advertise the EcoWorld brand within our target markets.

2018 will also be the year we handover our first properties to our buyers at London City Island and Embassy Gardens which will pave the way for the Group to recognise revenue from these sales. We will also be working to optimise the development plans for the Be Living stage one site acquisitions with the aim of bringing to market products that meet the demand of the mid mainstream segment as soon as possible. This is in line with our strategic objective of providing a healthy pipeline of projects over the medium to long-term at multiple price points and varying stages of development, duration and completion periods to ensure the long-term viability of our business model and improve the resiliency and sustainability of our future earnings stream.

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SUSTAINABILITY STATEMENT

OUR STATEMENT PROVIDES AN OVERVIEW OF THE GROUP'S APPROACH TO SUSTAINABILITY AND OUR ENDEAVOURS TO EMBED ECONOMIC, ENVIRONMENTAL AND SOCIAL ("EES") SUSTAINABLE PRACTICES INTO OUR BUSINESS OPERATIONS.

EMBRACING SUSTAINABILITY

In line with the amendments to the Main Market Listing Requirements ("**MMLR**") on sustainability reporting issued by Bursa Malaysia in October 2015, we are pleased to present our inaugural Sustainability Statement. The statement covers the activities carried out during the period 1 November 2016 to 31 October 2017.

The boundary of this report includes the Group's operations at its headquarters in Setia Alam, Selangor, the EcoWorld International marketing suite located at the iconic Bukit Bintang City Centre ("**BBCC**"), Kuala Lumpur and extends to our international business operations in the UK and Australia.

This statement has been prepared in accordance with the G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative ("**GRI**"). Throughout the statement, we have provided insights on the approaches and strategies that we have undertaken to integrate sustainability across all our operations.

As a public-listed company involved primarily in international property development, we recognise that our business decisions have the potential to impact surrounding communities and the environment that we operate within. Building the ethos of sustainability in our organisation is motivated by our internal and external drivers. Internal drivers include employee attraction and retention, business practice ethics and responsibility, operational efficiency, cost savings and leadership; external drivers are legal and regulatory compliance, managing risks to our reputation, achieving competitive advantage, market positioning, and long-term profitability. These drivers motivate EcoWorld International towards preparing the organisation for future challenges and mitigating negative impacts brought on by its operations.

Looking ahead, we will focus on driving sustainable growth over the coming years. The organisation is committed to engaging our stakeholders and operating with the highest

degree of integrity and transparency. Keeping this in mind, we strive to meet our expectations and achieve our vision for sustainability. As we refine our understanding on how elements of sustainability impact our business, we will continue to integrate environmental and social issues into our business operations.

In September 2015, the United Nation's ("**UN**") 17 Sustainable Development Goals ("**SDG**") were unveiled and affirmed by 193 member states including Malaysia, UK and Australia. The 17 SDGs, as listed and illustrated below lay the foundation for the achievement of the targets presented in the 2030 Agenda for Sustainable Development.



The UN SDGs call on businesses globally to advance sustainable development through their investments, solutions to challenges in the market place and in their business practices. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contribution to the sustainable development agenda.

As a growing leader in the property development sector, EcoWorld International supports the aspirations of the UN and on its part has integrated the elements of the SDGs into the Group's approach to sustainability. We have identified six SDGs as the focus of our sustainability journey. Our business practices, policies and developments are built on a robust framework that is aligned to these six SDGs as outlined below.



OUR COMMITMENT

BUILDING A COMPREHENSIVE APPROACH TOWARDS SUSTAINABILITY

EcoWorld International commits to deliver financial value and societal benefits by balancing our commercial objectives with the environment and social needs of our stakeholders, underpinned by solid governance and ethical business practice.

Our development projects in the UK and Australia are designed with a focus on eco-living and we are driven by a passion to pursue innovation and sustainability to create products of enduring value. Wardian London is an example of innovative green urban infrastructure built in the financial heart of the city. Integrated into its

design are garden sanctuaries, a sky garden and private balcony gardens featuring a palette of rich greenery. It is also designed to make the best use of space and natural light. Furthermore, as a small step towards environmental sustainability, unused military accommodation was refurbished and used for the project team's site accommodation.

For Yarra One in Melbourne, we are committed to achieving a Green Star¹ 4 rating which requires the property to address specific aspects of sustainable building design, construction or performance at different stages of the project: design phase, post-construction phase and interior design phase.

In Malaysia, the EcoWorld International marketing suite at BBCC has been built along the principles of sustainability. The suite's open space concept optimises the use of natural light and can be modified to suit different events and activities hosted there. As much as possible, the use of unsustainable materials like cement for the interiors was avoided and instead, wood and metal were integrated into the design.

LEADERSHIP STRUCTURE

BUILDING GOVERNANCE TO CHAMPION SUSTAINABILITY

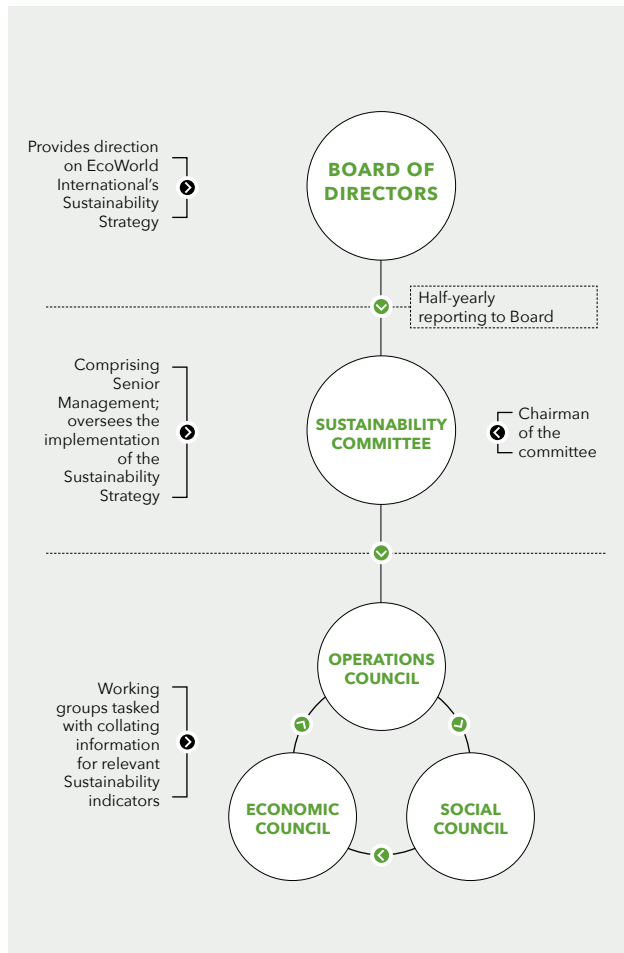
EcoWorld International's sustainability leadership is led by our Board of Directors ("**Board**") which oversees the integration of sustainability initiatives across the Group.

Our President & Chief Executive Officer ("**CEO**") is the Chairman of the Sustainability Committee and he fortifies EcoWorld International's sustainability practices across management and operational fronts together with members of the Committee. The Chairman of the Committee reports to the Board on relevant proposals pertaining to the Group's sustainability strategy and performance for the Board's review and approval on a half-yearly basis. The Sustainability Committee is supported by the Economic Council, Operations Council and the Social Council.

The following diagram illustrates EcoWorld International's sustainability governance structure which includes the Board, the Sustainability Committee, the Chairman of the Committee and the three Working Groups: the Economic Council, Operations Council and the Social Council.

¹ "Green Star is a voluntary sustainability rating system in Australia and benchmarks projects against the nine categories of: Management; Indoor Environment Quality; Energy; Transport; Water; Materials; Land Use & Ecology; Emissions and Innovation."

SUSTAINABILITY STATEMENT



OUR SUSTAINABILITY STRATEGY

BUILDING ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Since 2014, we have worked towards embedding sustainability throughout our value chain and displaying sustainability leadership through our corporate governance and culture, daily operations and business practices, stakeholder engagement and in the communities we build and foster. We emphasise the participation of management as well as employees to successfully implement strategies that create long-term business value and sustain the Group's growth.

With a view towards building a stronger and more comprehensive sustainability approach, we have developed an overarching sustainability commitment statement to guide the review of our internal management structures and processes.

At EcoWorld International, we place our customers and their interests at the heart of our business and in building our sustainability strategy on the three pillars of protecting and preserving the environment by incorporating elements of green design and innovation in our developments; ensuring a safe workplace for our employees and contributing to the well-being of the community around us



We aim to entrench sustainability deeply in our DNA, culture and value system to enhance the local economy within which we operate, to protect our environment, to effectively engage our internal and external stakeholders and to contribute to the economic growth and well-being of our community.

ENGAGING OUR STAKEHOLDERS

BUILDING A SUSTAINABLE STAKEHOLDER NETWORK

At EcoWorld International, we value our stakeholders as they have considerable influence on our business or have been impacted by our business. It is important for us to create shared value through stakeholder engagement.

Through understanding our stakeholders' expectations, we strive to engage with and manage their needs and expectations to benefit both our stakeholders and our business. Active stakeholder engagement provides us with insights to improve and expand our business.

SUSTAINABILITY STATEMENT

Stakeholder	Issues of Concern	Sustainability Material Matters	Forms of Engagement
Employees (Critical)	• Corporate Direction and Growth Plans • Job Security • Remuneration and Benefits • Career Development and Training Opportunities • Workplace Health and Safety • Labour and Human Rights • Work-Life Balance • Employee Volunteerism	• Employee Welfare • Training & Development • Occupational Health & Safety • Talent Retention	• Management Meetings with Employees' Representatives • Whistleblowing Policy • Job Level Specific Training Programmes • Circulation of Internal Policies • Internal Portal
Customers (Critical)	• Pricing • Quality and Workmanship • Energy Conservation • Design and Features • Product Safety • Defects Rectification • Customer Service and Experience • Resource Efficiency and Utility Savings	• Customer Satisfaction & Brand Reputation • Innovation	• Launches/Events • Website/Social Media • Marketing Promotions • Engagement Surveys • EcoWorld International Sales Team Regularly Engages with Customers
Investors (High)	• Growth Trajectory • Acquisitions and Expansion • Market Diversification • Risk Management • Corporate Governance • EES Indicators • Climate Change and Carbon Pricing Strategies • Sustainability Performance and Tracking • Reporting Standards	• Ethics & Integrity • Corporate Governance and Transparency • Green Design & Energy • Innovation	• Group Meetings with Shareholders • Annual General Meeting ("AGM") • Half-yearly Investor Briefing • Announcements on Bursa Malaysia
Regulatory Agencies and Statutory Bodies (High)	• Compliance • Security Issues • Waste Management • Public Nuisance Issues • Labour Practices	• Compliance	• Inspections by Local Authority • Town Hall Meetings • Press Releases • Workshops
Vendors/Suppliers (High)	• Legal Compliance • Payment Schedule • Pricing of Services • Product Quality and Inventory Supply Commitment	• Vendor & Supplier Development	• Contract Negotiation • Supplier Audit and Evaluation • Vendor Registration
Media (Moderate)	• Reputation of Company • Advocating Green Consumerism and Lifestyles	• Green Design & Energy	• Ongoing Engagement Sessions • Press Releases
Non-Governmental Organisation (Moderate)	• Environment and Social Issues in Relation to Business Operations	• Community Development	• Donations & Financial Aid • Contribution to Environment and Social Enhancement • Sustainability Related Programmes

SUSTAINABILITY STATEMENT

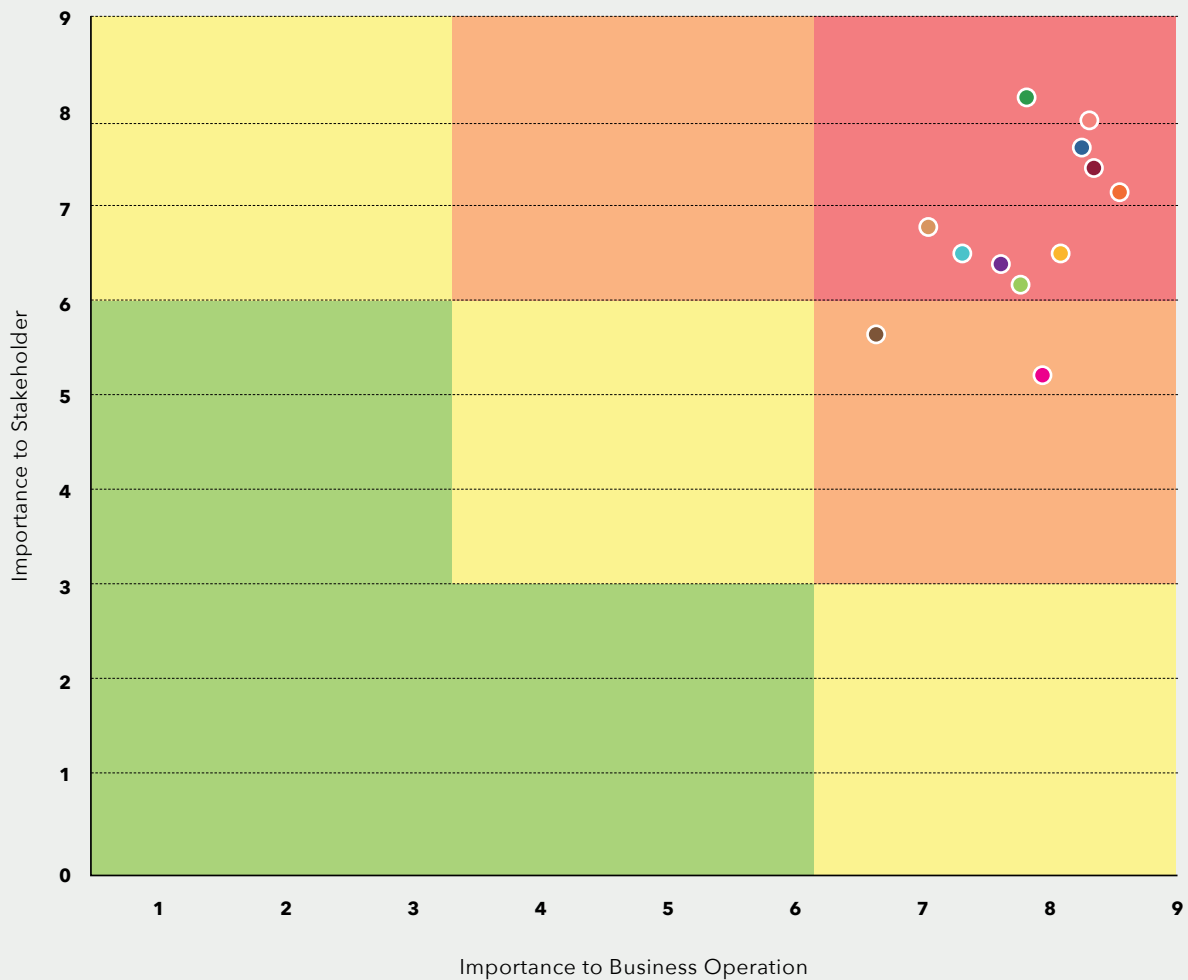
IDENTIFYING MATERIALITY

BUILDING OUR PRIORITY OF MATERIAL SUSTAINABILITY MATTERS

Material sustainability matters are EES risks and opportunities that affect our stakeholders and our business. By assessing the importance of each material sustainability issue, we can identify which to emphasise on.

As part of our capacity building endeavours on sustainability, we conducted a joint training and workshop involving our teams from Malaysia, UK and Australia to identify pertinent sustainability issues and how these issues will need to be addressed. In this process, we identified 12 key material sustainable matters by taking our internal and external stakeholder's expectations into consideration. These material matters were then deliberated and prioritised using the weighted ranking method by our sustainability working group. The results were used to develop our materiality matrix which has been generated by our senior management and the Board.

MATERIALITY MATRIX FOR ECOWORLD INTERNATIONAL



SUSTAINABILITY STATEMENT

For each of the 12 material issues prioritised, we have developed corresponding indicators as described in the table below.

Sustainability Material Matters	Key Indicators	Relevant SDGs	
● Ethics and Integrity	- Code of Conduct and Business Ethics* - Whistleblowing Policy** - Anti-Bribery and Corruption Commitment Statement - Anti-Fraud and Money Laundering Commitment	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
● Compliance	Applicable regulatory requirements in Malaysia, UK and Australia	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
● Occupational Health & Safety	- Monitoring of occupational safety & health statistics for each project - Maintaining records of Lost Time Injury ("LTI"), Lost Time Accident ("LTA")	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH	
● Customer Satisfaction & Brand Reputation	- Customer retention - Customer feedback - Charity fund raising	8 DECENT WORK AND ECONOMIC GROWTH	
● Corporate Governance and Transparency	Whistleblowing Policy	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
● Talent Retention	- Employee benefits - Skill development training	8 DECENT WORK AND ECONOMIC GROWTH	
● Innovation	- Reusing of former commercial suites in the UK as EcoWorld International's marketing suites - Reusing of unused military accommodation for the project team's site accommodation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
● Green Design & Energy	- Code for Sustainable Homes (UK) - Building Sustainability Index ("BASIX") (Australia)	3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES	
● Employee Welfare	- Equal employment opportunities - Equal pay regardless of gender - Employees' diversity in the workforce - Performance appraisal - Health and well-being programs (Virgin Pulse Global Challenge)	8 DECENT WORK AND ECONOMIC GROWTH, 5 GENDER EQUALITY	
● Corporate Social Responsibility	- Eco World Foundation - Corporate social responsibility activities contributing to environmental and social development - Donations and financial aid	4 QUALITY EDUCATION, 3 GOOD HEALTH AND WELL-BEING	
● Training & Development	Talent development and employee skill enhancement training	8 DECENT WORK AND ECONOMIC GROWTH	
● Vendor & Supplier Development	- Ethics and integrity of supplier and contractor - Procurement from local suppliers	8 DECENT WORK AND ECONOMIC GROWTH	

**Our Economy****Our Environment****Our Community****Our People**

* EcoWorld International's Code of Conduct and Business Ethics describes the principles by which business should be executed and lays emphasis on employees conducting themselves in a manner that is expected of EcoWorld International; to treat everyone with respect and dignity, and valuing individual and collective differences.

** EcoWorld International's Whistleblowing Policy provides a platform for our employees and members of the public to come forward and express their concerns on any form of suspected misconduct (including fraud, theft, bribery, abuse of power and violation of laws and regulations) without fear of punishment and unfair treatment.

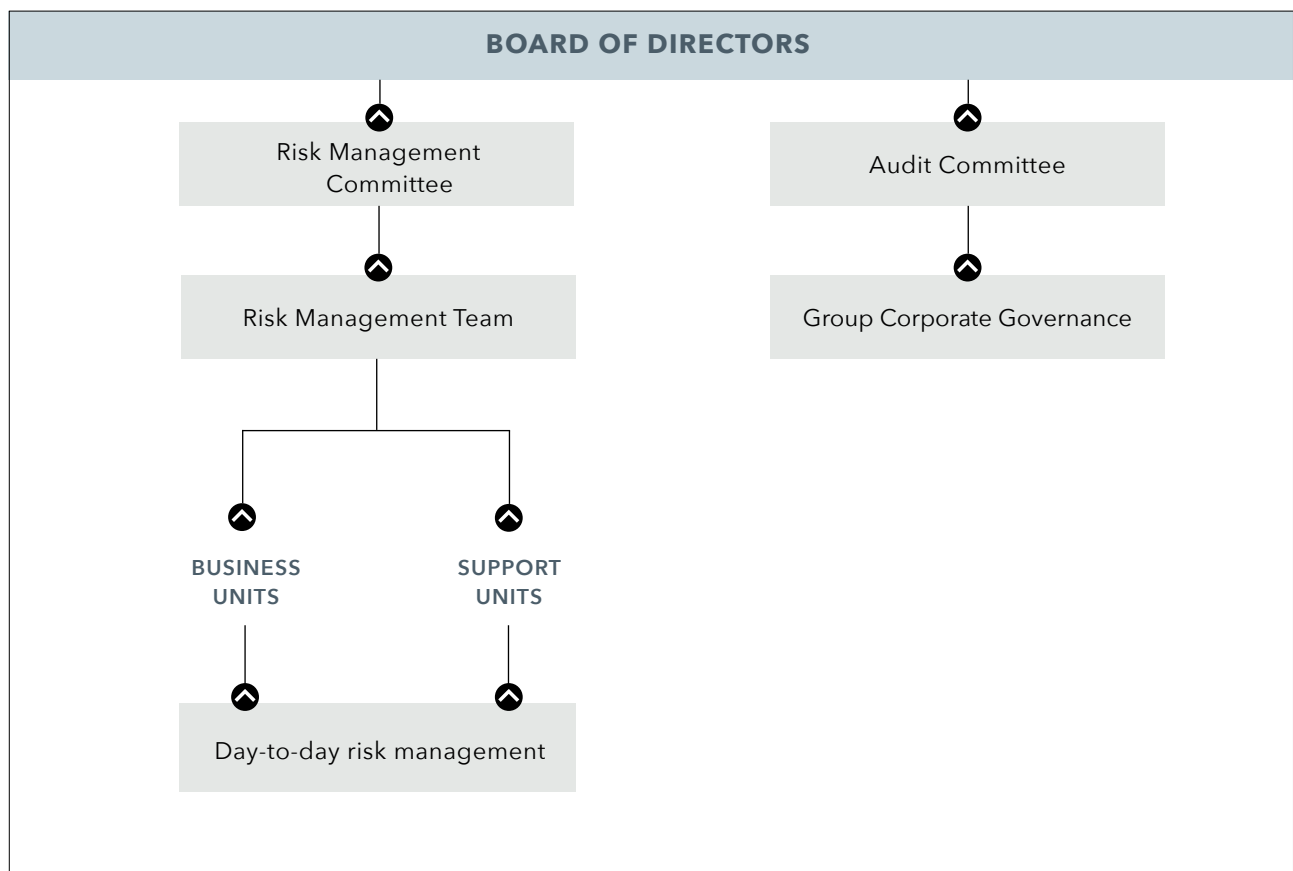
SUSTAINABILITY STATEMENT

MANAGEMENT OF ECONOMIC, ENVIRONMENTAL & SOCIAL RISKS

BUILDING SAFEGUARDS TO MANAGE RISK

The global pace of change, resource constraints, demands from stakeholders for growing transparency, accountability and organisational change, all have an impact on our Group. In order to manage our EES risks at the Group Level, we have a Risk Management Committee ("**RMC**"), Risk Management Team ("**RMT**"), and Risk Management Strategy and Policy.

The chart below shows the organisational risk structure of the Group, including the Audit Committee ("**AC**"), the RMC, the RMT and Group Corporate Governance ("**GCG**").



In the UK, EcoWorld-Ballymore, our JV company has an RMC in place to review the adequacy, integrity and effectiveness of risk management and internal control systems and assess the resources and knowledge of the management, Board members, officers, committee members and relevant personnel involved in the risk management process. The Committee reports directly to the Board, thereby ensuring the involvement of the JV's top management in its decision-making process.

They review and recommend risk management strategies and policies including monitoring the Group's health, safety and environmental performance, protecting the Group's assets from misappropriation and overseeing legal and regulatory compliance.

The Committee members also review the Group's policies and procedures in relation to Anti-Bribery and Corruption, Fraud, Money Laundering and Whistleblowing. In this way, EcoWorld International UK has built a stable environment for its business operations to be economically, environmentally and socially sustainable.

Compliance is an important part of managing EES risks of EcoWorld International's operations. It demonstrates the Group's level of commitment towards sustainability and helps identify ways of improving business practices. Given the high standards of EES welfare required of businesses and industries in the UK and Australia, we ensure our compliance to the legislative structure of these countries.



OUR COMPLIANCE IN THE UK

- In response to UK's Bribery Act 2010, an anti-bribery clause is included into the standard supplier risk assessment and as a contract obligation. All contractors are contacted on an annual basis to confirm their compliance.
- To reduce the impact of our construction sites on the environment, EcoWorld International project sites have subscribed to the Considerate Contractor Scheme ("**CCS**"). This scheme is built on a Code of Good Practice which exceeds the legal requirements and focuses on the principles of care, cleanliness, consideration, co-operation, communication and climate. The contractors are judged annually on their performance during that year, by regular monitoring and public feedback.
- Wardian London, London City Island and Embassy Gardens comply to the Code for Sustainable Homes. This Code provides a comprehensive measure of the sustainability of new homes, ensuring that sustainable homes deliver real improvements in key areas such as CO² emissions and water use.
- In the case of EcoWorld-Ballymore, the RMC members review training requirements and ensure the JV is compliant with regulatory requirements.
- Currently, the Anti-Corruption Policy for EcoWorld-Ballymore is being drafted and by the end of 2017, anti-corruption training will be provided to all EcoWorld-Ballymore Board members, officers, committee members and relevant personnel and this will be reviewed annually to capture new personnel and changes in legislation.
- In September 2017, EcoWorld-Ballymore Board members, officers, committee members and relevant personnel attended training on anti-bribery, corruption, fraud, money laundering and whistleblowing.
- In terms of remuneration, EcoWorld International adheres to the country's National Minimum Wage Regulations 2015.



OUR COMPLIANCE IN AUSTRALIA

- The New South Wales and Victoria Environment Protection Authority has specific environmental and conservation guidelines for all new buildings to adhere to during construction.
- Waste Management Plans are submitted to the local Council as it is a requirement for securing the necessary permits. These include details of the management and reuse of construction waste generated from the projects.
- A Sustainable Management Plan ("**SMP**") has been prepared for both West Village and Yarra One, as part of regulatory requirements.
- In both the states of New South Wales and Victoria, under the Environmental Planning and Assessment Act, a BASIX report is required for submission as part of Australia's initiatives towards sustainable development. The plan aims to reduce water consumption and to design more energy efficient buildings. A BASIX compliance report for EcoWorld International's West Village project was prepared in 2016, detailing the property's environmental targets for the efficient use of water and energy and other sustainable fixtures and fittings built into the property.
- In Victoria, the Yarra One project is committed to achieve a Green Star 4 rating which will involve thermal comfort studies to ensure the heat gain and heat loss during summer and winter respectively, is moderated to reduce the residents' reliance on air-conditioning. It will also involve the use of solar panels to reduce the building's dependence on power supply from the grid.
- In terms of remuneration, EcoWorld International adheres to Australia's Minimum Wage Order 2015.

SUSTAINABILITY STATEMENT

**OUR ECONOMY**

Building our organisation
and the local economy

HIGHLIGHTS

- Contributing to the global economy by foreign direct investment.
- Catalysing economic growth with our expenditure on local procurement.
- Providing equal opportunity and employment to the local community.



ALTHOUGH ALL BUSINESSES STRIVE TO GAIN PROFIT FOR THEIR SHAREHOLDERS, WE EMPHASISE BUILDING SUSTAINABLE ECONOMIC GROWTH WHICH CAN BE ACHIEVED WITHOUT CREATING OTHER SIGNIFICANT ECONOMIC PROBLEMS FOR FUTURE GENERATIONS.

THE INFLOW OF FOREIGN DIRECT INVESTMENT, A KEY COMPONENT OF ECONOMIC GLOBALISATION, PLAYS A SPECIAL ROLE IN STIMULATING THE GROWTH OF COUNTRIES' COMPETITIVENESS. BY INVESTING IN THE UK AND AUSTRALIA, WE AIM TO POSITIVELY CONTRIBUTE TO THE GLOBAL ECONOMY.

MINIMUM WAGE STANDARDS

We provide equal opportunity to everyone regardless of gender. All employees are given an equal opportunity to develop their careers within our organisation based on their merits and abilities.

In Malaysia, EcoWorld International complies with the country's Minimum Wages Order 2016 for all employees and in the UK, we comply with the UK's Minimum Wage Regulations 2015. In Australia, we adhere to the National Minimum Wage Order 2015 and we pledge to protect our employees' rights by abiding by the provisions of the Australian National Employment Standards.

EMPLOYMENT OPPORTUNITIES FOR LOCALS

At EcoWorld International, we believe in sourcing and developing local talent in order to strengthen the local economy of the country that we operate in. This is a practice observed, especially in Malaysia, where all of our senior management are Malaysian citizens.

Upon expanding to the UK and Australia for the implementation of development projects, we try to give back by hiring our employees preferably from the local community where our site offices and projects are located.



In Australia, our senior management team constitutes only local hires. In the UK, 50% of our senior management team comprises local residents. This emphasis on hiring locally in both countries provides the communities in which we conduct our business with employment opportunities and a platform to contribute towards the success of the Group's business there. We also believe that by putting in place a qualified and experienced local management team we will have greater depth of experience to build up a strong track record which will enable us to compete effectively with local developers in the matured UK and Australian property markets.

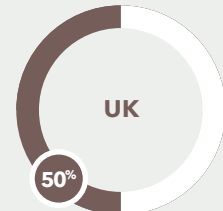
The chart at the top right displays the percentage of locals and non-locals at the senior management level in the UK and Australia.

LOCAL PROCUREMENT

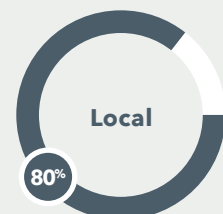
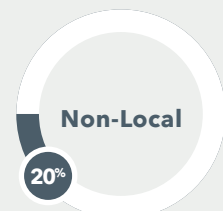
In the UK and Australia, although there are no formalised procurement policies for the preferential selection of local suppliers², it is our practice to buy locally to reduce our operating cost and carbon footprint. As a responsible organisation, we aim to work with local businesses (e.g. suppliers and service providers) as much as possible. This not only provides benefits to the local economy but translates into benefits for the environment, i.e. the closer our suppliers are, the lower our carbon footprint associated with transport of materials and waste.

This is evident from our operations in the UK where 80% of the procurement budget was expended on local suppliers thereby creating indirect job opportunities and generating a positive impact on the local economy as illustrated in the chart at bottom right.

DISTRIBUTION OF SENIOR MANAGEMENT



DISTRIBUTION OF PROCUREMENT BUDGET-UK



² According to GRI, a local supplier is an organisation or person that provides a product or service to the reporting organisation and is based in the same geographical market as the reporting organisation. The geographical definition of 'local' may include the community surrounding operations, "region within a country, or a country."

SUSTAINABILITY STATEMENT



OUR ENVIRONMENT

Building environmental sustainability internationally

HIGHLIGHTS

- Through understanding the environmental impacts of our business operations, we are committed to protecting and preserving the environment by incorporating elements of green design and innovation in our development.
- Reducing our consumption and waste to minimise our environmental footprint.



BUILDINGS HAVE EXTENSIVE DIRECT AND INDIRECT IMPACTS ON THE ENVIRONMENT, AND IN ALIGNING OURSELVES WITH THE GOALS OF SUSTAINABLE DEVELOPMENT, WE HAVE THE NECESSARY INITIATIVES TO DESIGN AND CONSTRUCT BUILDINGS SUSTAINABLY.

WE REALISE THE IMPORTANCE OF GROWING THE BUSINESS WITHOUT COMPROMISING THE QUALITY OF THE ENVIRONMENT WE LIVE IN.

MALAYSIA

Our sales and marketing gallery is located within BBCC, a landmark development of the EcoWorld Malaysia. Situated in the heart of Kuala Lumpur it showcases numerous elements of sustainability and its design has been awarded a Gold Certification under Leadership in Energy and Environmental Design Neighbourhood³ as well as Green Building Index⁴ Township⁵. To complement the design philosophy of BBCC, the EcoWorld International gallery was constructed using sustainable and reclaimed materials and has incorporated elements of water conservation, material conservation and resource efficiency.

The three-storey building incorporates a skylight roof to capture natural light and is constructed in a manner that harnesses natural and cross ventilation. Several mirrors of varying sizes are embedded into the interior walls of the gallery (close to the skylight) at different angles to create a prism effect, to reflect the sun's rays that penetrate through the skylight. This design provides ample lighting and ventilation for the entire gallery so much so that switching on the artificial lights over the atrium only becomes necessary when the natural outdoor lighting conditions are not favourable i.e. overcast sky, rain, nightfall. For the conference rooms within the gallery, we have replaced LCD projectors with LED TV screens which are comparatively more energy-saving. Similarly, the lighting throughout the building uses LED bulbs. The combined effect of these sustainable features result in cost savings and energy conservation.

³ Leadership in Energy and Environmental Design is an international rating system developed by the US Green Building Council for the design, construction, operation, and maintenance of green buildings, homes, and neighbourhoods.

⁴ The Green Building Index is Malaysia's industry recognised green rating tool for buildings to promote sustainability in the built environment and raise awareness among Developers, Architects, Engineers, Planners, Designers, Contractors and the Public about environmental issues.

⁵ <http://new.greenbuildingindex.org/whatandwhy>

By building the roof out of metal, the usage of concrete was reduced. Furthermore, the larger roof spans, trusses and decks which are made out of steel, lend themselves better to sustainable construction.

To encourage the use of hybrid or fully electric vehicles to reduce Greenhouse Gas ("**GHG**") emissions, two Electric Vehicle Charging ("**EVC**") stations have been provided at the car park. More stations will be constructed as demand increases over time. A bike-sharing system is also in place to encourage visitors and staff to commute within the city. Employees at the gallery are provided with free lunch to save on travel time and to reduce their carbon footprint.

Malaysia is signatory to the Montreal Protocol on Substances that Deplete the Ozone Layer⁶. In line with this, we comply with the regulations on chlorofluorocarbons ("**CFC**") under the Environmental Quality Act, 1974 and use only CFC-free refrigerants for our air-conditioning units.

Elements of water conservation have been incorporated in the design of the gallery and this includes rainwater harvesting facilities, water faucets fitted with motion sensors and recycling of condensate from the air-conditioning units into a rainwater harvesting tank.

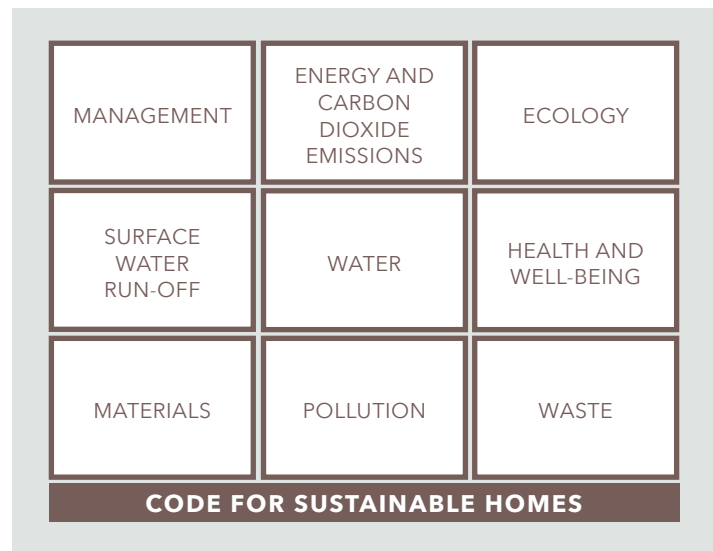
On the operational front, overseas travel is limited only to meetings or events which are absolutely necessary to reduce our carbon footprint. Wherever possible all other meetings involving our counterparts in the UK and Australia are held via teleconference and videoconference.

UK

Our development projects in the UK are located in areas within the vicinity of public transportation hubs to encourage the use of public and sustainable means of transport, thereby reducing GHG emissions. We are

in discussions with the Trees for Cities Charity which involves the planting of trees. It is an international charity working to strengthen communities through volunteering opportunities and inspire children to grow and eat good food and to connect with nature.

Our projects are in compliance with the "Code for Sustainable Homes"⁷. Although compliance to this code is voluntary and not legally mandatory, as part of our sustainability stewardship, we have adopted the code in our development projects. The Code requires assessment of the performance of new dwellings both during design and upon completion of construction. It measures sustainability against the following nine categories.



During the construction phase of our projects, waste management is an issue and we take measures to reuse construction waste effectively and reduce the quantity of waste disposed at landfills. To this end, waste segregation is essential as it ensures that only the waste that cannot be recycled or reused is sent to the landfill.

WARDIAN LONDON

We scored 39/50 in the CCS Monitor. The checklist for this scheme includes Appearance, Community, Environment, Health & Safety and Workforce for which we are proud to have achieved a score of eight (Excellent).

In meeting the standards of the Code of Sustainable Homes, we targeted for 95% of construction waste to be diverted from the landfill and to produce less than 6.5 tonnes/100 m² GIFA⁸. However, we went beyond our target as we diverted 98% of waste from reaching the landfill and produced 1.12 tonnes/100 m² GIFA.

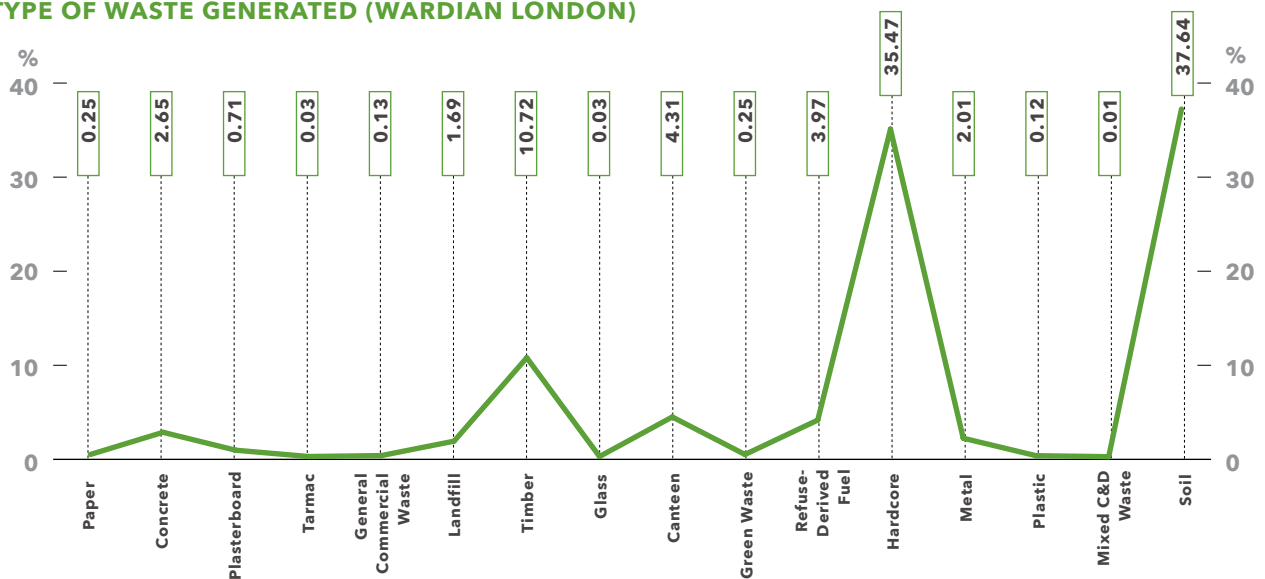
⁶ An international treaty designed to protect the ozone layer by phasing out the production of numerous substances that are responsible for ozone depletion.

⁷ The Code was launched in 2007 to help reduce UK's GHG emissions and to create more sustainable homes. The implementation of this Code is managed by BRE Global; an independent third party organisation that offers certification of products, services and systems to an international market.

⁸ GIFA is the gross internal floor area of the building.

SUSTAINABILITY STATEMENT

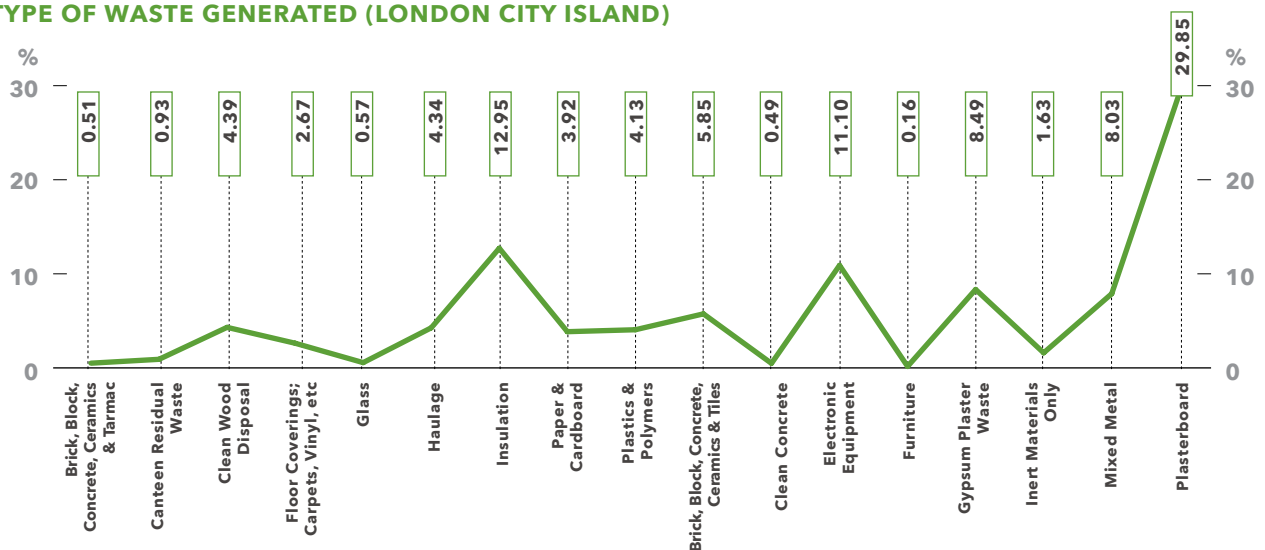
TYPE OF WASTE GENERATED (WARDIAN LONDON)



LONDON CITY ISLAND

During London City Island's construction, we successfully diverted 96% of the waste from the landfill. The graph below displays the different types of waste generated during London City Island's construction. The graph below displays the percentage of waste generated that was diverted from the landfill in the case of London City Island.

TYPE OF WASTE GENERATED (LONDON CITY ISLAND)



EMBASSY GARDENS

In the case of Embassy Gardens, we successfully diverted an astounding 98% of the construction waste we generated during the period of June to August 2017 from end-disposal at landfills. Types of waste produced including bricks, inert insulation materials, metals, packaging/plastic materials, canteen waste and timber were either recycled or reused within the construction site or transported offsite for reuse.

Waste Diverted From Landfill (Warden London)

DIVERTED
98%

LANDFILL
2%

Waste Diverted From Landfill (Embassy Gardens)

DIVERTED
98%

LANDFILL
2%

Waste Diverted From Landfill (London City Island)

DIVERTED
94%

LANDFILL
6%

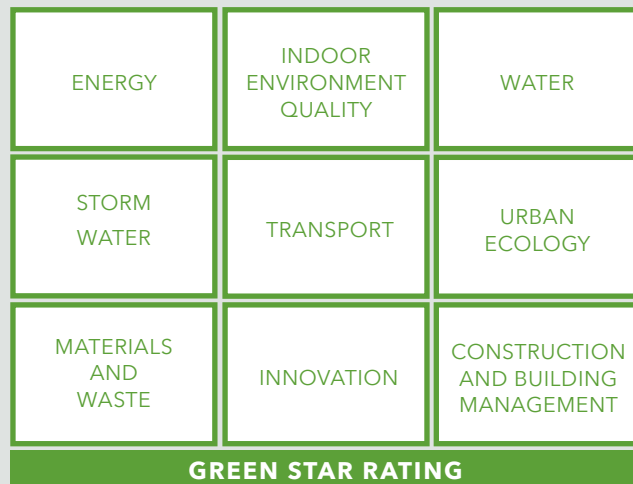
Waste Management Initiatives taken by EcoWorld International's construction sites in the UK

Initiative	Example	Construction Site
Reuse existing facilities and site accommodation rather than building new facilities which will consume more materials and resources, and create environmental impact	- An unused military accommodation, on a floating barge, has been refurbished and used for project team's site accommodation. - The marketing suite is a floating barge which was previously used as a marketing suite for another project by the Ballymore Group. - The project team's site accommodation was re-used from the previous phase and part of the site accommodation is temporarily located within the shell and core of some residential apartments thereby alleviating the need for secondary and temporary site accommodation. - The marketing suites are located in existing buildings and no new purpose-built structures have been constructed.	- Wardian London - Wardian London - London City Island - Embassy Gardens and London City Island
Employs the use of prefabricated building components	Use of prefabricated building components including the structure, facades, balconies, bathrooms and mechanical, electrical and plant equipment, all of which reduces the extent of construction activities, which in turn leads to the reduction of environmental impacts on-site such as air pollution, noise levels and waste management issues. The construction period on London City Island is shorter compared to conventional construction methods and manpower requirements are also lower leading to conservation of resources and lower potential for accidents on-site.	Wardian London and London City Island

AUSTRALIA

In the case of West Village in Sydney, based on the Wood & Grieve Engineers' BASIX Compliance report, the development (which is under construction) will achieve the required water and GHG reduction targets with optimum performance level for thermal comfort for the residential properties. Energy conservation measures include the installation of LED lighting or compact fluorescent lights, controlled by motion sensors in West Village's common areas. A rainwater harvesting tank with a capacity of 10,000L will be built to supplement the project's water demand, and used only for landscape irrigation purposes.

In the case of Yarra One, our development in Melbourne, we have developed an SMP. Regular audits will be carried out to ensure compliance to the SMP. The sustainability initiatives for incorporation in this development are based on Green Star benchmarks set by the Green Building Council of Australia ("**GBCA**") and consistent with Green Star's 4 rating requirements.



Good Indoor Environment Quality will be accomplished by providing good levels of daylight and access to external views, enhanced thermal comfort via the facade and heating, ventilation and air conditioning systems, building fabric and glazing selection to address acoustic performance, and using low volatile organic compound⁹ and low-formaldehyde materials for improved indoor air quality.

Our contractors are required to submit the waste management plans of our developments to the local council for approval and to comply with Environment and Conservation guidelines.

⁹ Volatile organic compounds ("**VOCs**") include both human-made and naturally occurring chemical compounds. A major source of man-made VOCs are coatings, especially paints and protective coatings. These VOCs are regulated by law, especially indoors, where concentrations are the highest. Harmful VOCs typically are not acutely toxic, but have compounding long-term health effects.

SUSTAINABILITY STATEMENT



OUR PEOPLE

Building workplace safety, employee training opportunities, diversity and equality within the organisation

HIGHLIGHTS

- Providing excellent financial and non-financial benefits and incentives to retain talents in our organisation.
- Ensuring a safe workplace for our people.
- Continuously providing training for our people to upgrade their skills and talents.



ECOWORLD INTERNATIONAL EMBRACES A CULTURE THAT RESPECTS AND LEVERAGES ON THE DIVERSITY OF OUR PEOPLE, OUR CUSTOMERS AND OUR COMMUNITIES. THIS IS OF PARAMOUNT IMPORTANCE TO EXCEL IN THE WAY WE PERFORM OUR BUSINESS, WORK TOGETHER EFFECTIVELY AND NURTURE OUR EMPLOYEES' NEEDS AND REQUIREMENTS.

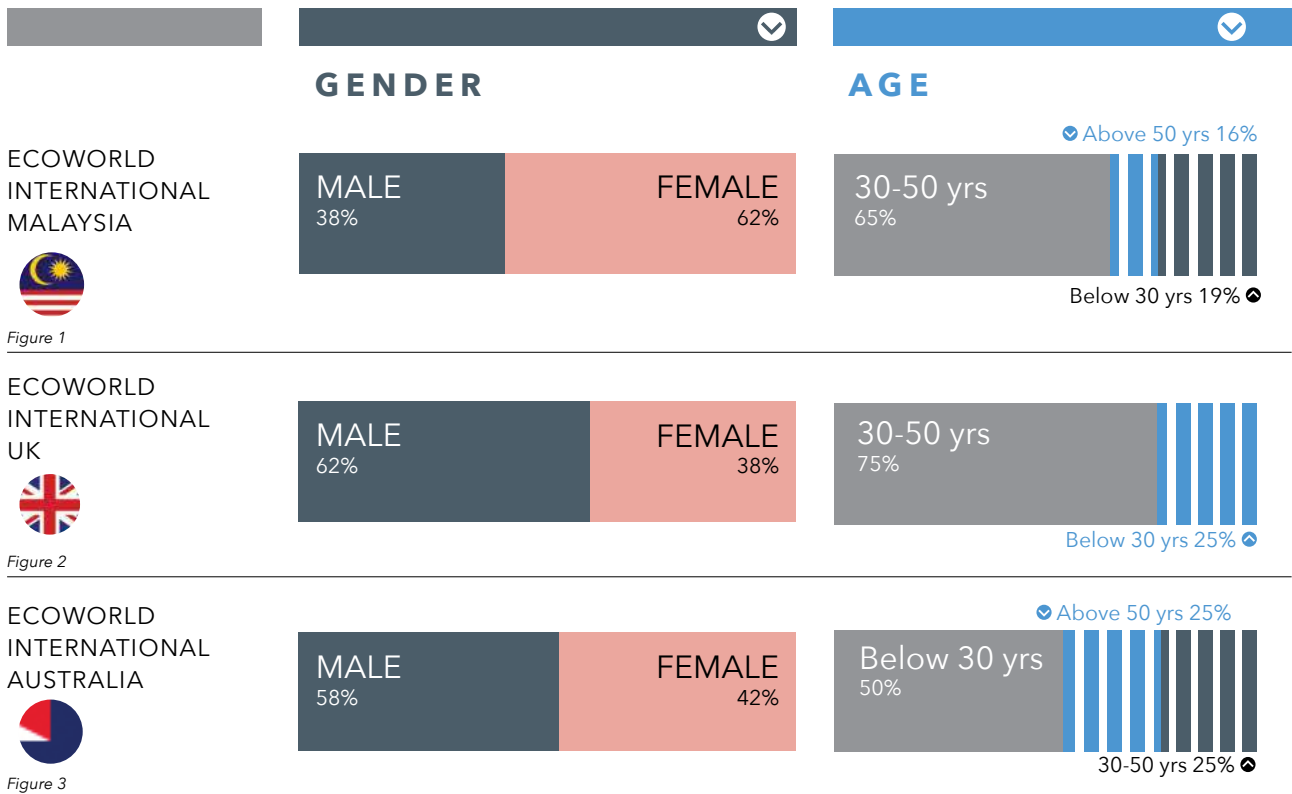
AS A COMPANY WITH INTERNATIONAL PRESENCE, WE ARE COMMITTED TO WORKING TOWARDS HAVING A DIVERSE WORKFORCE WITH A RANGE OF INDIVIDUAL ATTRIBUTES SPANNING A SPECTRUM OF DIFFERENT CULTURES, ETHNIC BACKGROUNDS, GENDER AND AGE.



WORKFORCE DISTRIBUTION

Seeking only the best, we are made up of people with a vast degree of experience and industry background. The number of employees at our offices in Malaysia, UK and Australia are 37, 8 and 12 respectively.

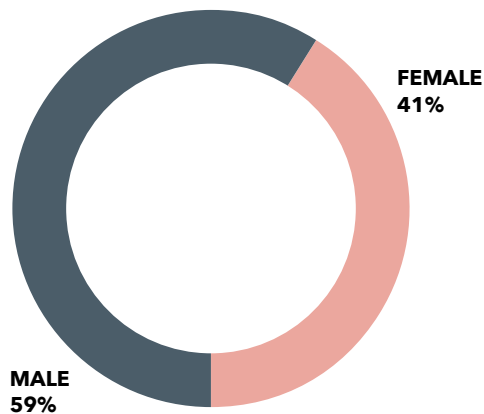
ECOWORLD INTERNATIONAL MALAYSIA	Figure 1 displays the gender-based and age-based employee distribution of our team in Malaysia. To empower women within the organisation, we set up the Eco World Professional Women's Network ("PWN"). All female employees working for EcoWorld International in Malaysia are involved in the PWN. This Network seeks to expose its participants to structured career development programmes that empower them to realise their potential. Such enrichment programmes help career women to develop their leadership acumen and skills to enable them to achieve greater heights in their career. Additionally, the Eco World Women's Summit, which is held annually, involves a series of engagement workshops and career development talks, designed to encourage women in the workplace.
ECOWORLD INTERNATIONAL UK	Figure 2 exhibits the gender-based and age-based employee distribution in the UK. During the reporting period, there have been two new hires in the UK.
ECOWORLD INTERNATIONAL AUSTRALIA	Figure 3 represents the gender-based and age-based employee distribution of EcoWorld International in Australia. During the reporting period, there have been three new hires.



SUSTAINABILITY STATEMENT

Management-level staff (ranked Senior Manager and above) make up 47% of the total staff strength of EcoWorld International. The pie chart below shows the gender distribution of management-level staff.

GENDER DISTRIBUTION OF MANAGEMENT-LEVEL STAFF



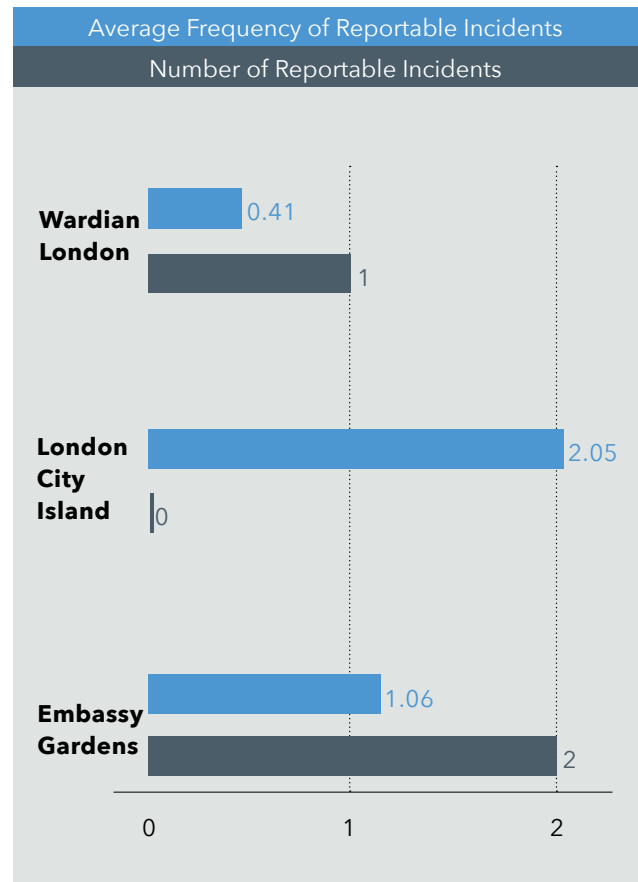
WORKPLACE SAFETY

At EcoWorld International, we consistently promote a safe and healthy work culture for a more conducive work environment. The environment at our workplace ensures a strong sense of job satisfaction amongst our employees and provides great opportunities for employees to achieve their full potential.

Implementing strict quality assurance is salient in all our projects and in various stages of each project. Quality, environment, health and safety criteria are established, maintained and implemented through our best practices and in a process-oriented management system.

In the UK, health and safety related incidents that result in an employee being away from work or unable to perform their normal work duties for more than seven days, are reported to the Health and Safety Executive. The next chart displays the average frequency rate of reportable incidents and number of reportable incidents in Warden London, London City Island and Embassy Gardens. The 12 month rolling industry average frequency rate of reportable incidents is 1.27.

HEALTH AND SAFETY STATISTICS (UK)



EMPLOYEE CAPACITY BUILDING OPPORTUNITIES

Capacity Building prepares organisations to build resilience by identifying and tackling current challenges which include climate change and the effects of globalisation and automation. EcoWorld International invests in the strength of its workforce by equipping our employees with management and skill-development training. With the correct balance of training and exposure, employees develop leadership qualities and become confident in running EcoWorld International business operations which in turn has a positive impact on the organisation's success.

In Malaysia, UK and Australia, the amount budgeted for training a member of staff is equivalent to 2% of an employee's annual gross salary. To get employees to think creatively and to be more focused, training programmes such as 'Thriving not simply surviving: Embracing a diversity of ideas to build organisations fit for the future' have been provided.



OUR COMMUNITY

Building resilient communities

HIGHLIGHTS

- Constantly engaging our people to contribute to the local community.
- Joining Eco World Foundation Volunteers Club ("EWFVC") to provide voluntary services for the club's humanitarian activities.



WE ARE CONSCIOUS OF HOW OUR BUSINESS AND ORGANISATION AS A WHOLE IS INTERCONNECTED TO SURROUNDING COMMUNITIES. WHILE BUILDING SUSTAINABLE PROPERTIES AND CONTRIBUTING TO THE GROWTH OF SUSTAINABLE CITIES ARE OUR MAIN FOCUS, WE ARE ALSO COMMITTED TO GIVING BACK TO SOCIETY THROUGH VARIOUS PROGRAMMES.

The Eco World Foundation ("**EWF**") was established in May 2014 to serve as a platform for EcoWorld to channel its efforts to build resilience amongst communities. Its main objectives are to provide scholarships or study grants to students who are disadvantaged financially in Malaysia, including children from poor township areas, rural areas and informal settlements, to provide assistance to the underprivileged, disabled and poverty stricken in Malaysia and to provide medical donations or treatment to individuals who are in need or non-profit organisations.

Through EWF, we aim to undertake humanitarian projects to help mitigate the effects of illiteracy, ill health and poverty, regardless of race, religion, gender, ethnicity or locality.

EWF'S COMMITMENT



NO POVERTY



GOOD HEALTH AND WELL-BEING



QUALITY EDUCATION



REDUCED INEQUALITIES

SUSTAINABILITY STATEMENT

Our employees in Malaysia contribute to the EWF by enlisting as members of the EWFVC to provide voluntary services for the club's humanitarian activities.

These include visits to the homes of students who have been selected by EWF for financial assistance to learn more about the students' financial background and to encourage the students to study hard and counsel them on how to improve their examination results. The volunteers also counsel the parents to take an active role in assisting their child in their studies. Summary reports of the home visits are then given to the schools concerned, for them to follow up and complement the home visits.

The CCS, to which all our UK sites have subscribed to, is built on a Code of Good Practice which exceeds the legal requirements and focuses on the principles of care, cleanliness, consideration, co-operation, communication and climate. Through these efforts we engage with the communities that surround us and identify their needs and provide assistance in a manner that is within our capacity. Although our main aim is to consistently deliver unmatched product and service quality to our customers, stakeholders and shareholders at all times, we believe that creating a positive social impact on society is of equal importance.

OUR CCS COMMUNITY ENGAGEMENT AND CHARITY EFFORTS

- Visiting Tower Hamlets College and George Green's School to talk with the students about opportunities available within the construction industry and we also conducted mock interviews to give the students exposure.
- Taking part in local job fairs and meetings with local organisations such as Splash and WorkPath to provide employment support.
- Engaging with Friends of the Island History Trust¹⁰ to discuss how we can contribute to their work and purchasing their calendars to provide financial support to the charity.
- Visiting St. John's Community Centre which has a day centre and offers home support services for the elderly, to discuss how we can support their work via volunteering.
- Visiting One Housing Group; an organisation that provides affordable homes and housing options including homes for social rent in partnership with local councils. We discussed initiatives to engage residents and volunteering opportunities.
- Attending the George Green's School Afternoon Tea, to raise funds for Macmillan Cancer Support. Furthermore, we are organising a Macmillan Coffee Morning to raise additional funds.
- Organising a charity day for Wrap Up London¹¹ and donating coats to the homeless at Canary Wharf Station and holding a charity collection for Christmas Jumper Day.
- Supporting a charity collection for Movember Foundation¹².
- Supporting a Charity Site Visit for two children with multiple sclerosis to 'experience' our Crawler Cranes.
- Holding a charity collection as part of the Football Shirt Friday for The Bobby Moore Fund and Cancer Research.
- Supporting a Charity Cycling - London to Coventry for the following charities: Children with Cancer UK, KLS Support UK¹³ and Wasps Legends Charitable Foundation¹⁴.

¹⁰ Friends of Island History Trust was formed in 2014 to continue recording and sharing the History of the Isle of Dogs from the late 19th century.

¹¹ Wrap Up London is a campaign to collect coats for the homeless.

¹² Movember Foundation is an independent organisation in the UK that works to raise awareness of men's health issues.

¹³ KLS Support UK is a charity that offers help and support to those affected by Kleine-Levin Syndrome, a rare sleep disorder.

¹⁴ The Wasps Legends or the Wasps Past Players Network was created in 2005 with the aim to raise funds to support a charitable project each year.

HOW WE ARE GOVERNED



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BOARD OF DIRECTORS



**CHEAH
TEK
KUANG**

Senior
Independent
Non-Executive
Director



**TAN SRI
DATO' SRI
LIEW
KEE SIN**

Executive
Vice Chairman



**TAN SRI AZLAN
BIN MOHD
ZAINOL**

Chairman/
Independent
Non-Executive
Director



**DATO'
TEOW
LEONG
SENG**

President &
CEO/Executive
Director



**DATO'
VOON TIN
YOW**

Non-
Independent
Non-Executive
Director



DATO' SIOH KIM LUN
Independent
Non-Executive
Director



CHENG HSING YAO
Non-
Independent
Non-Executive
Director



CHOONG YEE HOW
Non-
Independent
Non-
Executive
Director



DATO' SERI AHMAD JOHAN BIN MOHAMMAD RASLAN
Independent
Non-Executive
Director



TAN SRI DATUK DR REBECCA FATIMA STA MARIA
Independent
Non-Executive
Director

BOARD OF DIRECTORS' PROFILE

Chairman/Independent Non-Executive Director

**TAN SRI
AZLAN
BIN MOHD
ZAINOL**



Malaysian | Aged 67 | Male

Qualifications:

- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow Chartered Bankers of Asian Institute of Chartered Bankers
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Tan Sri Azlan was appointed to the Board of EcoWorld International on 12 September 2014 as Chairman/Independent Non-Executive Director. He serves as a Member of AC, Nomination and Remuneration Committee ("**NRC**") and RMC.

He began his career with Razak & Co, an audit and tax consulting firm in 1975. Thereafter, he joined Maybank Finance Berhad as the Operation Manager and subsequently Kwong Yik Finance Berhad as the General Manager.

In 1980, Tan Sri Azlan left Kwong Yik Finance Berhad to set up Tan Azlan & Company, an audit and tax consulting firm. He then took up the role of Managing Director of Arab-Malaysian Finance Berhad in 1982 and was subsequently appointed as the Managing Director of Arab-Malaysian Bank Berhad in 1994.

In 2001, he was appointed as the CEO of Employees Provident Fund ("**EPF**") where he was primarily responsible for the management of the social security organisation. He retired from EPF in April 2013.

Currently, he sits on the Board of RHB Bank Berhad, Malaysian Resources Corporation Berhad, Kuala Lumpur Kepong Berhad, RHB Investment Bank Berhad, RHB Capital Berhad (In Members' Voluntary Liquidation), Rashid Hussain Berhad (In Members' Voluntary Liquidation) and Grand-Flo Berhad. He is also a Trustee of Yayasan Astro Kasih and OSK Foundation.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Executive Vice Chairman

**TAN SRI
DATO' SRI
LIEW KEE SIN**



Malaysian | Aged 59 | Male

Qualifications:

- Bachelor of Economics Degree (Business Administration) from University of Malaya, Malaysia

Tan Sri Liew was appointed to the Board of EcoWorld International on 12 September 2014 as Executive Vice Chairman.

Tan Sri Liew started his career as a banker in a local merchant bank in 1981. After gaining five years of experience in the banking industry, he ventured into property development. Following a reverse takeover of S P Setia Berhad ("**S P Setia**"), he was appointed as its Group Managing Director in May 1996 and continued to helm S P Setia as its President & CEO for the next 18 years until 30 April 2014.

In mid-2012, Tan Sri Liew led the Malaysian consortium of S P Setia, Sime Darby Berhad ("**Sime Darby**") and the EPF in successfully bidding for the Battersea Power Station site in London, UK and was appointed as the first Chairman of the Battersea Project Holding Company in 2012, a position he held until September 2015.

Tan Sri Liew has won numerous corporate and industry awards for entrepreneurship, philanthropy and for showing exemplary leadership in building businesses and creating value.

He is a Non-Independent Non-Executive Chairman of EcoWorld Malaysia, which is a major shareholder of EcoWorld International.

Save as disclosed herein, he does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

President & CEO/Executive Director

DATO' TEOW
LEONG SENG

Malaysian | Aged 59 | Male

Qualifications:

- Master of Business Administration from University of Strathclyde Graduate School of Business, Glasgow
- Fellow of the Chartered Institute of Management Accountants (UK)
- Chartered Accountant of the Malaysian Institute of Accountants

Dato' Teow was appointed to the Board of EcoWorld International on 12 September 2014 as Executive Director. He was then appointed as President & CEO on 13 October 2014. He serves as a Member of the RMC and Whistleblowing Committee ("WC").

Dato' Teow has more than 30 years of experience in the real estate development, corporate finance, accounting, financial management and real-estate finance. He began his career in 1981 with the Hong Leong Group and has since then held various senior finance and accounting positions in several public companies and headed the Real Estate Finance business at Citibank Malaysia.

Prior to joining EcoWorld International, he was the Executive Director and Chief Financial Officer ("CFO") of S P Setia, where he was in charge of the group's Corporate and Finance Division while overseeing the Business Development Division and overseas expansion plans. Dato' Teow led S P Setia's foray overseas to Vietnam, Australia and UK and played a key role in further expansion to China.

A notable achievement for Dato' Teow would be his role in securing the iconic Battersea Power Station redevelopment project in the UK. He led the team which conducted the extensive due diligence exercise that gave the Malaysian consortium, comprising S P Setia, Sime Darby and EPF the confidence to submit an unconditional bid for the site. He was appointed to serve as the Chairman of the UK-based Battersea Power Station Development Company Limited ("BPSDC") to oversee the development management of the project.

Other than EcoWorld International, he does not hold any other directorships in other public companies and listed issuers in Malaysia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Senior Independent Non-Executive Director

CHEAH
TEK KUANG

Malaysian | Aged 70 | Male

Qualifications:

- Bachelor of Economics (Honours) from University of Malaya, Malaysia

Mr Cheah was appointed to the Board of EcoWorld International on 12 September 2014 as Independent Non-Executive Director. He was re-designated as Senior Independent Non-Executive Director on 27 April 2017. He serves as Chairman of NRC and RMC. He is also a member of WC.

Mr Cheah started his career in Federal Industrial Development Authority (now known as Malaysian Industrial Development Authority) in 1970 as Economist in Planning and Research Division and later promoted as Deputy Director. In 1978, he joined the Arab Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad ("AmlInvestment")) and subsequently was appointed as CEO and Group Managing Director of the AmlInvestment in 1994 and 2002 respectively.

In 2005, he was appointed as Group Managing Director and CEO of AMMB Holdings Berhad. He retired in March 2012 after serving AmBank Group for more than 33 years.

He was also a director of Bursa Malaysia Berhad, the holding company of Bursa Malaysia for nine years. Currently he sits on the Appeals Committee of Bursa Malaysia, which looks into appeals by listed companies and market participants on violations of the Listing Requirements.

He sat on the Board of EPF from June 1996 to May 2007 and its Investment Panel from June 2007 to May 2009. He also served on Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) from 2007 to February 2016.

Currently, he sits as an Independent Non-Executive Director of Berjaya Sports Toto Berhad, IOI Corporation Berhad and UMW Oil & Gas Corporation Berhad. He is also a member of the Board of Yayasan Bursa Malaysia and Malaysian Institute of Art, of which both are non-profit organisations.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

Non-Independent Non-Executive Director

DATO' VOON TIN YOW



Malaysian | Aged 60 | Male

Qualifications:

- Bachelor of Science in Civil Engineering from University of Texas at Austin, United States
- Master of Science in Engineering from University of Texas at Austin, United States

Dato' Voon was appointed to the Board of EcoWorld International on 14 September 2017 as Non-Independent Non-Executive Director.

He has 33 years of working experience in the construction and property development industry, which includes three years in construction site management and 30 years in management of property development. He began his career in 1984 in Kimali Construction Sdn Bhd as a Site Engineer and went on to become the Development Engineer in Juru Bena Tenaga Sdn Bhd in 1986. In 1990, he joined Syarikat Kemajuan Jerai Sdn Bhd ("**SKJ**") as Project Manager and was subsequently appointed as the General Manager in 1994. He was previously an Executive Director at S P Setia and held the post of Chief Operating Officer ("**COO**") from 1996 to 2014. He was also previously the Acting President & CEO of S P Setia from 1 May 2014 until 31 December 2014. During his tenure in S P Setia, he oversaw the development of the entire eco-system to establish the company's policies and procedures.

Dato' Voon played a key role in leading the Malaysian consortium comprising S P Setia and Rimbunan Hijau Group to jointly develop the China-Malaysia Qinzhou Industrial Park in the People's Republic of China with a Chinese consortium.

Currently, Dato' Voon sits on the Board of EcoWorld Malaysia, which is a major shareholder of EcoWorld International.

Save as disclosed herein, he does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Non-Independent Non-Executive Director

CHOONG YEE HOW



Malaysian | Aged 61 | Male

Qualifications:

- Bachelor of Science in Biochemistry (1st Class Honors) Degree from University of Otago, New Zealand
- Master of Business Administration from University of Otago, New Zealand

Mr Choong was appointed to the Board of EcoWorld International on 27 April 2017 as Non-Independent Non-Executive Director.

Mr Choong is an Executive Director and President & CEO of GuocoLand Limited, which is listed on the Main Board of the Singapore Exchange.

He has more than 30 years of experience in banking. He started his career with Citibank Malaysia as a Management Associate. Over the course of 24 years with Citigroup, he assumed various senior positions, the last being President & CEO of Citibank Savings Inc. Philippines.

Mr Choong was the President & CEO of Hong Leong Financial Group Berhad from the end of 2005 to August 2015. In that role, his responsibilities covered the full spectrum of financial services which included commercial banking, Islamic banking, life and general insurance, Takaful insurance, investment banking, asset management and securities trading business with operations in Malaysia, Singapore, Vietnam, Cambodia, Hong Kong and China.

He is currently a Non-Independent Non-Executive Director of GuocoLand (Malaysia) Berhad.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

Non-Independent Non-Executive Director

**CHENG
HSING YAO**

Singaporean | Aged 46 | Male

Qualifications:

- Bachelor of Architecture (1st Class Honors) Degree from Newcastle University, UK
- Master of Design Studies (Distinction) from Harvard University, United States

Mr Cheng was appointed to the Board of EcoWorld International on 27 April 2017 as Non-Independent Non-Executive Director.

Mr Cheng is the Group Managing Director of GuocoLand (Singapore) Pte Ltd and the Country Head of GuocoLand Limited, which is listed on the Main Board of the Singapore Exchange.

In 2012, he joined as COO of GuocoLand (Singapore) Pte Ltd, before becoming Managing Director, Group Project Office, which oversees project implementation in Singapore, China and Malaysia. He was appointed as Singapore's Country Head in 2014.

Prior to joining GuocoLand, he was with the Singapore public service. There, he held leadership positions at the Centre for Liveable Cities and the Urban Redevelopment Authority. He was involved in projects such as Marina Bay and the Sino-Singapore Tianjin Eco-City.

He is a member of the Future City Committee, a sub committee of Committee for Future Economy set up by the Singapore Government to review Singapore's future growth strategy in 2016. He is also a member of Design Advisory Committee of the Urban Redevelopment Authority as well as a Young Urban Leader of the World Cities Summit. He was awarded the Public Administration Medal (Bronze).

Other than EcoWorld International, he does not hold any other directorships in other public companies and listed issuers in Malaysia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Independent Non-Executive Director

**TAN SRI DATUK
DR REBECCA
FATIMA STA
MARIA**

Malaysian | Aged 60 | Female

Qualifications:

- Doctor of Philosophy from University of Georgia in Athens, United States
- Master of Science in Counseling from Universiti Putra Malaysia, Malaysia
- Bachelor of Arts (Honours) in English Literature from University of Malaya, Malaysia

Tan Sri Datuk Dr Rebecca was appointed to the Board of EcoWorld International on 27 April 2017 as Independent Non-Executive Director. She serves as a Member of NRC.

Tan Sri Datuk Dr Rebecca began her career in the Malaysian Administrative and Diplomatic Service. In the course of her civil service career, she was the Chief Administration and Procurement Officer of the ASEAN Plant Quarantine and Training Centre.

She was the Secretary-General of the Ministry of International Trade and Industry and the ASEAN Chair for the ASEAN-India Trade in Goods Agreement, Chief Negotiator for the bilateral free trade agreements with India and Turkey, and the EU.

She played a key role in ASEAN economic integration and chaired the ASEAN Senior Economic Officials Meeting as well as the ASEAN High Level Task Force for Economic Integration.

She is a Senior Policy Fellow at the Economic Research Institute for ASEAN and East Asia. She also chairs the think-tank Institute for Democracy and Economic Affairs ("**IDEAS**") and the EU-Malaysia Chamber of Commerce and Industry and serves the Board of Trustees of MyKasih.

Currently, she sits on the Board of RHB Bank Berhad, RHB Investment Bank Berhad, Sunway Construction Group Berhad, Hartalega Holdings Berhad, Lafarge Malaysia Berhad and IDEAS.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

Independent Non-Executive Director

DATO' SERI AHMAD JOHAN BIN MOHAMMAD RASLAN



Malaysian | Aged 58 | Male

Qualifications:

- Bachelor of Economics (Honours) in Economics and Accountancy from University of Hull, UK
- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Institute of Chartered Accountants

Dato' Seri Ahmad Johan was appointed to the Board of EcoWorld International on 12 September 2014 as Independent Non-Executive Director. He serves as the Chairman of AC.

During his career, he was involved mainly in the provision of audit and advisory services to clients. He began his career with Robson Rhodes, a firm of chartered accountants in London, UK in 1981 and joined Price Waterhouse London, UK in 1990 as a Manager.

In 1992, he returned to Malaysia and joined Price Waterhouse in Kuala Lumpur as an Executive Director. He was admitted as a Partner of the firm in 1993.

In 2004, he was elected as the Executive Chairman of PricewaterhouseCoopers ("**PwC**") Malaysia and in 2008, he became the Joint Executive Chairman for the PwC Southeast Asia Peninsular Region. He served as Executive Chairman until his retirement from PwC in 2012.

Dato' Seri Ahmad Johan was appointed as Chairman of the Financial Reporting Foundation from 2003 to 2009, a Board member of Kumpulan Wang Persaraan (Diperbadankan) from 2010 to 2012 and a Board member as well as AC Chairman of Putrajaya Corporation from 2005 to 2012.

Dato' Seri Ahmad Johan is a member of the Financial Institutions Directors Education ("**FIDE**") faculty of the Iclif Leadership and Governance Centre, an institution created by the Central Bank of Malaysia. He provides FIDE training courses to directors of licensed financial institutions in Malaysia.

Currently, he sits on the Board of Sime Darby Property Berhad and the Institute of Corporate Directors Malaysia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Independent Non-Executive Director

DATO' SIOW KIM LUN



Malaysian | Aged 67 | Male

Qualifications:

- Bachelor of Economics (Honours) from Universiti Kebangsaan Malaysia, Malaysia
- Master Degree in Business Administration from the Catholic University of Leuven, Belgium
- Advanced Management Program in Harvard Business School, United States

Dato' Siow was appointed to the Board of EcoWorld International on 12 September 2014 as Independent Non-Executive Director. He serves as a Member of AC, NRC and WC.

He started his career in 1981 with the Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) and later with Permata Chartered Merchant Bank Berhad (now known as Affin Hwang Investment Bank Berhad) and subsequently the Securities Commission Malaysia ("**SC**").

Dato' Siow was with the SC from April 1993 until his retirement in December 2006. During his tenure with the SC, he has served as the Director of its Issues & Investment Division and Market Supervision Division.

Currently, he sits on the Board of Eita Resources Berhad, Citibank Berhad, UMW Holdings Berhad, Sunway Construction Group Berhad, Hong Leong Assurance Berhad, Radiant Globaltech Berhad and Kumpulan Wang Persaraan (Diperbadankan).

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

YAP
FOO LEONGTAN
CHENG YONGMELISSA
TAN SWEE PENGDATO'
NORHAYATI
BINTI SUBALICHEONG
HENG LEONG

1 | MELISSA TAN SWEE PENG

CFO

Malaysian | Aged 44 | Female

Qualifications:

- Bachelor of Arts in Accounting from University of Bedfordshire, UK

Melissa was appointed as CFO of EcoWorld International on 1 September 2016 overseeing the corporate and finance related matters.

Melissa started her career with the internal audit department of Sunway Holdings Berhad (now known as Sunway Berhad). In 2001, she joined the corporate finance department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) ("**Maybank IB**"). During her six-year tenure in Maybank IB, she was involved in various corporate

transactions specialising in mergers and acquisitions, take-overs and equity fund raising activities.

Subsequently, Melissa joined S P Setia in 2007 as a Senior Manager within the Corporate Finance Department. She was the primary person assisting the Head of Corporate Finance and thereafter the CFO in the implementation of S P Setia's financial strategies. She implemented two major placement exercises which raised in total more than RM1.8 billion and played a direct role in securing regulatory approvals and advising on corporate finance related matters. In 2013, she was promoted to Head of Corporate Finance overseeing corporate financial planning where she anchored the equity and debt capital market functions along with the regulatory compliance on corporate finance matters. Under her stewardship, S P Setia successfully completed the issuance of a RM700 million Sukuk Musharakah Programme which clinched two Islamic finance awards, namely the Perpetual Deal of the Year and Musharakah Deal of the Year in 2014.

In April 2014, Melissa joined EcoWorld Malaysia as the Head of Corporate Finance primarily responsible for the EcoWorld

Malaysia's corporate financial planning and she was leading the IPO exercise of EcoWorld International. Within a span of approximately two years, Melissa spearheaded the implementation of six major corporate transactions involving acquisitions and JV arrangements, which enabled the EcoWorld Malaysia to increase its landbank from 1,017 acres in 2013 to 7,443 acres by 31 October 2015, and facilitated a RM2.8 billion equity fund raising for its growth and expansion plans.

She does not hold any directorship in any public companies and listed issuers in Malaysia. She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

2 | TAN CHENG YONG*Chief of Design & Planning*

Malaysian | Aged 61 | Male

Qualifications:

- Bachelor of Arts in Architecture (Royal Institute of British Architects ("RIBA" Part I) from Leeds Metropolitan University, UK
- Diploma in Architecture (RIBA Part II) from Leeds Metropolitan University, UK
- Chartered Member of (RIBA Part III) from University of Westminster, UK

Mr Tan was appointed as Chief of Design & Planning of EcoWorld International on 1 January 2016.

He began his professional working life in 1984, where he spent eight years as an architect in the UK. He worked with the Greater London Council, Michael Haskoll Associates and Chapman Taylor Partners, focusing on general architecture design and detailing, contract administration as well as accumulating extensive experience and knowledge in the design and building of major shopping malls in the UK.

In 1992, he returned to Malaysia to join the Lion Group as General Manager for Commercial and Integrated Developments Division. As the General Manager for that division, he was instrumental in ensuring the success of the entire operational process within the property development value chain for the projects including shopping malls, hotels, serviced apartments, office towers and integrated township developments.

Thereafter, he joined S P Setia as a Project Director in 2011 and was later promoted to the position of Senior Project Director in 2012. He oversaw the execution of the KL Eco City project, an integrated mixed commercial and residential development in Malaysia. He also led a team in conceptualising the development master plan for S P Setia's proposed Setia Federal Hill project.

In addition, he was appointed by BPSDC to be a member of the Tender Committee in 2012. As a member of the Tender Committee, he oversaw the technical aspects of the Battersea Power Station project such as procurement and technical due diligence. He was also the Chief Design Review Officer of BPSDC responsible for overseeing the project design and product development across all its development phases.

Currently, he oversees the execution of EcoWorld International projects in UK and Australia as the Chief of Design & Planning.

He does not hold any directorship in any public companies and listed issuers in Malaysia. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

3 | DATO' NORHAYATI BINTI SUBALI*Chief of Sales & Marketing*

Malaysian | Aged 53 | Female

Qualifications:

- Bachelor of Science (Honours) in Urban Estate Management from Liverpool John Moores University, UK

Dato' Norhayati was appointed as Chief of Sales & Marketing of EcoWorld International on 1 August 2015.

Upon graduation in 1987, she joined Juru Bena Tenaga Sdn Bhd as a Marketing Executive and left in 1990 to join SKJ as an Assistant Manager, Sales and Marketing. When SKJ was injected into S P Setia via a reverse take-over in 1995, she was promoted to the position of Assistant General Manager, Property Central, a position she held until 2002.

She was later promoted to the position of General Manager, Property Central

and held that position for seven years. She was responsible for master planning, marketing, sales and implementation of the Setia Alam project in Shah Alam as well as quality control.

Dato' Norhayati was promoted to Divisional General Manager, Luxury Residences and Group Marketing in 2009. In this role, she oversaw the marketing of high-end luxury high-rise condominium known as "Setia Sky Residences" in Kuala Lumpur.

She was promoted to the position of Divisional General Manager, Group Marketing and International Properties in 2012. Her role included planning and implementation of marketing and sales strategies for the Group Marketing and International Properties Division as well as overseeing the brand building, approves marketing collaterals and ensures the alignment of the brand in new overseas markets.

With S P Setia's venture into overseas markets such as Australia and the UK, she was actively involved in the marketing campaigns of the Group's international properties not only in Malaysia but also in the region. She led the team that researched and identified development features that would be attractive to

Malaysian investors in the UK and Australia. She led the team which was responsible in setting up the Setia International Centre located in Kuala Lumpur.

She was appointed as Managing Director of Battersea Power Station Malaysia Sdn Bhd in 2012. In this capacity, she was primarily responsible for coordinating the global sales launches of the Battersea Power Station project.

As a Chief of Sales & Marketing of EcoWorld International, she is responsible for the development of the marketing strategies and execution of the sales programmes for international projects of the Company.

She does not hold any directorship in any public companies and listed issuers in Malaysia. She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

4 | CHEONG HENG LEONG
CEO, International Business (UK)

Malaysian | Aged 37 | Male

Qualifications:

- Bachelor of Arts in Economics and Management (Upper Second Class Honours) from University of Oxford, UK
- Master of Science Real Estate Economics and Finance (Distinction) from London School of Economics and Political Science, UK

Mr Cheong was appointed as CEO, International Business (UK) of EcoWorld International on 1 October 2015, in charge of development in UK projects.

In 2006, he joined the Investor Relations department of S P Setia, responsible for liaising with local and foreign analysts and fund managers through one-on-one meetings, conferences and roadshows in Malaysia, Singapore, Hong Kong,

Thailand, Japan, the United States and the UK. He was ranked third and second in the Malaysian Investor Relations Association Awards for the Best Investor Relations Professional – Mid Cap in 2010 and 2011 respectively.

He was tasked with additional responsibilities in 2011 where he was responsible for helping the Malaysian consortium of S P Setia, Sime Darby and EPF in identifying and subsequently acquiring the development site for the Battersea Power Station project in Central London. He was the 'point-man' responsible for the day-to-day management of the extensive due diligence team of bankers, lawyers, accountants, property and technical consultants.

Following the successful acquisition of Battersea Power Station, he was promoted in 2012 to be the General Manager, Property UK. In recognition of the project knowledge that he had amassed, he was subsequently nominated by S P Setia, Sime Darby and EPF in 2012 to serve as the Chief Strategic Relations Officer of the UK-based BPSDC, reporting directly to the Chairman.

He resigned from his position as General Manager, Property UK of S P Setia and Chief Strategic Relations Officer of

BPSDC in September 2015 to join Eco World Management & Advisory Services (UK) Limited as CEO and was based in London. His main responsibilities include identifying new real estate opportunities for EcoWorld International and helping to oversee the implementation of the JV developments with Ballymore on behalf of the JV's majority shareholders.

He was instrumental in securing the majority acquisition of the Willmott Dixon residential development business, which potentially increases EcoWorld International's business in the UK by fourfold.

He does not hold any directorship in any public companies and listed issuers in Malaysia. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

5 | YAP FOO LEONG
CEO, International Business (Australia)

Australian | Aged 59 | Male

Qualifications:

- Licensed Real Estate Agent, Australia
- Chartered Institute of Management Accountants, UK
- Diploma in Business (Real Estate Management) from Macleay College, Australia

Mr Yap was appointed as CEO, International Business (Australia) of EcoWorld International on 1 July 2014, in charge of development in Australia projects.

He first started work in 1981 with the Hong Leong group of companies in Malaysia and held various positions until 1987. His last posting was in Hume Fibreboard Sdn Bhd as the Finance Manager until he left to join Gamuda Berhad in 1993. In year 2000,

he was transferred to Syarikat Pengeluar Air Sungai Selangor as the Senior Manager, in charge of finance.

In early 2001, he migrated to Australia where he joined Dealruby Pty Ltd which is part of the Richbout Group as a Director overseeing the entire spectrum of the group's business, mainly in property development and management. Besides property management, he also implemented projects and was involved in various activities from site identification to successful marketing of properties and controlling of overall cost and quality.

He left Dealruby Pty Ltd in July 2014 and joined Eco World Sydney Development Pty Ltd as the CEO, International Business (Australia). He was instrumental in identifying the West Village, Parramatta project and conducted due diligence on the site. His main responsibility is to identify new projects and expand the EcoWorld International brand as well as to build the EcoWorld team in Australia. He also oversees the overall operations of the West Village, Parramatta project.

He does not hold any directorship in any public companies and listed issuers in

Malaysia. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

STATEMENT ON CORPORATE GOVERNANCE

This statement is prepared pursuant to the principles and recommendations of the Malaysian Code on Corporate Governance ("**MCCG**") issued by the SC and Paragraph 15.25 of the MMLR of Bursa Malaysia. The Board took cognizance of the introduction of the new MCCG and the amended MMLR, which is applicable for the Annual Report issued for the financial year ended 31 December 2017 onwards.

BOARD ROLES

The Board is collectively responsible for the long-term success of the Group. With due regard to the views of shareholders and other stakeholders including its customers, communities and employees, the Board also provides leadership and direction to the business as a whole. The roles and responsibilities of the Board are clearly defined in the Board Charter, which is subject to annual review and revise as and when required. The Board Charter was approved by the Board on 25 January 2018 and is available at our corporate website, www.ecoworldinternational.com.

The principal roles and responsibilities of the Board

- Together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- Review, challenge and decide on Management's proposals for the Company and monitor its implementation by Management;
- Ensure that the strategic plan and direction of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- Supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;
- Ensure there is a sound framework for internal controls and risk management;
- Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- Ensure that Senior Management has the necessary skills and experience and there are measures in place to provide for the orderly succession of Board and Senior Management;
- Ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- Ensure the integrity of the Company's financial and non-financial reporting.

MATTERS RESERVED FOR THE BOARD AND DELEGATED AUTHORITIES

In order to retain control of key decisions and ensure there is a clear division of responsibilities between running of the Board and running of the Company's business, the Board has identified the following 'Reserved Matters' that need to be decided by the Board:

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limit of authority;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

Other than the above, the Board has its discretion to delegate certain mandates to its Board Committees. Other matters, responsibilities and authorities for the development and implementation of strategy as well as day-to-day management have been delegated to its Executive Directors and Management.

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board, the Executive Vice Chairman ("**EVC**") and the President & CEO. This division ensures that there is a clear and proper balance of power and authority. The positions of the Chairman and President & CEO are separated and clearly defined.

The Chairman is responsible for:

- Leading the Board in setting the values and standards of the Group;
- The balance of membership, subject to Board and shareholders' approval;

STATEMENT ON CORPORATE GOVERNANCE

- Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- Ensuring effective communication with shareholders and relevant stakeholders; and
- Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations are maintained between Executive and Non-Executive Directors.

The EVC is responsible for:

- Strategic planning, business development and overseeing the Group's business operations together with the President & CEO;
- Formulation of high level-strategies of the Group and together with the President & CEO, directing the overall growth of the Company; and
- The Group's business operations.

The President & CEO is responsible for:

- Executive management of the Group's business covering, inter alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management performance and the analysis of management reports;
- Effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
- Be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- Coordinating business plans with the business heads, resolving management issues through the Board and overseeing divisional function groups and cost management process in consultation with the CFO and the regional offices or head office of the Group; and
- Assessing business opportunities which are of potential benefit to the Company.

BOARD COMPOSITION

The composition of the Board is fundamental to its success in providing strong and effective leadership. We continue to have a strong mix of experienced individuals on the Board with half of the Board being Independent Non-Executive Directors who are able to offer an external perspective on the business and constructively challenge the Executive Directors, particularly when developing the Company's strategy. The Non-Executive Directors scrutinise the performance of Management in meeting their agreed goals and objectives and monitor the reporting of performance.

Currently, the Board has 10 members comprising five Independent Non-Executive Directors, two Executive Directors and three Non-Independent Non-Executive Directors. The Company had complied with Paragraph 15.02 of the MMLR of Bursa Malaysia which stipulates that at least two directors or one-third of the Board, whichever is higher, must be independent. The breadth of knowledge, skills and experience of our Directors are detailed in their profile on pages 44 to 48 of this Annual Report.

The high calibre of debate and the participation of all Executive Directors and Non-Executive Directors allow the Board to utilise the experience and skills of the individual Directors to their maximum potential and make decisions that are in the best interest of the Company.

In line with the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine years. However, an Independent Director may continue to serve on the Board upon reaching the nine-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after he/she has served a cumulative term of nine years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the NRC is entrusted to assess the candidates suitability to continue as Independent Directors having due regard to their performance and ability to continue contributing to the Board in the light of knowledge, skills and experience.

As at date of this statement, none of the Independent Directors has served for more than nine years on the Board.

BOARD CULTURE

One of the Board culture is to promote openness and constructive debate. The Directors voice their opinions in a relaxed and respectful environment, allowing coherent discussion. The Chairman is responsible for maintaining this culture. He does so by ensuring information of an appropriate quality is provided in a timely manner before Board meetings which leads to focused discussion in the boardroom. During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to debates and provide views proactively.

EFFECTIVENESS

The Board and each Committee receive sufficient, reliable and timely information in advance of meetings and are provided with or given access to all necessary resources and expertise to enable them to fulfil their responsibilities and undertake their duties in an effective manner.

STATEMENT ON CORPORATE GOVERNANCE

The Board meets on a quarterly basis and additionally as and when required. Prior to Board meetings, all Directors are furnished with the notice which sets out the matters to be discussed at least seven days prior to the meetings.

The board papers are uploaded via board portal within a reasonable period prior to the meetings for the Directors to review, obtain further clarification if necessary and to enable focused and constructive deliberation at Board meetings. All reports are presented clearly and contain the appropriate level of detail to enable the Board to discharge its duties.

A total of nine Board meetings were held during FY2017. The attendance record of each Director is set out below. Each Director's attendance record is considered when assessing whether they should stand for re-election by shareholders. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors.

Name of Directors	Total Meetings Attended
✦ Tan Sri Azlan Bin Mohd Zainol	9/9
✦ Tan Sri Dato' Sri Liew Kee Sin	9/9
✦ Dato' Teow Leong Seng	9/9
✦ Cheah Tek Kuang	9/9
✦ Dato' Voon Tin Yow [#]	1/1
✦ Choong Yee How [*]	4/4
✦ Cheng Hsing Yao [*]	4/4
✦ Tan Sri Datuk Dr Rebecca Fatima Sta Maria [*]	4/4
✦ Dato' Seri Ahmad Johan Bin Mohammad Raslan	9/9
✦ Dato' Siow Kim Lun	8/9
✦ Datuk Heah Kok Boon ^{*@}	3/3

* Appointed on 27 April 2017

Appointed on 14 September 2017

@ Resigned on 14 September 2017

Procedures are in place for Directors to seek both independent professional advice at the Company's expense and have access to the Company Secretaries in order to fulfill their duties and specific responsibilities.

The Board members are required to disclose and update their directorships and shareholdings in other companies as and when necessary. The Directors are also expected to comply with Paragraph 15.06 of the MMLR of Bursa Malaysia on the maximum number of five directorships they can hold in public listed companies to ensure that they are able to commit sufficient time for the Company.

The meeting calendar has been circulated before the start of the calendar year to allow Directors to plan ahead. Additional meetings may be convened as and when necessary should major issues arise that need to be resolved between scheduled meetings. Relevant management personnel are invited to Board meetings to report and apprise the Board on operations and other developments within their respective purview.

The proceedings of Board meetings are minuted and circulated within a reasonable time. The confirmed minutes were signed by the Chairman of the meeting

and properly kept. Minutes of meetings of each Committee are also tabled to the Board for notation and the Directors may request clarification or raise comments on the minutes wherever necessary.

The Directors are required to notify the Company of any potential conflicts of interest that may affect them in their roles as Directors of EcoWorld International. All potential conflicts of interest are authorised by the Board at the earliest opportunity. Where the Board is considering a matter in which a Director has an interest, such Director shall abstain from all deliberations and decision-making on the subject matter. In the event Directors are unable to attend Board meetings physically, the Company's Articles of Association allows for such meetings to be conducted via telephone, video conference or any other form of similar electronic tele-communicating equipment.

The Non-Executive Directors are kept well informed on the key developments in the business delivered by the Management at Board meetings every quarter. Specific input from the Non-Executive Directors is also sought when significant investment decisions and strategic initiatives are reviewed and discussed.



- Approved IPO on the Main Market of Bursa Malaysia
- Deliberated on business strategies, business opportunities and growth plans
- Briefed on the project and property market updates in UK and Australia
- Approved the acquisition of Yarra One in Melbourne from Salcon Berhad and Macquarie Park in Sydney
- Approved and adopted revised Board Charter and Terms of Reference of Board Committees to be in line with amendments to MCCG and MMLR of Bursa Malaysia
- Reviewed EcoWorld International's sustainability strategy and roadmap and approved the reporting framework to identify sustainability drivers
- Approved and adopted various policies such as Board Diversity Policy, Directors' Remuneration Policy, Code of Conduct and Business Ethics of Directors and Employees and Financial Limits of Authority
- Reviewed the gap analysis of MCCG 2012 and MCCG 2017 and the corresponding action plans
- Briefed on reporting and disclosure obligations in relation to related party transactions by Directors and/or persons connected with them
- Approved the eight-months audited financial statements ("**AFS**") for the period ended 30 June 2016
- Approved the AFS for the FY2017
- Approved the quarterly reports for the various quarters ended 31 January 2017, 30 April 2017 and 31 July 2017
- Reviewed the Group's performance for the FY2017
- Approved the Group's Budget and Business Plan for FY2018
- Approved the appointment and resignation of Directors of the Company
- Approved the change of composition of the Board Committees
- Approved and adopted the Risk Management Policy and Guidelines Documents
- Reviewed and assessed adequacy and effectiveness of risk management and internal control systems
- Discussed and reviewed the internal audit findings and recommendations for improvement

STATEMENT ON CORPORATE GOVERNANCE

SUSTAINABILITY

The Board is mindful of the importance of building a sustainable business and has taken steps to ensure that the Group's strategies continue to promote sustainability, with attention given to environmental, social and governance aspects of the Group's business.

The Group's initiatives on sustainability for the year under review are set out on pages 22 to 40 of this Annual Report.

FINANCIAL REPORTING

The Board commits to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, through the AFS and quarterly results. Apart from that, Chairman's Statement and President's Management Discussion & Analysis in this Annual Report provides insightful explanation of the Group's performance, operations as well as prospects to the shareholders.

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting. Timely release of quarterly results, AFS and Annual Report reflects the Board's commitment to provide transparent and up-to-date disclosures to the public.

The Board also upholds the integrity of financial reporting by the Company. The External Auditors have confirmed to the Board their independence in providing both audit and non-audit services up to the date of this statement.

A summary of the activities of the AC is set out in the Report of the AC on pages 58 to 60 of this Annual Report.

COMPANY SECRETARY

All directors are advised and supported by the Company Secretary. The key role of the Company Secretary is to provide unhindered advice and services for the Directors as and when the need arises to enhance the effective functioning of the Board and to ensure regulatory compliance. The primary functions of the Company Secretary are:

- Advising the Board on matters related to corporate governance and MMLR;
- Ensuring that Board procedures and applicable rules are observed;
- Maintaining records of the Board and ensuring effective management of the Company's statutory records;
- Preparing minutes to document Board proceedings and ensuring conclusions are accurately recorded;
- Assisting the communications between the Board and Management; and
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post. The Company Secretaries have attended trainings and seminars to keep abreast of relevant changes in law and regulations in order to enhance the effective function of the Board and to ensure regulatory compliance.

CODE OF CONDUCT AND BUSINESS ETHICS

EcoWorld International is committed to maintaining a high standard of code of conduct and business ethics, the value of integrity is the cornerstone of the code. The Board and all employees are guided by the Code of Conduct and Business Ethics for Directors and Employees.

The Board reviewed and approved the Code of Conduct and Business Ethics for Directors and Employees on 12 October 2017. The Code of Conduct and Business Ethics for Directors and Employees is available at our corporate website, www.ecoworldinternational.com.

WHISTLEBLOWING POLICY

Constructive whistleblowing is viewed positively by the Group as a means in ensuring integrity standards are upheld and maintained at the highest level. The Group adopted a Whistleblowing Policy to enable stakeholders to raise in confidence possible corporate misdemeanours without fear of intimidation or reprisal.

The Whistleblowing Policy provides an avenue for stakeholders to raise a legitimate concern about any actual or suspected improprieties involving the resources of the Group at the earliest opportunity for expeditious investigation. The Group is committed to absolute confidentiality and fairness in relation to all matters raised and will support and protect those who report violations in good faith.

The whistleblower reporting form and the contact details of the WC are available at our corporate website, www.ecoworldinternational.com.

RISK MANAGEMENT AND INTERNAL CONTROLS

EcoWorld International has in place on-going process for identifying, evaluating and managing significant risks that may affect the business. The Board through RMC, which comprises of majority Independent Directors, review the key risks identified to ensure proper management and mitigate weakness. Risk Management Policy and Guidelines Documents was approved and adopted by the Board on 8 December 2016.

The Board determines the extent and nature of the risks it is prepared to take in order to achieve the Company's strategic objectives.

STATEMENT ON CORPORATE GOVERNANCE

The Board recognises the importance of risk management and internal controls in the overall management processes. An overview of the Group's risk management and state of internal controls is set out in the Group's Statement on Risk Management and Internal Control on pages 68 to 72 of this Annual Report.

The Board has responsibility for the Company's overall approach to risk management and internal control. The Board's responsibilities include ensuring the design and implementation of appropriate risk management and internal control systems. Oversight of the effectiveness of these systems is delegated to the RMC which undertakes regular reviews to ensure that the Group is identifying, considering and mitigating, as far as practicable, the most appropriate risks for the business.

RELATIONS WITH SHAREHOLDERS

The Board is committed to maintain open channels of communication with the shareholders, not least in providing regular updates about the Company as well as responses to any issues and questions raised by the shareholders.

The Company has a Disclosure and Communication Policy that enables the Company to disclose comprehensive and timely information.

The Board recognises the importance of keeping shareholders, investors, research analysts, bankers and the press informed of the Group's business performance, operations and corporate developments. Material announcements such as financial results and other key matters are provided in a timely manner to both retail and institutional shareholders.

The AGM of the Company serves as the principal forum that provides the opportunity for shareholders to raise questions pertaining to issue in the Annual Report, AFS, proposed resolutions, corporate development and businesses of the Group. The Chairman, Chairman of each Board Committees, the President & CEO, CFO and External Auditors, if so required, will respond to shareholders' questions during the meeting. Shareholders who are unable to attend are allowed to appoint up to two proxies to attend and vote on their behalf. The notice of AGM will be circulated at least 28 days before the date of the AGM to enable shareholders to make necessary arrangement to attend the AGM.

In line with Paragraph 8.29A of the MMLR of Bursa Malaysia, the Company will implement poll voting for all the resolutions set out in the notice of AGM. The Company will appoint scrutineers to validate the votes cast at the AGM.

The corporate website also serves as another channel of communication for shareholders, investors and the general public. Information such as announcements made to Bursa Malaysia and overview of the Group's projects as well as documents such as Board Charter, Whistleblowing Policy, Code of Conduct and Business Ethics for Directors and Employees can be obtained from our corporate website, www.ecoworldinternational.com.

EcoWorld International has a dedicated Investor Relations team which reports to the CFO. Investors and analysts receive regular updates from the Company including Investor Relations events, one-to-one and group meetings with Senior Management and property or asset tours, as well as regular contact with the Investor Relations team.

During the year, the President & CEO, CFO and our Investor Relations team met with various institutional investors in the following events:

FEB 2017	Investor roadshow for IPO
JUNE 2017	Analysts briefing for the period ended 30 April 2017
SEPT 2017	Results conference call for third quarter ended 31 July 2017

Our Investor Relations team is also available for meeting with the existing and potential investors upon request.

Our Senior Independent Non-Executive Director, Mr Cheah Tek Kuang is also available to address any concerns by the stakeholders, other than the usual channels of the Chairman, EVC and President & CEO.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE AUDIT COMMITTEE


**DATO' SERI AHMAD JOHAN
BIN MOHAMMAD RASLAN**

Chairman of the AC

AC members' attendance for the FY2017

Dato' Seri Ahmad Johan Bin Mohammad Raslan (Chairman) <i>Independent Non-Executive Director</i>	4/4
Tan Sri Azlan Bin Mohd Zainol <i>Chairman/Independent Non-Executive Director</i>	4/4
Dato' Siow Kim Lun <i>Independent Non-Executive Director</i>	4/4

TERMS OF REFERENCE

The scope of duties and responsibilities of the AC stated in the Terms of Reference is available at our corporate website at www.ecoworldinternational.com

COMPOSITION AND MEETINGS

The AC was established by the Board on 24 November 2014. The AC assists the Board in fulfilling the Board's responsibilities with respect to its oversight responsibilities on the integrity of the Group's financial reporting process and its audit process.

The AC comprises three members who are Independent Non-Executive Directors. All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. Both Dato' Seri Ahmad Johan Bin Mohammad Raslan and Tan Sri Azlan Bin Mohd Zainol are the Fellow member of the Institute of Chartered Accountants in England and Wales and member of the Malaysian Institute of Accountants. The Company had complied with Paragraph 15.09 of the MMLR of Bursa Malaysia.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently tabled to the Board for notation. The AC Chairman reported to the Board the activities that had been undertaken and the key recommendations for the Board's consideration and decision.

**AC'S APPROACH TOWARDS THE GROUP'S FINANCIAL
REPORTING AND AUDIT PROCESS**

The AC plays a crucial role in the provision of effective governance over the appropriateness of the Company's financial reporting including the adequacy of related disclosures, the performance of both the Internal Audit function and the External Auditors.

The work of the AC is intended to ensure adequacy, transparency and compliance with the relevant accounting standards and that the financial statements give a true and fair view of the state of affairs of the Group.

The AC takes due care and responsibility for presenting a fair, balanced and comprehensible assessment of the Group's operations, performance and prospects each time it releases its quarterly results to shareholders and the general public.

The executive team of Management attended all the meetings of the AC and they provided the AC with explanations on matters that were discussed.

The External Auditors also attended and briefed the AC on matters relating to external audit and provide a review of the financial position of the Group at the meetings. Time was also set aside for the External Auditors of the Company for the private discussions with the AC in the absence of Management in order to discuss on the key audit challenges faced.

The Chief Audit Executive met privately with the AC twice for discussion on internal audit related matters without the presence of management during the year of review.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE AUDIT COMMITTEE (CONTINUED)**KEY ACTIVITIES OF THE AC**

The AC has undertaken the following key activities:

1 EXTERNAL AUDIT

- Reviewed and discussed with the External Auditors the audit findings in relation to the AFS for FY2017.
- Reviewed the Audit Planning Memorandum for FY2017 with the External Auditors.
- Met with the External Auditors on 14 June 2017 and 13 December 2017 without the presence of the Executive Board members and Management to enquire the extent of assistance rendered by Management, issues on audit and accounting and suggestions arising from the audits.
- Reviewed and assessed the independence, objectivity and capabilities of the External Auditors, among others, their expertise, experience, network and quality of services provided.
- Reviewed and recommended the re-appointment of External Auditors to the Board after taking into consideration the independence and objectivity of the External Auditors.
- Reviewed, monitored and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of non-audit services does not impair their independence or objectivity as the External Auditors of the Group.

2 FINANCIAL REPORTING

- Reviewed the quarterly results with Management and External Auditors for recommendation to the Board for approval and release to Bursa Malaysia.
- Reviewed AFS for FY2017 with Management and External Auditors and recommended to the Board for approval.

3 RELATED PARTY TRANSACTIONS

- Reviewed all recurrent related party transactions to be entered into by the Group to ensure that the transactions entered into were on arm's length basis and on normal commercial terms and not detrimental to the interests of minority shareholders.

4 INTERNAL AUDIT

- Reviewed and approved the Internal Audit Charter and Internal Audit Methodology of the internal audit function.
- Reviewed and approved the Internal Audit Annual Plan for the FY2017 to ensure adequate scope and coverage of the activities of the Group which was prepared based on a risk-based approach.
- Reviewed and deliberated on the Internal Audit Reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Group and ensure that there were management action plans established.
- Met with the GCG team to discuss any issues or significant matters without the presence of the Executive Board members and Management on 15 March 2017 and 13 September 2017.
- Monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.
- Evaluated the performance of the GCG during the FY2017 as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.
- Reviewed the gap analysis for MCCG 2012 and 2017 and the corresponding action plans.
- Reviewed the Internal Audit Reports of EcoWorld-Ballymore by BDO LLP ("**BDO**"), the Internal Auditors of EcoWorld-Ballymore.

5 OTHER ACTIVITIES

- Reviewed the revised terms of reference of the AC and recommended the same for Board's approval.
- Engagement by the AC Chairman on a continuous basis with the Management, GCG and External Auditors in order to keep abreast of matters and issues affecting the Group.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

**AC MEMBERS' TRAINING**

The details of training programmes and seminars attended by each AC member during the year under review are set out in the Report of Nomination Committee on pages 61 to 63 of this Annual Report.

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by GCG which reports directly to the AC. GCG works closely with BDO who is undertaking the internal audit of EcoWorld-Ballymore pertaining to the London operations in view of BDO's familiarity in UK's regulations and environment.

The Internal Audit Annual Plan was prepared based on a risk-based approach for the approval of the AC. The AC had reviewed and tested the system of internal controls and key operating processes as to enhance the Group's internal control and governance processes and progressively issuing the detailed Internal Audit Reports to the AC. The gap analysis pertaining to the MCCG for 2012 and 2017 was performed and reported to the AC. Follow-up on the status of implementation of previously issued audit recommendations were performed and the follow-up reports were issued to the AC progressively. Review of the related party transactions were also performed on quarterly basis.

The total cost incurred for the Internal Audit function for FY2017 was approximately RM2.19 million (which included the portion of the fees pertaining to BDO amounting to RM642,000).

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE NOMINATION COMMITTEE



CHEAH TEK KUANG

Chairman of the NC

NC members' attendance for the FY2017

Cheah Tek Kuang (Chairman) <i>Senior Independent Non-Executive Director</i> <i>*Appointed as Chairman on 27 April 2017</i>	2/2
Tan Sri Azlan Bin Mohd Zainol <i>Chairman/Independent Non-Executive Director</i> <i>*Re-designated as member on 27 April 2017</i> <i>*Resigned on 14 September 2017</i>	2/2
Dato' Siow Kim Lun <i>Independent Non-Executive Director</i>	2/2
Tan Sri Datuk Dr Rebecca Fatima Sta Maria <i>Independent Non-Executive Director</i> <i>*Appointed on 14 September 2017</i>	N/A

TERMS OF REFERENCE

The scope of duties and responsibilities of the NC stated in the Terms of Reference is available at our corporate website at www.ecoworldinternational.com

COMPOSITION AND MEETINGS

The Nomination Committee ("**NC**") was established by the Board on 24 November 2014. The NC assists the Board to propose new nominees for the Board's consideration, apart from assessing the effectiveness, size and composition of the Board.

The NC comprises three members who are Independent Non-Executive Directors and the NC is chaired by the Senior Independent Non-Executive Director of the Company, Mr Cheah Tek Kuang. The Company has complied with Paragraph 15.08A(1) of the MMLR of Bursa Malaysia.

During the year under review, Mr Cheah Tek Kuang assumed the role of Chairman of the NC from Tan Sri Azlan Bin Mohd Zainol. Mr Cheah Tek Kuang was also appointed as the Senior Independent Director of the Company. Other changes in the composition of the NC during the year under review include the appointment of Tan Sri Datuk Dr Rebecca Fatima Sta Maria as a member of NC and resignation of Tan Sri Azlan Bin Mohd Zainol as a member of NC.

On 14 December 2017, the NC and Remuneration Committee were merged and renamed as NRC.

Minutes of each NC meeting were recorded and tabled for confirmation at the following NC meeting and subsequently tabled to the Board for notation. The NC Chairman reported to the Board the activities that had been undertaken and the key recommendations for the Board's consideration and decision.

NC'S APPROACH TOWARDS COMPOSITION OF THE BOARD

The NC is delegated with responsibilities to assess and recommend the candidates in line with criteria stipulated in its Terms of Reference, inter-alia, the required mix of skills, knowledge, expertise and experience, time commitment, integrity and competencies in meeting the needs of the Company.

In evaluating the suitability of the aforesaid Directors, the NC had reviewed and considered their education background, professionalism, skills, knowledge, expertise and experience. In addition, the NC also discussed and considered boardroom diversity including gender and age diversity with a view to achieving a sustainable and balance Board.

In regards to the candidates for appointment as Independent Director position, the NC assessed the potential candidate's suitability. The candidates are required to declare and confirm in writing their independence based on the criteria on independence as set out in the MMLR of Bursa Malaysia.

In sourcing for candidates, the NC does not solely rely on recommendations from the existing board members, management or major shareholders. They also tap on various channels to identify suitable qualified candidates.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE NOMINATION COMMITTEE (CONTINUED)



The following are the criteria required of Board members before recruitment:

	• The ability to make informed business decisions and recommendations
	• An entrepreneurial talent for contributing to the creation of shareholder value
	• Relevant experience in regional and/or international markets
	• Education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Company's business or to its status as a publicly owned company
	• Ability to ask probing operational related questions, high ethical standards and sound practical sense
	• Sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed
	• Total commitment to furthering the interests of shareholders and the achievement of the Company's goals

INDUCTION

Newly appointed Directors will undergo induction which will assist the new Directors to familiarise with the environment that the Group operates in. The Management, as and when necessary, will arrange site visits to the Company's projects to give the newly appointed Directors a visual perspective of the Group's operations. The newly appointed Directors will also be advised in terms of disclosure requirements and provided with the statutory documents of the Company such as Memorandum and Articles of Association, Board Charter and other relevant disclosures forms to assist them in discharging their role as a Director of the Company.

PROFESSIONAL DEVELOPMENT, SUPPORT AND TRAINING FOR DIRECTORS

Directors continued to receive regular reports facilitating greater awareness and understanding of the Group's business and the legal, regulatory and industry-specific environment in which it operates.

The list of Directors' Trainings was emailed to the Directors on quarterly basis to ensure they have access to appropriate continuing education programmes. All Directors are encouraged to attend various external professional programmes which are relevant and useful in contributing to the effective discharge of their duties as Directors. For the year under review, Directors have attended various programmes to keep abreast with relevant changes in law, regulations and industry developments. Details of the trainings attended by the Directors are set out below:

Name of Directors	Title
Tan Sri Azlan Bin Mohd Zainol	• Company Bill 2016 • P2P/Crowd Funding/Crowd Sourcing • Sustainability Reporting • Blockchain Technology and Potential Use Cases in Financial Services • Financial Stability and Payment Systems Report 2016 • Islamic Banking by 2030: Impact of Digital Economy, Fintech & Sustainability as Force of Change • Compliance Conference 2017 • Board Selection – Engagement with Potential Directors • New MCCG • China's Banking Industry: Opportunities for Growth • MCCG: Expectations & Implications • Value-based Intermediation Dialogue • Global Prospective on Critical Success and Failure Factors in the Islamic Financial Industry
Tan Sri Dato' Sri Liew Kee Sin	• Sustainability Reporting • New MCCG • Sharing Session On "Effective Presentation – Some Ways To Do It" • EcoWorld Women's Summit 2017
Dato' Teow Leong Seng	• Sustainability Reporting • Companies Act 2016 • New MCCG • Investment Analysis on Property Industry • Anti-Bribery & Corruption, Fraud, Anti-Money Laundering & Whistleblowing

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE NOMINATION COMMITTEE (CONTINUED)



Name of Directors	Title
Cheah Tek Kuang	• The Velocity of Global Change & Sustainability – The New Business Model • Sustainability Reporting • Global Transformation Forum 2017 • Companies Act 2016 • New MCGG • Invest Malaysia 2017 • Dealing with Issues and Expectations on AC, Risk Management and Stakeholder Management • Fraud Risk Management • Megatrends Forum 2017
Dato' Voon Tin Yow	• Sharing session on "Effective Presentation – Some ways to do it" • EcoWorld Women's Summit 2017 • Companies Act 2016 • Key Changes to Companies Act 2016 • Sustainability Reporting 2017 • Corporate Governance Breakfast Series – Thought Leadership Session for Directors – Leading in a Volatile, Complex, Ambiguous World
Choong Yee How	• Update on Companies Act 2016 • Impact on Opportunities for Manufacturing • New MCGG • Anti-Bribery & Corruption, Fraud, Anti-Money Laundering & Whistleblowing
Cheng Hsing Yao	• Mandatory Accreditation Programme • New MCGG • Anti-Bribery & Corruption, Fraud, Anti-Money Laundering & Whistleblowing
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	• New MCGG • Sharing session on MFRS 9 • Presentation on managing Non-Tariff Measures in ASEAN • Presentation on ASEAN e-Commerce Initiative • ASEAN Seamless Trade Facilitator Indicator
Dato' Seri Ahmad Johan Bin Mohammad Raslan	• Sustainability Reporting • New MCGG
Dato' Siow Kim Lun	• The Velocity of Global Change & Sustainability • Sustainability Reporting • Value Creation and Business Partnering • The new Governance Framework for Directors and Management • Companies Act 2016 • New MCGG • International Corporate Governance Network Annual Conference • Credit Risk and Anti-Money Laundering Training

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE NOMINATION COMMITTEE (CONTINUED)



KEY ACTIVITIES OF NC

The NC has undertaken the following key activities:

- Reviewed the revised terms of reference of the NC and recommended the same for the Board's approval.
 - Reviewed and assessed the profile of the following persons for appointment as directors and subsequently recommended to the Board for approval:
 - a) Dato' Voon Tin Yow as Non-Independent Non-Executive Director
 - b) Datuk Heah Kok Boon as Non-Independent Non-Executive Director
 - c) Mr Choong Yee How as Non-Independent Non-Executive Director
 - d) Mr Cheng Hsing Yao as Non-Independent Non-Executive Director
 - e) Tan Sri Datuk Dr Rebecca Fatima Sta Maria as Independent Non-Executive Director
 - Reviewed and recommended the re-election of following Directors at the 4th AGM:
 - a) Dato' Teow Leong Seng
 - b) Dato' Voon Tin Yow
 - c) Mr Choong Yee How
 - d) Mr Cheng Hsing Yao
 - e) Tan Sri Datuk Dr Rebecca Fatima Sta Maria
 - f) Dato' Siow Kim Lun

All retiring Directors, being eligible, have offered themselves for re-election at the 4th AGM.
 - Assessed the effectiveness of the Board, Board Committees and the contribution of each Director and their training needs. The Board's evaluation was conducted based on specific criteria, covering structure, operations, roles and responsibilities of the Board and Board Committees, relationship with Management and the required mix of skills and experience of each Director and the Board.
- In carrying out its recent annual review, the NC is satisfied that the size of the Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. All assessments and evaluations carried out by the NC in the discharge of all its functions were properly documented.
- Reviewed the independence of the Independent Directors.
 - Reviewed the term of office, competency and performance of the AC in discharging their responsibilities.
 - In order to maintain a diverse and effective Board, a Board Diversity Policy has been adopted. The diversity can be categorised into skill, expertise and experience, gender, age, geography and independence. The Company does not have a specific policy on setting targets on woman directors on Board. Currently, Tan Sri Datuk Dr Rebecca Fatima Sta Maria is the only woman director on the Board. The NC will review the Board Diversity Policy and assess its effectiveness in promoting a diverse Board which includes appointing more woman directors when appropriate.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE REMUNERATION COMMITTEE

**DATO' SIOW KIM LUN**

Chairman of the RC

RC members for the FY2017

Dato' Siow Kim Lun (Chairman)
Independent Non-Executive Director

Cheah Tek Kuang
Senior Independent Non-Executive Director

Tan Sri Azlan Bin Mohd Zainol
Chairman/Independent Non-Executive Director

**Appointed on 14 September 2017*

Tan Sri Dato' Sri Liew Kee Sin
Executive Vice Chairman

**Resigned on 14 September 2017*

TERMS OF REFERENCE

The scope of duties and responsibilities of the RC stated in the Terms of Reference is available at the corporate website at www.ecoworldinternational.com.

COMPOSITION AND MEETINGS

The Remuneration Committee ("**RC**") was established by the Board on 24 November 2014. The RC assists the Board in recommending the remuneration package for Executive Directors and Non-Executive Directors of the Group to attract, retain and motivate Directors.

During the year under review, there was a change in the composition of the RC, in which Tan Sri Dato' Sri Liew Kee Sin resigned as a member of the RC and was replaced by Tan Sri Azlan Bin Mohd Zainol. This is to comply with MCCG, whereby it states that RC should only consist of Non-Executive Directors and a majority of Independent Directors. Currently, the RC comprises three members, all of whom are Independent Non-Executive Directors.

On 14 December 2017, the NC and RC were merged and renamed as NRC.

RC'S APPROACH TOWARDS REMUNERATION

EcoWorld International is a company with management team in multiple countries, competing for talent in a demanding environment. It is therefore important for the company to have the ability to pay and retain high calibre executives required to manage our development business in the different markets in which we operate.

Our Remuneration Policy has been designed to attract and retain the right talents to manage our overseas business, partners and other stakeholders. The competitive market for top executives within the property development sector is an important reference point for us when setting our remuneration policy. The principles underpinning our approach to remuneration for Executive Directors are effective stewardship, transparency and alignment of business strategies with shareholders' interest.

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The remuneration package for each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors is in the form of annual Directors' Fees which reflects the diverse experience, skill sets and the level of responsibilities expected of the Non-Executive Directors concerned. In addition, the Non-Executive Directors are also paid meeting allowances based on their attendance at the Board and Board Committees meetings.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

KEY ACTIVITIES OF THE RC

The RC has undertaken the following key activities:

- Reviewed the revised terms of reference of the RC and recommended the same for the Board's approval.
- Reviewed the Executive Directors' Remuneration Policy to ensure that it is designed with a transparent approach based on a performance measurement framework with pre-agreed Key Performance Indicators to reflect the stewardship and performance of the Company.
- Evaluated the Non-Executive Directors' remuneration package to commensurate with their responsibilities, time commitment and contribution and recommended the same for the Board's approval.
- Deliberated on the year-end overall Group employee remuneration package and recommended the same for the Board's approval.

DISCLOSURE OF REMUNERATION

BOARD OF DIRECTORS

Details of the remuneration of Directors of the Company for FY2017 are set out below:

EXECUTIVE DIRECTORS

	SALARY AND BONUS [^] (RM'000)	FEES (RM'000)	ALLOWANCE (RM'000)	BENEFITS IN KIND (RM'000)	TOTAL (RM'000)
Tan Sri Dato' Sri Liew Kee Sin	4,260	-	219	299	4,778
Dato' Teow Leong Seng	5,608	-	254	145	6,007

NON-EXECUTIVE DIRECTORS

	SALARY AND BONUS (RM'000)	FEES (RM'000)	ALLOWANCE [^] (RM'000)	BENEFITS IN KIND (RM'000)	TOTAL (RM'000)
Tan Sri Azlan Bin Mohd Zainol	-	200	32	-	232
Cheah Tek Kuang	-	200	26	-	226
Dato' Voon Tin Yow [#]	-	-	-	-	-
Choong Yee How [@]	-	-	-	-	-
Cheng Hsing Yao [@]	-	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria [@]	-	103	10	-	113
Dato' Seri Ahmad Johan bin Mohammad Raslan	-	200	26	-	226
Dato' Siow Kim Lun	-	200	30	-	230
Datuk Heah Kok Boon ^{@*}	-	-	-	-	-

[#] Appointed on 14 September 2017 [@] Appointed on 27 April 2017

^{*} Resigned on 14 September 2017 [^] Include EPF and Socso Contributions

⁺ Meeting allowance paid to the Independent Directors for each of the Board and Board Committee meetings attended

The Director's Fees proposed to be paid to the Independent Directors for FY2017 will be tabled at the forthcoming 4th AGM for shareholders' approval.

STATEMENT ON CORPORATE GOVERNANCE

REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)**KEY SENIOR MANAGEMENT**

In determining the remuneration packages of the Group's key senior management, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

On the disclosure of remuneration of the Group's key senior management, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis of each key senior management's remuneration earned through salary, bonus and benefits in kind. Accordingly, such details are not disclosed as the Company believes that in view of the competitive nature of the human resource market and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

The top five of our key senior management staff whose total remuneration during the FY2017 under each band of RM50,000 is set out below:

TOTAL REMUNERATION IN BANDS OF RM50,000	NUMBER OF KEY SENIOR MANAGEMENT
RM2,650,001 to RM2,700,000	1
RM1,750,001 to RM1,800,000	1
RM1,650,001 to RM1,700,000	1
RM1,350,001 to RM1,400,000	1
RM750,001 to RM800,000	1

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control for FY2017, issued in compliance with paragraph 15.26(b) of the MMLR of Bursa Malaysia, Principle six of the MCCG 2012 with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. The Board performs regular reviews to assess the adequacy and effectiveness of the risk management and internal control systems.

The Board actively identifies, assess and monitor key business risks and continually articulates and implements the reviews on the adequacy and effectiveness of the Group's risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board has delegated these responsibilities to the AC and the RMC, which are empowered by their terms of reference, to ensure independent oversight of internal control and risk management respectively.

Due to inherent limitations in the system of internal control and risk management, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the Group from achieving its business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

RISK MANAGEMENT

Risk Management Framework

The Group has in place a risk management framework which outlines the Group's risks and on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the year under review. The framework also categorises the risks in relation to strategic, operational, financial and compliance matters based on the Group business objectives. The framework is incorporated into the risk management policy and guideline document that has been approved by the Board.

The risk management framework that the Group adopts consists of five elements which is line with globally accepted risk management standards as reflected below:

Framework Element	Description
Risk governance 	Establish an approach in developing, supporting, and embedding the risk strategy and accountabilities.
Risk assessment 	Identify, assess and categorise risks across our Group.
Risk quantification and aggregation 	Measure, analyse and consolidate risks.
Risk monitoring and reporting 	Report, monitor and conduct activities to provide insight on risk management strengths and weaknesses.
Risk and control optimisation 	Use risk and control information to improve performance.

This is a structured and disciplined approach aligning the strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organisation faces as it seeks to create value.

The Board provides full support to implement the risk management framework with an appropriate organisational structure and ensures that roles, responsibilities and accountabilities are clearly defined and communicated at all levels. This will enable risk information to be communicated through a clear and defined reporting structure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The risk organisational structure of the Group as illustrated below is established for effective risk management.



The RMC of EcoWorld International is formed by representatives of the Board and is chaired by an Independent Director. The RMC is to ensure the risk management in the Group operates effectively based on the risk management policy approved by the Board. Significant risk issues evaluated by the RMC will be discussed at the Board meetings.

The principal roles and responsibilities of the RMC are as follows:

- Provide oversight and direction to the Group's risk management process
- Recommend to the Board high-level strategy which is aligned with the Group's strategic objectives
- Communicate to the Board critical risks (present or potential) the Group face, their changes and management action plans to manage these risks
- Assist in the risk appraisal of corporate proposals being evaluated by the Board
- Recommend for the Board's approval the Group's risk management policies, strategies and risk tolerance levels and proposed changes thereto
- Review the effectiveness of the Enterprise Risk Management ("ERM") framework

The RMC is supported by the RMT, chaired by the President and CEO and includes representatives from all business divisions as well as relevant Head Office support departments. The RMT has been established to oversee the risk management matters within the Group.

The RMT meets on a quarterly basis and the principal roles and responsibilities include:

- Communicate the Board's vision, strategy, policy, responsibilities and reporting lines to all personnel across the Group
- Reviewing risk profiles and performance of the business units and departments
- Aggregate the Group's risk position and report to the RMC on the risk situation
- Provide guidance to the business units and departments on the Group's risk appetite and other criteria which, when exceeded, trigger an obligation to report upwards to the RMC and the Board
- Identifying and communicating to the RMC the critical risks (present and potential) at the respective business units and departments, their changes and the management's action plans to manage the risks
- Supervising ERM policy implementation at the Group level. This includes developing and updating the ERM system at the Group level after consulting with the RMC
- Coordinating the issuance of company-wide uniform ERM standards, combined with the authority to set guidelines with the approval of the RMC
- Training and communicating ERM details within the Group
- Reviewing and updating risk management methodologies applied at the relevant business units and departments, especially those related to risk identification, measuring, controlling, monitoring and reporting

The day-to-day risk management resides with the respective business units and departments. The principal roles and responsibilities of each business unit and department are as follows:

- Manage the business units' and departments' risk profile;
- Report risk exposure to the RMT;
- Develop and implement action plans to manage risks;
- Report status of action plans to the RMT; and
- Ensure critical risks are considered in the action plans.

RISK MANAGEMENT PROCESS

The Group's Risk Management Framework establishes the context of risk in relation to the Group's business and sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication.

All key risks identified are captured in a risk template and reviewed by the respective Department Heads. The risk template includes detailed assessments of the risks as well as the corresponding mitigating controls implemented or to be implemented to deal with the risks.

All the risks are consolidated and presented for deliberation during the quarterly RMT meeting. Subsequently, this is presented to the RMC and the Board to ensure its continued application and relevance.

During the financial year, the risk management and Internal Controls were assessed by the RMC and reported to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY RISKS

The Group's financial performance and operations are influenced by a vast range of risk factors. We aim to mitigate the exposure through appropriate risk management strategy and internal controls. Principally, the key risks of the Group are as follows:

Weak Market Sentiment	The Group is dependent on the performance of the property industry in which the Group operates namely in the UK and Australia. The demand for properties among others could be affected by the weakness in the domestic and international economic environment, changes in Government policies, bank tightening lending policies and oversupply of certain products in the market. The residential units in the projects are currently sold on a "sell-then-build" basis. As such there may be a long period of time between the exchange of the sale & purchase agreement when a deposit is paid, and the completion of the contract when the balance of the price is paid upon handover of the residential unit. In that duration, there may be material changes to the property market, which may give rise to the possibilities that some purchasers may not be able to complete the purchase. The Group constantly reassesses its risk exposure and seeks to optimise the balance between opportunities and risks both in its operations and strategic direction in the UK and Australian property markets. This include entering into JVs with suitable partners to gain accelerated, wider and more extensive access in our target markets, particularly in the UK. As part of the sales and marketing strategy, we constantly seek to enhance our image and brand name to reinforce brand loyalty which include emphasising on quality standards of our products together with variety of after-sales service beyond the completion of the development projects. We also adopt customised sales and marketing strategies for each of our individual projects with regular review of sales and marketing strategies to suit market conditions with on-going review of the selling price list, design unit mix and sizes in all our projects to ensure that the products are value-optimised, competitive and attractive. Close follow-up with purchasers are also initiated 12 months prior to settlement to confirm the purchaser's ability to borrow for settlement purposes.
Adverse currency exchange rate	The Group's main source of funds are raised in RM, while the costs to be incurred by the UK and Australia projects are denominated in GBP and AUD respectively. Hence, any adverse fluctuation in foreign exchange rates may increase the overall costs, which in turn, affect the return on capital contribution. Thus, risk is mitigated by borrowings denominated in foreign currency to serve as a natural hedge together with on-going study of hedging products that are available in the market. Furthermore, we monitor closely the movement of GBP and AUD against RM in order to decide on the timing of fund remittance to minimise potential losses from adverse currency exchange fluctuation.
Regulatory	The Group is subject to various government regulations. Any changes in prevailing laws or regulations in Malaysia and other countries we operate (i.e. UK and Australia) may have an impact to the Group. We constantly keeping abreast of the latest changes and updates on the regulatory requirements that affect the Group's operations and necessary steps are taken to ensure compliance with the regulations as well as to assess and monitor the impact of such changes. For this purpose, regular discussions are held for example with our consultants, bankers and lawyers on compliance and regulatory related matters. Apart from that, training is provided to staff by internal and external parties to keep staff abreast of changes to laws, regulations and standards. The responsibilities of regulatory compliance are cascaded to the relevant Heads of Department and Business Units to ensure compliance and reporting.
Non-Performing Contractors and JV Partners	The selection of contractors and JV partners and monitoring of their performance during the construction stage is a critical process, which determines the quality and timely delivery of projects. Poor performance of contractors and JV partners may lead to quality issues, cost overrun and project delays. Extensive due diligence is performed before selecting JV partners and EcoWorld International's senior management plays an active role in governing the JV for example being members of the tender and procurement committee of the JV companies for the selection of contractors by way of a tender exercise. Selection of contractors is through a robust selection process where contractors are evaluated against our criteria such as track record, quality, pricing and timeliness to ensure transparency and enabling competent contractors to be awarded. Close supervision to monitor the construction progress and project timeline of the contractors along with quality assurance procedures to maintain our quality standards are also performed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Escalation of Construction Costs	Monitoring of cost is a critical component in ensuring profitability for any organisation. However, due to unforeseen circumstances such as introduction of new taxes, increase in raw material prices and many others may lead to escalation of the overall construction costs. Close monitoring through the involvement of EcoWorld International's senior management as members of the Tender & Procurement Committee of the JV companies to ensure that each package is awarded with competitive pricing to a competent contractor based on fixed price contracts through the tender exercise. Apart from that, project budgets are closely monitored against the actual construction cost. Value engineering is also conducted during the process of design development to optimise cost.
Health and Safety	The Group is potentially exposed to health and safety risk during the period of construction. Any significant health and safety incident in any of our project sites could lead to significant liabilities and damage to our reputation. This risk is managed through a strong promotion of health and safety culture for all our project sites. This is expressed in several initiatives such as the development of health and safety policy which applies to all the construction sites. Site inspections by Health and Safety Officers are also conducted along with periodic site briefings to trade contractors to promote health and safety measures on-site which include safety awareness and training initiatives.
Liquidity	The Group has an obligation to fulfil the equity requirements fund to the land costs, development costs, administrative costs, overhead costs and financing costs to be incurred by the overseas projects and investment companies. The Group's current main source of funding is the proceeds from the IPO, as well as bank loans. As a fast-growing Group which is reliant on a combination of both equity and borrowings to fund its operations, the Group may be adversely affected by shortfall in anticipated cash flows. The Group continues to strengthen its treasury function to monitor the Group's cash flow requirement and ensure adequate financial facilities to support the Group's current and future needs. Networking with key bankers is conducted on a continuous basis to be more aware of respective bank lending appetite and to explore new funding opportunities. The Group also monitors its borrowing repayment maturity profiles and financial covenants to ensure that its gearing is within acceptable level.
Talent Management	Key personnel are crucial to ensure the smooth running of the Group's operations as well as achieving the goals and objectives of the Group. The loss of key personnel maybe detrimental to the Group. The continuing initiative in recruiting and developing highly skilled and competent people as well as grooming and developing younger members of the management team to gradually assume greater responsibilities is part of our succession plan in preparation of our anticipated growth. The Group also continued to implement and conduct various talent management and leadership programmes to further strengthen and improve the competency and capabilities of the human resources of the Group. The compensation and benefit packages are also benchmarked to industry standards on periodic basis.

INTERNAL CONTROL

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include:

Integrity and Ethical Values

The Group is committed to upholding a strong culture of integrity and ethical values, as emphasised in the Code of Conduct and Business Ethics for the Directors and Employees. All employees are required to acknowledge that they have read and understood the Code upon commencement of employment.

Organisation Structure

The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board and its various Board Committees are all governed by clearly defined terms of reference.

Limits of Authority

The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with changes in the organisation.

Policies and Procedures

Elements of internal control have been embedded and documented in the form of policies and operating procedures which are continuously reviewed and updated to reflect changes in the current business environment. Accountability and responsibility for key processes have been established in the standard operating procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Talent Management

Robust recruitment strategies are in place to attract skilled and competent persons to join our Group. On-the-job training and classroom training programmes are made available to all employees to ensure that they are adequately trained and competent in carrying out their duties and responsibilities. Established guidelines are in place for recruitment, talent development programmes and performance appraisal to maintain high competency and capability levels.

Financial Budgeting

Annual budgets are prepared in advance for the following financial year and these budgets are subject to review by Senior Management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with detailed explanations provided for material variances.

Performance Review

Regular and comprehensive information on financial performance, achievement of key performance indicators and progress of key projects are communicated by Senior Management to the Board on a quarterly basis.

Investor Relations

Briefings are conducted periodically where the Group's financial performance, which has been approved by the Board, is communicated externally to fund managers, investment analysts and bankers who are given the opportunity to seek further clarification from the Senior Management.

Information Technology ("IT") Management

IT systems and communication channels are put in place to enable effective decision-making by providing management with timely and accurate information.

Whistleblowing Policy

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. It is the Group's commitment to investigate any suspected serious misconduct or any breach reported, as well as to protect those who come forward to report such activities.

Board Committees

Board has established several board committees to oversee the respective functions within the Group which include the AC, RMC and NRC. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

The Group's system of internal control does not apply to jointly-controlled entities over which the Group does not have full management control. The Group's interest is safeguarded through Board representation in the jointly-controlled entities and the control culture is instilled throughout these companies.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and undertaken by GCG which reports to the AC on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

A description of the activities of GCG during FY2017 are set out in the AC Report on pages 58 to 60 of this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for FY2017.

Based on their review, the External Auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard the shareholders' investments and the Group's assets.

In addition, the Board has received assurance from the President & CEO and CFO that the Group's risk management and internal control systems are operating effectively, in all material respects.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement was approved by the Board on 25 January 2018.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

Proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. The status of the utilisation of these proceeds as at 31 October 2017 is as set out below:

Purpose	Proposed utilisation RM'mil	Actual utilisation RM'mil	Re- allocation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completion date
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
Subtotal	1,367	(1,302)	(65)	-	
Settlement of the acquisition of Eco World Investment Co Ltd	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(279)	76	923	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
Total	2,584	(1,661)	-	923	

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors and a firm affiliated to the External Auditors' firm by the Group and the Company for FY2017 are as follows:

	Group RM	Company RM
Audit Fees	146,000	47,000
Non-audit Fees		
i) IPO related fees	89,000	89,000
ii) Taxation services	39,000	9,000
Total non-audit fees	128,000	98,000

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period except as disclosed in Note 34 of the AFS for FY2017.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("**the Act**") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards ("**IFRSs**"), the requirements of the Act in Malaysia and the MMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

OUR NUMBERS



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CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company incorporated in Malaysia under the Companies Act 2016 and limited by shares
REGISTERED OFFICE	:	Suite 59, Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan
PRINCIPAL PLACE OF BUSINESS	:	Suite 59, Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan

DIRECTORS' REPORT

For the year ended 31 October 2017

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the year	(87,474)	65,677
(Loss)/Profit for the year attributable to:		
Owners of the parent	(87,633)	65,677
Non-controlling interests	159	-
	(87,474)	65,677

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 5 to the financial statements.

There is no qualified auditors' report on the financial statements of any subsidiary for the financial year in which this report is made.

As at the end of the financial year, none of the subsidiaries hold any shares in the Company or in other related corporations.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company completed the Initial Public Offering ("IPO") which increased its issued ordinary share capital from 246,540,800 to 2,400,000,000 by way of the issuance of 2,153,459,200 new ordinary shares at an issue price of RM1.20 each.

The shares were listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 3 April 2017.

The new ordinary shares issued during the financial year rank pari passu in all respects with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT

For the year ended 31 October 2017

ISSUE OF WARRANTS

On 30 March 2017, the Company issued 960,000,000 free warrants ("Warrants") pursuant to the IPO on the basis of two (2) Warrants for every five (5) shares held immediately after the IPO but prior to the listing on Bursa Malaysia. The Warrants were constituted by a Deed Poll executed on 20 February 2017.

The Warrants were listed on Bursa Malaysia on 3 April 2017 and the salient features of the Warrants are disclosed in Note 17 to the financial statements.

There were no Warrants exercised during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors of the Company who served since the date of the last report to the date of this report are as follows:

Tan Sri Azlan Bin Mohd Zainol	
Tan Sri Dato' Sri Liew Kee Sin	
Dato' Teow Leong Seng	
Cheah Tek Kuang	
Dato' Seri Ahmad Johan Bin Mohammad Raslan	
Dato' Siow Kim Lun @ Siow Kim Lin	
Choong Yee How	(Appointed on 27 April 2017)
Cheng Hsing Yao	(Appointed on 27 April 2017)
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	(Appointed on 27 April 2017)
Dato' Voon Tin Yow	(Appointed on 14 September 2017)
Datuk Heah Kok Boon	(Appointed on 27 April 2017 and resigned on 14 September 2017)

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding directors who are also directors of the Company) during the financial year until the date of this report:

Cheong Heng Leong
 Lord Jonathan Marland
 Sir Edward Udney-Lister
 Stephen Anthony Rae McGrath
 Edward Michael Fletcher
 Yap Foo Leong
 Jeffrey Ong Wee Ting
 Law Woo Hock
 Tan Swee Peng (Alternate Director to Dato' Teow Leong Seng)
 Foo Yuk Meng (Alternate Director to Cheong Heng Leong)

DIRECTORS' REPORT

For the year ended 31 October 2017

DIRECTORS' INTERESTS IN SHARES AND WARRANTS

The following directors, who held office at the end of the financial year, had interests in shares and Warrants as follows:

	Number of ordinary shares			
	At 1.11.2016/ Date of Appointment	Acquired/ Allotted [^]	Sold	At 31.10.2017
Direct Interest:				
Tan Sri Azlan Bin Mohd Zainol	-	5,120,000	-	5,120,000
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	-	-	246,540,798
Dato' Teow Leong Seng	-	15,263,000	-	15,263,000
Cheah Tek Kuang	-	3,000,000	-	3,000,000
Dato' Voon Tin Yow	6,141,600	-	-	6,141,600
Dato' Siow Kim Lun @ Siow Kim Lin	-	2,000,000	-	2,000,000

Deemed Interest:

Tan Sri Azlan Bin Mohd Zainol ⁽¹⁾	-	68,200	(10,000)	58,200
Tan Sri Dato' Sri Liew Kee Sin ⁽²⁾	-	45,700,000	-	45,700,000
Tan Sri Datuk Dr Rebecca Fatima Sta Maria ⁽³⁾	5,000,000	-	-	5,000,000

	Number of Warrants 2017/2022			
	At 1.11.2016/ Date of Appointment	Granted	Exercised	At 31.10.2017
Direct Interest:				
Tan Sri Azlan Bin Mohd Zainol	-	2,048,000	-	2,048,000
Tan Sri Dato' Sri Liew Kee Sin	-	98,616,319	-	98,616,319
Dato' Teow Leong Seng	-	6,105,200	-	6,105,200
Cheah Tek Kuang	-	1,200,000	-	1,200,000
Dato' Voon Tin Yow	2,456,640	-	-	2,456,640
Dato' Siow Kim Lun @ Siow Kim Lin	-	800,000	-	800,000

Deemed Interest:

Tan Sri Azlan Bin Mohd Zainol ⁽¹⁾	-	27,280	-	27,280
Tan Sri Dato' Sri Liew Kee Sin ⁽²⁾	-	18,280,000	-	18,280,000

[^] Allotment of Eco World International Berhad shares pursuant to IPO

⁽¹⁾ Deemed to have interest through his child pursuant to Section 59(1)(c) of the Companies Act 2016

⁽²⁾ Deemed to have interest through his spouse and child pursuant to Section 59(1)(c) of the Companies Act 2016

⁽³⁾ Deemed to have interest through her spouse pursuant to Section 59(1)(c) of the Companies Act 2016

Other than as disclosed above, none of the other directors in the office at the end of the financial year had any interest in the shares and Warrants in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

For the year ended 31 October 2017

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by directors, or the fixed salary of a full-time employee of the Company as shown in Note 34(b) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen from those transactions disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of share, warrants or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company are RM50,000,000 and RM49,000 respectively.

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company, or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.
- (f) In the opinion of the directors:
 - (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

For the year ended 31 October 2017

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 40 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events after the financial year end are disclosed in Note 41 to the financial statements.

AUDITORS

Auditors' remuneration is set out in Note 28 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to continue in office.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the Board of Directors, and signed on behalf of the Board of Directors in accordance with a directors' resolution.

TAN SRI DATO' SRI LIEW KEE SIN
Director

DATO' TEOW LEONG SENG
Director

Kuala Lumpur
Date: 25 January 2018

INDEPENDENT AUDITORS' REPORT

To the members of Eco World International Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World International Berhad, which comprise the statements of financial position as at 31 October 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

(a) Impairment assessment of goodwill

As at 31 October 2017, the Group reported goodwill arising from acquisitions of subsidiaries with carrying amount of RM126,302,000, attributable to the property development cash-generating units ("CGUs") as detailed in Note 4 to the financial statements.

On an annual basis, management is required to test these CGUs for impairment. This test involves significant management judgement to estimate the recoverable amount of each CGU. Management estimated the recoverable amount of the goodwill using value-in-use method based on cash flow projection covering a five-year period. The assumptions used in the cash flow projection are affected by the expectation of future market and economic conditions.

Any shortfall of the recoverable amount against the carrying amount of the goodwill would be recognised as impairment losses.

Our response

Our audit procedures include the following:

- Understand the management's budgetary process over the determination of the forecasted revenues, growth rates, profit margins and discount rates.
- Assessed the reasonableness of the key assumptions used by management by comparing to business plans and market data.
- Assessed the appropriateness of the inputs used for discount rates and growth rates to market benchmarks, where possible.
- Checked the mathematical accuracy of the cash flow projection in the management's impairment assessment.
- Performed sensitivity analysis to estimate the reasonable possible changes to the key assumptions in the cash flow projection.

INDEPENDENT AUDITORS' REPORT

To the members of Eco World International Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

(b) *Carrying amount of investment in a joint venture and amount owing by a joint venture*

The joint venture is EcoWorld-Ballymore Holding Company Limited, a company incorporated in Jersey, in which the Group holds 75% of the equity interest. The investment in the joint venture is accounted for using the equity method.

As at 31 October 2017, the Group reported the carrying amount of investment in the joint venture and amount owing by the joint venture amounting to RM104,907,000 and RM1,089,481,000 respectively as disclosed in Notes 6 and 8 to the financial statements.

The management assesses at the end of each reporting period, whether there is any indication that these balances may be impaired. As the joint venture is a group which is engaged in investment holding and property development, the management determines the recoverable amounts of these balances based on the cash flow projection of each property development projects and the expected repayment of the owing by the joint venture after meeting its external obligations.

We identified impairment assessment of these balances as a key audit matter due to their significance to the financial position of the Group and require significant management estimations.

Our response

Our audit procedures include the following:

- Held discussion with management to understand the process for identifying the existence of impairment indicators.
- Evaluated and challenged the reasonableness of the key assumptions used by management in the cash flow projection, including the forecasted revenue and future costs to complete the development.
- In respect of the discount rate, we performed similar procedures to those noted above for goodwill.
- Held discussion with component auditor to concur our understanding of management's assessment including reviewing their work papers in assessing the appropriateness of forecasted selling prices and the future costs to complete the development based on the current market development and government regulations in the United Kingdom.
- Conducted visit at the project locations in the United Kingdom.
- Besides the above procedures and in response to the risk of recoverability of receivables, we assessed the expected repayment of the balance based on the cash flow projection prepared by the management.

(c) *Valuation of properties under development for sale*

As at 31 October 2017, the carrying amount of the Group's properties under development for sale amounted to RM366,717,000 as disclosed in Note 10 to the financial statements. The development projects of the Group are situated in Australia.

Properties under development for sale are stated at the lower of cost and net realisable value. The determination of the net realisable value requires estimations of expected future selling prices and costs necessary to complete the sale of the properties including the management's expectation on future property market.

A change in the Group's forecasted selling prices and future costs to complete the development could have a material impact on the carrying amount of the properties under development for sale. Therefore, there is a risk of forecasted selling prices falling below costs, resulting in losses when the properties are eventually sold.

INDEPENDENT AUDITORS' REPORT

To the members of Eco World International Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

(c) Valuation of properties under development for sale (continued)

Our response

Our audit procedures include the following:

- Held discussion with management on the latest status and development plans of the underlying development projects, including their expected completion dates.
- Held discussion with component auditor in Australia to concur our understanding of the management's assessment of the impairment review including reviewing the work papers of the component auditor for the appropriateness of the forecasted selling prices by management, estimation of the future costs to complete the development and sensitivity analysis surrounding these key estimations.
- Conducted visit at the project locations in Australia.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report and we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

To the members of Eco World International Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Auditors' responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2018 J
Chartered Accountant

Kuala Lumpur
Date: 25 January 2018

STATEMENTS OF FINANCIAL POSITION

As at 31 October 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
Non-current assets					
Plant and equipment	3	7,169	2,299	1,043	237
Goodwill	4	126,302	126,302	-	-
Investment in subsidiaries	5	-	-	50,047	50,047
Investment in a joint venture	6	104,907	127,646	-	-
Amounts owing by subsidiaries	7	-	-	1,891,346	583,122
Amount owing by a joint venture	8	1,089,481	745,417	-	-
Deferred tax assets	9	19,316	12,757	-	-
		1,347,175	1,014,421	1,942,436	633,406
Current assets					
Properties under development for sale	10	366,717	174,040	-	-
Trade receivables	11	32	289	-	-
Other receivables and prepayments	12	5,368	6,883	5	83
Deferred expenditure	13	-	10,638	-	10,638
Current tax assets		682	628	-	97
Cash, bank balances and deposits	14	992,388	18,573	879,915	5,142
		1,365,187	211,051	879,920	15,960
TOTAL ASSETS		2,712,362	1,225,472	2,822,356	649,366

STATEMENTS OF FINANCIAL POSITION

As at 31 October 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	15	2,592,451	246,541	2,592,451	246,541
Share premium	16	-	49,158	-	49,158
Warrant reserve	17	276,418	-	276,418	-
Exchange translation reserve		17,644	34,698	-	-
Accumulated losses		(341,637)	(222,514)	(55,078)	(89,265)
Equity attributable to owners of the parent		2,544,876	107,883	2,813,791	206,434
Non-controlling interests		2,768	4,788	-	-
Total equity		2,547,644	112,671	2,813,791	206,434
Liabilities					
Non-current liabilities					
Borrowings	24	48,684	-	-	-
Deferred tax liabilities	9	1,944	1,826	-	-
		50,628	1,826	-	-
Current liabilities					
Trade payables	18	1,512	1,699	-	-
Other payables and accruals	19	14,555	14,641	6,309	8,559
Amounts owing to former holding companies	20	-	12,954	-	630
Amounts owing to a shareholder	21	-	144,234	-	92,378
Amount owing to a former shareholder of a subsidiary	22	-	10,660	-	10,660
Amount owing to a corporate shareholder of a subsidiary	23	16,340	-	-	-
Amounts owing to subsidiaries	7	-	-	1,550	4,979
Borrowings	24	79,913	923,867	-	325,726
Current tax liabilities		1,770	2,920	706	-
		114,090	1,110,975	8,565	442,932
Total liabilities		164,718	1,112,801	8,565	442,932
TOTAL EQUITY AND LIABILITIES		2,712,362	1,225,472	2,822,356	649,366

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 October 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	25	488	683	-	-
Direct expenses		(5,813)	(5,016)	-	-
Gross loss		(5,325)	(4,333)	-	-
Other income	26	27,569	5,629	78,476	28,856
Marketing expenses		(5,610)	(2,132)	-	-
Administrative and general expenses		(69,983)	(36,743)	(34,464)	(19,522)
Unrealised gain/(loss) on foreign exchange		34,527	(74,940)	37,034	(74,808)
Finance costs	27	(31,920)	(52,823)	(13,748)	(21,369)
Share of results in a joint venture		(36,509)	(53,927)	-	-
(Loss)/Profit before tax	28	(87,251)	(219,269)	67,298	(86,843)
Taxation	29	(223)	2,153	(1,621)	(1)
(Loss)/Profit for the year		(87,474)	(217,116)	65,677	(86,844)
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified to profit or loss subsequently:					
Exchange differences on translation of foreign operations		(16,554)	33,866	-	-
Total comprehensive (loss)/income for the year		(104,028)	(183,250)	65,677	(86,844)

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 October 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(Loss)/Profit for the year attributable to:					
Owners of the parent		(87,633)	(220,093)	65,677	(86,844)
Non-controlling interests		159	2,977	-	-
		(87,474)	(217,116)	65,677	(86,844)
Total comprehensive (loss)/income for the year attributable to:					
Owners of the parent		(104,687)	(185,395)	65,677	(86,844)
Non-controlling interests		659	2,145	-	-
		(104,028)	(183,250)	65,677	(86,844)
Loss per share attributable to owners of the parent:					
Basic loss per share (sen)	30	(5.76)	(98.62)		
Diluted loss per share (sen)	30	(5.76)*	N/A		

* Anti-dilutive

N/A - Not applicable

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 October 2017

		← Attributable to owners of the parent →				← Non-distributable → Distributable	
Note	Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 November 2015	750	-	-	(2,421)	(1,671)	-	(1,671)
Total other comprehensive income/(loss) for the year	-	-	34,698	-	34,698	(832)	33,866
(Loss)/Profit for the year	-	-	-	(220,093)	(220,093)	2,977	(217,116)
Total comprehensive income/(loss) for the year	-	-	34,698	(220,093)	(185,395)	2,145	(183,250)
<i>Transactions with owners of the parent:</i>							
Issuance of ordinary shares	15	245,791	49,158	-	294,949	-	294,949
Acquisition of a subsidiary	35(b)	-	-	-	-	2,643	2,643
At 31 October 2016	246,541	49,158	34,698	(222,514)	107,883	4,788	112,671

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 October 2017

Note	Attributable to owners of the parent					Non-controlling interests		
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 November 2016	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671
Total other comprehensive (loss)/income for the year	-	-	-	(17,054)	-	(17,054)	500	(16,554)
(Loss)/Profit for the year	-	-	-	-	(87,633)	(87,633)	159	(87,474)
Total comprehensive (loss)/income for the year	-	-	-	(17,054)	(87,633)	(104,687)	659	(104,028)
<i>Transactions with owners of the parent:</i>								
Issuance of ordinary shares								
- Share issuance for public offering	15	2,584,151	-	-	-	2,584,151	-	2,584,151
- Warrants		(276,418)	-	276,418	-	-	-	-
Acquisition of a subsidiary	35(a)	-	-	-	-	-	(1,282)	(1,282)
Dividend declared to non-controlling interests of a subsidiary		-	-	-	-	-	(1,397)	(1,397)
Transition to no-par value regime	15	49,158	(49,158)	-	-	-	-	-
Share issue expenses	13	(10,981)	-	-	(31,490)	(42,471)	-	(42,471)
At 31 October 2017	2,592,451	-	276,418	17,644	(341,637)	2,544,876	2,768	2,547,644

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 October 2017

		← Non-distributable →			Distributable	
	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company						
At 1 November 2015		750	-	-	(2,421)	(1,671)
Issuance of ordinary shares	15	245,791	49,158	-	-	294,949
Total comprehensive loss for the year		-	-	-	(86,844)	(86,844)
At 31 October 2016		246,541	49,158	-	(89,265)	206,434
Total comprehensive income for the year		-	-	-	65,677	65,677
<i>Transactions with owners of the parent:</i>						
Issuance of ordinary shares						
- Share issuance for public offering	15	2,584,151	-	-	-	2,584,151
- Warrants		(276,418)	-	276,418	-	-
Transition to no-par value regime	15	49,158	(49,158)	-	-	-
Share issue expenses	13	(10,981)	-	-	(31,490)	(42,471)
At 31 October 2017		2,592,451	-	276,418	(55,078)	2,813,791

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the year ended 31 October 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(87,251)	(219,269)	67,298	(86,843)
Adjustments for:				
Interest income	(22,341)	(86)	(71,090)	(28,856)
Dividend income	-	-	(4,145)	-
Allowance for doubtful debts	-	207	-	-
Loss on disposal of plant and equipment	24	16	-	-
Plant and equipment written off	70	-	-	-
Depreciation	2,968	908	184	35
Share of loss in a joint venture	36,509	53,927	-	-
Finance costs	31,920	52,823	13,748	21,369
Gain on bargain purchase arising from acquisition of a subsidiary (Note 35(b))	-	(5,540)	-	-
Listing expenses	1,022	290	1,022	290
Landholder duty	12,249	8,691	-	8,691
Unrealised (gain)/loss on foreign exchange	(34,527)	74,940	(37,034)	74,808
Operating loss before working capital changes	(59,357)	(33,093)	(30,017)	(10,506)
Changes in properties under development for sale	(36,371)	(8,251)	-	-
Changes in receivables	4,095	(137)	78	(82)
Changes in payables	5,546	4,353	6,702	3,294
Cash used in operations	(86,087)	(37,128)	(23,237)	(7,294)
Interest received	972	47	909	7
Net tax paid	(5,323)	(2,078)	(818)	(118)
Net cash used in operating activities	(90,438)	(39,159)	(23,146)	(7,405)

STATEMENTS OF CASH FLOWS

For the year ended 31 October 2017

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	(6,344)	(711)	(990)	(272)
Proceeds from disposal of plant and equipment	27	6	-	-
Advances to a joint venture	(274,865)	(244,662)	-	-
Advances to subsidiaries	-	-	(1,212,570)	(461,530)
Acquisition of subsidiaries (Note 35)	150	6,517	-	(5,588)
Withdrawal/(Placements) of deposits, debt service reserve and interest service reserve accounts	6,579	(965)	4,624	(4,624)
Landholder duty	(12,249)	(8,691)	-	(8,691)
Dividend received	-	-	4,145	-
Interest received	21,369	39	21,272	-
Net cash used in investing activities	(265,333)	(248,467)	(1,183,519)	(480,705)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of borrowings	279,942	330,547	159,185	330,547
Repayment of borrowings	(1,211,264)	-	(492,125)	-
Proceeds from issuance of ordinary shares	2,584,151	119,249	2,584,151	119,249
(Repayment to)/Advances from a shareholder	(153,622)	21,457	(96,440)	65,604
Repayment to a former shareholder of a subsidiary	(11,546)	-	(11,546)	-
Repayment to a former holding company	(630)	(4)	(630)	(4)
Repayment to a former holding company of a subsidiary	(13,144)	(113,548)	-	-
Repayment to a corporate shareholder of a subsidiary	(58,270)	-	-	-
Finance costs	(36,092)	(51,170)	(12,199)	(19,079)
Listing expenses	(44,413)	(7,762)	(44,413)	(7,762)
Dividend paid to non-controlling interests of a subsidiary	(1,397)	-	-	-
Net cash generated from financing activities	1,333,715	298,769	2,085,983	488,555
NET CHANGES IN CASH AND CASH EQUIVALENTS	977,944	11,143	879,318	445
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,719	164	518	164
EFFECT OF EXCHANGE RATE CHANGES	1,017	(3,588)	79	(91)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 14)	986,680	7,719	879,915	518

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The addresses of the principal place of business and registered office of the Company are disclosed on page 76.

The Company was officially listed on Bursa Malaysia on 3 April 2017, through a series of acquisition exercises prior to the listing of the ordinary shares and warrants of the Company on Bursa Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year.

(c) Application of revised standards

In the current year, the Group and the Company have applied a number of amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 November 2016.

The adoption of the new standards and amendments does not have significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Standards issued but not yet effective

The Group and the Company have not applied the following new standards, amendments and Issues Committee Interpretations ("IC Interpretations") that have been issued by the Malaysian Accounting Standards Board ("MASB") and relevant to their operations but are not yet effective.

New MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2017
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The above new standards, amendments and IC Interpretations are not expected to have any significant financial impact on the Group or the Company upon their initial application except for MFRS 9, MFRS 15 and MFRS 16 discussed as follows:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities as well as general hedge accounting. It replaces MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch.

MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company are currently assessing MFRS 9's full impact and intend to apply MFRS 9 when it is effective.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Standards issued but not yet effective (continued)*****MFRS 15 Revenue from Contracts with Customers***

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue – Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 15 on the mandatory effective date.

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16 on the mandatory effective date.

(e) Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

Although these estimates are based on the management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Significant accounting judgements and estimates (continued)

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are as follows:

Impairment of goodwill

The management performs a goodwill impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This impairment test requires an estimation of the value-in-use of the cash-generating units ("CGUs") to which the goodwill is allocated.

Estimating value-in-use requires the management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The value-in-use calculation is based on a discounted cash flow model.

Impairment of non-financial assets (other than goodwill)

The management assesses whether there are any indicators of impairment for all non-financial assets (other than goodwill) at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, the management estimates the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. The value-in-use calculation is based on a discounted cash flow model.

Impairment of loans and receivables

The management assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the management considers factors such as the probability of insolvency or significant financial difficulties of the debtor and history of default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets within similar credit characteristic.

Impairment of properties under development for sale

Properties under development for sale are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of the property is subject to management judgement and the effect of assumptions in respect of development plan, timing of sale and the prevailing market conditions. The evaluation requires the management to consider the future demand for the properties under development. In any case, the amount represents the best estimate of the recoverable amount and is based on the evidence available at the reporting date. The management estimates forecasted selling price based on recent transactions or open market based measurements of the unsold units. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the properties.

Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Significant accounting judgements and estimates (continued)****Key Sources of Estimation Uncertainty (continued)****Recognition of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Critical Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Revenue from sale of properties

The management exercises judgement in recognising revenue from sale of properties. Revenue from sale of properties is recognised when all conditions set out in the Group's revenue recognition policies are fulfilled. Thus, the management judgement is involved in assessing the timing when all those conditions are met. When applying the revenue recognition policy, the management considers terms set out in the agreements with purchasers as well as other factors relevant to the property sale transactions.

Joint arrangement

The Group considers it has joint control, together with its joint venture partner, over EcoWorld-Ballymore Holding Company Limited ("EW-Ballymore Holding"). Based on the contractual agreement, the Group requires unanimous consent with the joint venture partner for all significant decisions over the relevant activities of EW-Ballymore Holding and its subsidiaries. Accordingly, this arrangement is classified as a joint venture.

(f) Subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost less impairment losses.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed off is taken to profit or loss.

(g) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and of all subsidiaries controlled by the parent made up to the end of the financial year.

The parent controls an entity if and only if the parent has all the following:

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

All subsidiaries are accounted for using the acquisition method from the date of acquisition, being the date on which the parent obtains control, and continue to be consolidated until the date that such control ceases. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Basis of consolidation (continued)

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The parent attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The parent also attributes total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Change in ownership interest which does not result in a loss of control is accounted for within equity. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is re-measured at fair value and a gain or loss is recognised in profit or loss.

Under the acquisition method of accounting, the cost of an acquisition is measured at the aggregate of the fair values of the assets transferred, liabilities incurred and equity instruments issued at the date of exchange. Any consideration transferred is to be measured at fair value as of the acquisition date.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the acquiree's identifiable net assets at fair value.

At the acquisition date, goodwill is measured at the excess of (a) over (b) below:

- (a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the entity.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain ("negative goodwill") directly in profit or loss at the acquisition date.

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, and the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the acquisition date. Such transaction does not give rise to goodwill or gain on bargain purchase.

(h) Interest in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in a joint venture is accounted for using the equity method from the date on which the Group obtains joint control until the date the Group ceases to have a joint control over the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group.

When the Group's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has legal or constructive obligations or has made payment on behalf of the joint venture.

When the Group transacts with the joint venture, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Lease**

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

(j) Plant and equipment**(i) Measurement basis**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group or the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(ii) Depreciation

Work-in-progress is not depreciated.

Depreciation is calculated to write off the depreciable amount of other plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Furniture and fittings	10%
Office equipment	10%-20%
Computers	20%-33%
Motor vehicles	16%
Renovations and show unit	20%-25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when and only when, the Company and its subsidiaries become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The management determines the classification of the financial assets as set out below upon initial recognition. The Group and the Company only have financial assets categorised as loans and receivables.

Loans and receivables

This category comprises debt instruments that are not quoted in an active market, trade and other receivables, amounts owing by subsidiaries and joint venture, and cash, bank balances and deposits.

They are included in current assets, except for maturities longer than 12 months after the reporting period, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in profit or loss.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group and the Company only have financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method.

(iii) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or part of it is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Financial instruments (continued)****(iv) Impairment of financial assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payment.

If any such evidence exists, the amount of the impairment loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(l) Equity instrument

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments and classified as equity. Transaction costs that are directly attributable to the issuance of ordinary shares are deducted against equity.

Dividends to shareholders are deducted from equity in the period in which they are paid or payable.

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrant reserve which is non-distributable. Warrant reserve are transferred to share capital account upon the exercise of warrants. Warrant reserve in relation to unexercised warrants at the expiry of the warrant period is transferred to accumulated losses.

(m) Impairment of non-financial assets

Non-financial assets are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the asset.

Recoverable amount is estimated for individual asset or, if it is not possible, for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are charged to profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(n) Properties under development for sale

Properties under development for sale comprise land costs, development costs and finance costs capitalised. Properties under development for sale are expected to be sold within the Group's normal operating cycle and are classified as current assets. Properties under development for sale are measured at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount can be measured reliably. Revenue is measured at fair value of consideration received or receivable.

- (i) Revenue from sale of properties is recognised when significant risks and rewards of development units are transferred to purchasers.
- (ii) Revenue earned from promoting and marketing services is recognised when the services are rendered.
- (iii) Interest income is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.
- (iv) Dividend income is recognised when the right to receive payment is established.

(p) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Post-employment benefits

The Group and the Company make contributions to the respective countries' statutory pension schemes where its group entities are located. The legal or constructive obligation of the Group and of the Company is limited to the amount that it requires to contribute to such defined contribution plans. The Group's and the Company's contributions to such defined contribution plans are recognised in profit or loss in the period to which they relate.

(q) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies during the financial year are converted to the functional currency of an entity at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of an entity at the rates of exchange ruling at the end of the reporting period. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of an entity at the rates of exchange ruling at the date of the transactions. Foreign exchange differences on monetary items that form part of the net investment in the foreign operation are recognised in other comprehensive income and subsequently reclassified to profit or loss on settlement of the monetary items.

(ii) Financial statements of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(r) Income tax**

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

Current tax is enacted tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

On the statements of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that is probable that taxable profits will be available in future against which the deductible temporary differences and tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

- (i) goodwill; or
- (ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the end of each reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

(s) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs ceases when that assets are completed or during extended periods when active development is interrupted.

Other borrowing costs are charged to profit or loss in the period in which they are incurred.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle that obligation, and the amount has been reliably estimated.

(u) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantee contracts are amortised in profit or loss over the period of the guarantee.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions.

The Group's operating segments are organised and managed separately according to geographical location.

The chief operating decision-maker of the Group responsible for allocating resources and assessing performance of the operating segments is the management team of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits held with licensed financial institutions net of restricted balances, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(x) Goods and Services Tax ("GST") and Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of GST/VAT, unless the GST/VAT is not recoverable from the tax authority. The amount of GST/VAT not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statements of financial position inclusive of GST/VAT recoverable or GST/VAT payable.

GST/VAT recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST/VAT levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

3. PLANT AND EQUIPMENT

	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovations and show unit RM'000	Work-in- progress RM'000	Total RM'000
Group							
2017							
<i>Cost</i>							
At 1 November 2016	449	231	398	18	1,888	225	3,209
Acquisition of a subsidiary (<i>Note 35(a)</i>)	-	-	-	-	1,667	-	1,667
Additions	496	636	442	4	1,429	3,337	6,344
Disposals	(60)	-	-	-	-	-	(60)
Write off	(2)	-	-	-	(80)	-	(82)
Reclassification	-	-	-	-	3,562	(3,562)	-
Foreign exchange adjustments	21	-	2	-	(104)	-	(81)
At 31 October 2017	904	867	842	22	8,362	-	10,997
<i>Accumulated depreciation</i>							
At 1 November 2016	42	53	174	3	638	-	910
Charge for the year	98	183	318	4	2,365	-	2,968
Disposals	(9)	-	-	-	-	-	(9)
Write off	-	-	-	-	(12)	-	(12)
Foreign exchange adjustments	2	-	1	-	(32)	-	(29)
At 31 October 2017	133	236	493	7	2,959	-	3,828
Net carrying amount At 31 October 2017	771	631	349	15	5,403	-	7,169

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

3. PLANT AND EQUIPMENT (CONTINUED)

	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovations RM'000	Work-in- progress RM'000	Total RM'000
Group							
2016							
<i>Cost</i>							
At 1 November 2015	-	-	-	-	-	-	-
Acquisition of subsidiaries (Note 35(b))	318	200	333	-	1,671	-	2,522
Additions	170	31	53	18	214	225	711
Disposals	(26)	-	-	-	-	-	(26)
Foreign exchange adjustments	(13)	-	12	-	3	-	2
At 31 October 2016	449	231	398	18	1,888	225	3,209
<i>Accumulated depreciation</i>							
At 1 November 2015	-	-	-	-	-	-	-
Charge for the year	46	53	168	3	638	-	908
Disposals	(4)	-	-	-	-	-	(4)
Foreign exchange adjustments	-	-	6	-	-	-	6
At 31 October 2016	42	53	174	3	638	-	910
Net carrying amount At 31 October 2016	407	178	224	15	1,250	225	2,299

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

3. PLANT AND EQUIPMENT (CONTINUED)

	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor Vehicles RM'000	Renovations RM'000	Total RM'000
Company						
2017						
<i>Cost</i>						
At 1 November 2016	-	25	19	14	214	272
Additions	18	135	233	4	600	990
At 31 October 2017	18	160	252	18	814	1,262
<i>Accumulated depreciation</i>						
At 1 November 2016	-	5	6	2	22	35
Charge for the year	2	32	66	3	81	184
At 31 October 2017	2	37	72	5	103	219
Net carrying amount At 31 October 2017	16	123	180	13	711	1,043
2016						
<i>Cost</i>						
At 1 November 2015	-	-	-	-	-	-
Additions	-	25	19	14	214	272
At 31 October 2016	-	25	19	14	214	272
<i>Accumulated depreciation</i>						
At 1 November 2015	-	-	-	-	-	-
Charge for the year	-	5	6	2	22	35
At 31 October 2016	-	5	6	2	22	35
Net carrying amount At 31 October 2016	-	20	13	12	192	237

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

4. GOODWILL

	Group	
	2017 RM'000	2016 RM'000
Goodwill on consolidation	126,302	126,302

Goodwill on consolidation arises from premium paid over the fair values of net assets of the subsidiaries acquired at their respective acquisition date. Goodwill is mainly attributable to the anticipated profitability of the acquired businesses and the benefit of expected synergies to arise after the acquisitions.

	Group	
	2017 RM'000	2016 RM'000
Goodwill on consolidation is attributable to the following CGUs:		
- EW-Ballymore Holding and its subsidiaries	108,000	108,000
- Eco World Sydney Development Pty Ltd ("EW Sydney Development")	18,302	18,302
	126,302	126,302

Impairment test of goodwill

The recoverable amount of the CGU of EW-Ballymore Holding and its subsidiaries was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management covering a five-year period and a pre-tax discount rate of 6.72% (2016: 7.97%).

The recoverable amount of the CGU of EW Sydney Development was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management covering a five-year period and a pre-tax discount rate of 7.02% (2016: 8.11%).

With regard to the assessment of value-in-use, the management believes that no reasonable possible changes in any of the key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts as at 31 October 2017 and 31 October 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	50,047	50,047

The subsidiaries of the Company are as follows:

	Equity interest		Place of incorporation	Principal activities
	2017 %	2016 %		
Eco World Investment Co Ltd ("EW Investment")*	100	100	Jersey	Investment holding
Fortune Quest Group Ltd ("Fortune Quest")	100	100	British Virgin Islands	Investment holding
Eco World Management & Advisory Services (UK) Limited ("EW Management")*	75	75	United Kingdom	Provision of advisory and project monitoring services
<i>Subsidiaries of EW Investment</i>				
Eco World International Marketing Sdn Bhd ("EW International Marketing")	100	100	Malaysia	Promoting and marketing services for international projects
Eco World ACE Co Ltd ("EW ACE")*	100	100	Jersey	Investment holding
<i>Subsidiaries of Fortune Quest</i>				
EW Sydney Development#	100	100	Australia	Property development
Eco World-Salcon Y1 Pty Ltd (formerly known as Salcon Development (Australia) Pty Ltd) ("EW-Salcon")#	80	-	Australia	Property development

* Audited by a firm other than Mazars PLT

Audited by Mazars Risk and Assurance Pty Ltd, Australia

No summarised financial information for subsidiaries with non-controlling interests have been disclosed, as the carrying amount of the non-controlling interests is immaterial to the Group's statement of financial position as at 31 October 2017 and 31 October 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

6. INVESTMENT IN A JOINT VENTURE

	Group	
	2017 RM'000	2016 RM'000
Interest in a joint venture	248,203	206,330
Less: Group's share of losses	(159,102)	(83,026)
Foreign exchange adjustments	15,806	4,342
	104,907	127,646

The joint venture is EW-Ballymore Holding, a company incorporated in Jersey, in which the Group holds 75% (2016: 75%) of the equity interest.

However, pursuant to the contractual agreement, the Group requires unanimous consent with its joint venture partner for all significant decisions over the relevant activities of EW-Ballymore Holding and its subsidiaries. Thus, the Group and its joint venture partner have joint control over EW-Ballymore Holding. Accordingly, this arrangement is classified as a joint venture, and the investment in EW-Ballymore Holding is accounted for using equity method. The joint venture is audited by a firm other than Mazars PLT.

During the financial year, the Group capitalised the loan advanced to the joint venture amounting to Great Britain Pound ("GBP") 7,500,000 (equivalent to RM41,873,000) by way of investment in the ordinary shares upon the allotment of 7,500,000 ordinary shares by the joint venture to the Group at an issue price of GBP1 each.

The summarised consolidated financial information of EW-Ballymore Holding is as follows:

	2017 RM'000	2016 RM'000
Non-current assets	22,409	12,739
Current assets	5,644,928	3,713,456
Non-current liabilities	(5,325,113)	(3,474,753)
Current liabilities	(187,472)	(116,151)
Net assets	154,752	135,291
The above assets and liabilities include:		
Cash and bank balances	149,758	175,157
Non-current loans and borrowings	(2,942,019)	(3,009,015)
Revenue	77,080	1,450
Loss for the year	(48,678)	(71,902)
Total comprehensive loss for the year	(48,678)	(71,902)
The above loss includes:		
Taxation	7,533	13,020

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For the year ended 31 October 2017

6. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Reconciliation of summarised consolidated financial information of EW-Ballymore Holding to the Group's carrying amount of its interest in the joint venture is as follows:

	2017 RM'000	2016 RM'000
Net assets of the joint venture	154,752	135,291
Fair value adjustment on net assets of the joint venture acquired	77,207	70,611
	231,959	205,902
Proportion of ownership interest held by the Group	75%	75%
The Group's share of net assets	173,969	154,427
Elimination of unrealised profits	(69,062)	(26,781)
The Group's share of net assets of the joint venture	104,907	127,646

The Group is committed to fund the joint venture by way of share subscription and shareholder's loans up to GBP330 million (2016: GBP330 million) in total over the life of the joint venture's development projects.

The Group has contributed GBP228 million as at 31 October 2017 (2016: GBP178 million), and accordingly, the Group has undrawn commitments of GBP102 million (2016: GBP152 million) (equivalent to approximately RM572 million (2016: RM777 million) based on exchange rate GBP1: RM5.5870 (2016: GBP1: RM5.1097)), if called.

The Group and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event that EW-Ballymore Holding is unable, on its own, to repay its banking facilities when due ("Increased Commitments"). The Increased Commitments shall be in the ratio of 75:25 based on the current proportion of the joint venture partners' existing equity interests in EW-Ballymore Holding.

The Group's share of the Increased Commitments is GBP90 million (2016: GBP90 million) (equivalent to approximately RM503 million (2016: RM460 million) based on exchange rate of GBP1: RM5.5870 (2016: GBP1: RM5.1097)). If funding in excess of the Increased Commitments is required to satisfy any claims from the banking facilities, the Group shall have the obligation to fund the excess amount should the other joint venture partner not fund its proportionate share. Any funding provided in excess of the Increased Commitments by one partner will result in a corresponding adjustment to the equity interest in the joint venture.

During the financial year, personal guarantee by a shareholder of the Company on the banking facilities of EW-Ballymore Holding was replaced by the Company. The Group and the other joint venture partner are jointly committed to provide corporate guarantee for the above banking facilities based on the current proportion of the joint venture partners' existing equity interests in EW-Ballymore Holding. Further details of the financial guarantee are disclosed in Note 38 to the financial statements.

The payment of dividends by the joint venture and its subsidiaries will depend upon their operating results and financial condition and shall have regard to their working capital needs, capital expenditure plans, availability of cash to fund such dividends or other distributions and any other relevant factors that their respective boards of directors deem relevant. In addition, covenants in existing loan agreements of the joint venture and its subsidiaries, restrict the payment of dividends or other distributions until such loans are fully settled, unless the prior approval of the lenders is obtained, and/or other agreements (including shareholders' agreements) to which any of the joint venture and its subsidiaries are parties to, may limit their ability to declare or pay cash dividends.

7. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by subsidiaries represent unsecured advances given to subsidiaries, which are not expected to be recalled within the next 12 months. These advances bear interest rates ranged between 3.33% to 5.84% (2016: 5.84%) per annum.

The amounts owing to subsidiaries represent payment made on behalf by the subsidiaries, which are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

7. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONTINUED)

The currency exposure profile of the net amounts owing by/(to) subsidiaries is as follows:

	Company	
	2017 RM'000	2016 RM'000
RM	1,987	(4,977)
GBP	1,588,872	444,393
United States Dollar ("USD")	298,937	138,727
	1,889,796	578,143

8. AMOUNT OWING BY A JOINT VENTURE

	Group	
	2017 RM'000	2016 RM'000
Bearing interest at 9.33% (2016: 9.33%) per annum	492,946	330,141
Interest free	596,535	415,276
	1,089,481	745,417

The advances are unsecured and are repayable after the bank loan facilities of the joint venture have been settled. The balance is denominated in GBP.

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2017 RM'000	2016 RM'000
<u>Deferred tax assets</u>		
At 1 November	12,757	-
Acquisition of subsidiaries (Note 35)	2,855	7,285
Recognised in profit or loss	3,720	5,031
Foreign exchange adjustments	(16)	441
At 31 October	19,316	12,757
<u>Deferred tax liabilities</u>		
At 1 November	(1,826)	-
Acquisition of a subsidiary (Note 35)	-	(1,756)
Recognised in profit or loss	(87)	-
Foreign exchange adjustments	(31)	(70)
At 31 October	(1,944)	(1,826)
Net deferred tax	17,372	10,931

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The Group recognises deferred tax assets as it is probable that the Group would generate sufficient taxable profits in the foreseeable future against which these deferred tax assets can be utilised.

The deferred tax recognised is in respect of the following deductible/(taxable) temporary differences:

	Group	
	2017	2016
	RM'000	RM'000
Unutilised tax losses	21,066	12,864
Difference between capital allowances claimed and accumulated depreciation on plant and equipment	618	51
Fair value adjustment arising from acquisition of a subsidiary	(1,856)	(1,826)
Other temporary differences	(2,456)	(158)
	17,372	10,931

The unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Group operate.

10. PROPERTIES UNDER DEVELOPMENT FOR SALE

	Group	
	2017	2016
	RM'000	RM'000
At 1 November	174,040	-
Acquisition of subsidiaries (<i>Note 35</i>)	152,908	157,000
Additions during the year	44,718	10,415
Foreign exchange adjustments	(4,949)	6,625
At 31 October	366,717	174,040

Freehold lands carried at RM288,844,000 (2016: RM147,612,000) are pledged as securities for the borrowings, as referred to in Note 24 to the financial statements. During the current financial year, finance costs of RM8,348,000 (2016: RM2,164,000) was capitalised and included in properties under development for sale.

11. TRADE RECEIVABLES

The trade receivables represent amounts receivable from a joint venture for services rendered. The normal credit periods granted by the Group ranged between 30 to 60 (2016: 30 to 60) days. These balances are denominated in GBP.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

12. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other receivables	843	494	-	-
Less: Allowance for doubtful debts	(222)	(219)	-	-
	621	275	-	-
Prepayments	960	400	-	82
GST recoverable	2,085	1,195	-	-
VAT recoverable	157	84	-	-
Sundry deposits	963	500	5	1
Cost recoverable from a joint venture	582	4,429	-	-
	5,368	6,883	5	83

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department and Australian Taxation Office.

VAT recoverable pertains to net amount of VAT recoverable from the Her Majesty's Revenue and Customs.

The cost recoverable from a joint venture represents marketing-related expenses paid on behalf by a subsidiary and to be reimbursed from the joint venture.

The movements in the allowance for doubtful debts of other receivables are as follows:

	Group	
	2017 RM'000	2016 RM'000
At 1 November	219	-
Allowance for doubtful debts during the year	-	207
Foreign exchange adjustments	3	12
At 31 October	222	219

The currency exposure profile of other receivables and prepayments is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
RM	1,347	5,299	5	83
GBP	1,638	533	-	-
Australian Dollar ("AUD")	2,383	1,051	-	-
	5,368	6,883	5	83

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

13. DEFERRED EXPENDITURE

Listing expenses for the Initial Public Offering ("IPO") exercise amounted to RM43,493,000 (2016: RM290,000) of which RM10,981,000 (2016: RM Nil) and RM31,490,000 (2016: RM Nil) were written off against share capital account and accumulated losses, respectively, pursuant to Section 60 of the Companies Act, 1965 and the balance of RM1,022,000 (2016: RM290,000) is recognised in profit or loss during the financial year.

14. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash on hand and at banks	30,183	14,631	700	5,142
Deposits held with licensed financial institutions	962,205	3,942	879,215	-
	992,388	18,573	879,915	5,142
Less: Restricted balances	(5,708)	(10,854)	-	(4,624)
Cash and cash equivalents	986,680	7,719	879,915	518

Included in the restricted balances of the Group and of the Company are RM5,350,000 and RM Nil (2016: RM10,501,000 and RM4,624,000) respectively, which are held in the Interest Service Reserve Accounts and Debt Service Reserve Accounts that must be maintained at any time during the tenure of borrowings as disclosed in Note 24 to the financial statements and hence, they are not available for general use.

Included in the restricted balances of the Group is also RM358,000 (2016: RM353,000), which is held with a licensed financial institution and is pledged as a security of bank guarantee to the landlord of a subsidiary in connection with the lease payments.

The deposits held with licensed financial institutions of the Group and of the Company earn effective interest rates ranged between 0.10% to 3.57% and 2.90% to 3.57% (2016: 0.95% to 3.00% and nil) per annum, respectively. These deposits have maturity periods of less than 12 months.

The currency exposure profile of cash, bank balances and deposits is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
RM	882,759	5,282	879,915	4,421
GBP	97,670	10,785	-	615
AUD	11,959	2,506	-	106
	992,388	18,573	879,915	5,142

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
<u>Issued share capital</u>				
At 1 November	246,541	750	246,541	750
Issuance of ordinary shares (Note (a))	2,153,459	245,791	2,584,151	245,791
Issuance of Warrants (Note (b))	-	-	(276,418)	-
Transfer from share premium (Note (c))	-	-	49,158	-
Share issue expenses	-	-	(10,981)	-
At 31 October	2,400,000	246,541	2,592,451	246,541

The new Companies Act 2016 ("CA 2016") which came into effect on 31 January 2017 abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of shares in issue or the relative entitlements of any of the members as a result of this transition.

Note (a)

On 4 December 2015, the Company increased its issued and paid-up ordinary share capital from RM750,002 to RM100,123,800 by way of the issuance of 99,373,798 new ordinary shares at an issue price of RM1.20 each for cash.

On 7 December 2015, the Company further increased its issued and paid-up ordinary share capital from RM100,123,800 to RM246,540,800 by way of issuance of 146,417,000 new ordinary shares at an issue price of RM1.20 each to a shareholder of the Company in satisfaction of the advances of GBP27,482,000 made by the shareholder to EW Investment.

On 3 April 2017, the Company completed its IPO for 2,153,459,200 new ordinary shares at an issue price of RM1.20 each. The IPO resulted in an increase in the ordinary share capital of the Company from 246,540,800 ordinary shares to 2,400,000,000 ordinary shares. The total IPO proceeds raised was RM2,584,151,040 and the shares were listed on Bursa Malaysia on 3 April 2017.

Note (b)

On 30 March 2017, the Company issued 960,000,000 free warrants ("Warrants") pursuant to the IPO on the basis of two (2) Warrants for every five (5) shares held immediately after the IPO but prior to the listing on Bursa Malaysia, as disclosed in Note 40(i) to the financial statements. The Warrants were valued based on the theoretical fair value of RM0.32 per Warrant determined based on the Trinomial Option Pricing Model. The Warrants were listed on Bursa Malaysia on 3 April 2017. The salient terms of the Warrants are disclosed in Note 17 to the financial statements.

Note (c)

With the CA 2016 coming into effect on 31 January 2017, the credit balance in the share premium account of RM49,158,000 has been reclassified to the ordinary share capital account. Such credit balances may be utilised for purposes set out pursuant to Section 618(3) of CA 2016, within twenty-four (24) months from the effective date of CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

The reclassification does not give rise to the change in the number of shares in issue or the relative entitlement of any of the Company's shareholders.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per share without restrictions at the general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

16. SHARE PREMIUM

Share premium represents the premium arising from the issuance of ordinary shares prior to the effective date of CA 2016. The credit balance has been reclassified to the ordinary share capital account, pursuant to CA 2016, which came into effect on 31 January 2017, as disclosed in Note 15 to the financial statements. Notwithstanding this provision, the Company may within the transitional period of 24 months from the commencement of CA 2016, utilise any amount standing to the credit of its share premium balance for purposes as set out in Section 618(3) of CA 2016.

17. WARRANT RESERVE

The warrant reserve arose from the 960,000,000 Warrants issued pursuant to the IPO.

The salient terms of the Warrants are as follows:

- (a) The Warrants are constituted by a Deed Poll executed on 20 February 2017;
- (b) The Warrants are traded separately on Bursa Malaysia;
- (c) The Warrants are exercisable at any time during the tenure of five (5) years commencing from the date of listing on Bursa Malaysia, i.e. 3 April 2017 to 4 April 2022 ("Exercise Period"). Warrants not exercised during the Exercise Period will lapse and cease to be valid;
- (d) The exercise price is RM1.45 per Warrant ("Exercise Price"). The Exercise Price and/or the number of outstanding Warrants may from time to time be adjusted, calculated or determined by the Board of Directors in consultation with an approved investment bank and certified by the Company's auditors;
- (e) Each Warrant entitles the holder to subscribe for one new share at the Exercise Price at any time during the Exercise Period subject to the terms and conditions of the Deed Poll;
- (f) The Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise the Warrants;
- (g) The new shares to be issued arising from the exercise of the Warrants shall upon allotment and issue, rank equally in respects with the then existing issued and fully paid-up shares;
- (h) The Warrant holders shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of those new shares; and
- (i) The Warrants are governed by the Laws of Malaysia.

Since the date of issuance of the Warrants, there were no Warrants exercised during the financial year.

18. TRADE PAYABLES

	Group	
	2017 RM'000	2016 RM'000
Amount owing to Eco World Development (S) Pte Ltd ("Eco World Development (S)")	127	350
Other trade payables	1,385	1,349
	1,512	1,699

Eco World Development (S) is a wholly-owned subsidiary of Eco World Development Group Berhad ("EW Berhad") where a director of the Company is also a director of EW Berhad.

Trade payables represent sales agent commission payable and are expected to be settled within the normal credit term.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

18. TRADE PAYABLES (CONTINUED)

The currency exposure profile of trade payables is as follows:

	Group	
	2017 RM'000	2016 RM'000
GBP	223	191
AUD	1,162	1,508
Singapore Dollar ("SGD")	127	-
	1,512	1,699

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other payables	2,859	2,875	375	1,032
Deposit received	30	150	-	-
VAT payable	115	717	-	-
Accruals	11,492	10,593	5,934	7,527
Amount owing to Eco World Development (S)	15	306	-	-
Amount owing to BBCC Development Sdn Bhd	44	-	-	-
	14,555	14,641	6,309	8,559

VAT payable pertains to net amount of VAT payable to the Her Majesty's Revenue and Customs.

The amount owing to Eco World Development (S) represents marketing-related expenses paid on behalf of a subsidiary.

BBCC Development Sdn Bhd is a joint venture of EW Berhad where a director of the Company is also a director of EW Berhad.

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
RM	8,684	10,313	6,309	8,559
GBP	2,388	1,488	-	-
USD	5	21	-	-
AUD	3,463	2,513	-	-
SGD	15	306	-	-
	14,555	14,641	6,309	8,559

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20. AMOUNTS OWING TO FORMER HOLDING COMPANIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Amount owing to Eco World Development Sdn Bhd	-	12,324	-	-
Amount owing to EWI Project Management Sdn Bhd	-	630	-	630
	-	12,954	-	630

The amount owing to Eco World Development Sdn Bhd, the former holding company of Fortune Quest, represented unsecured advances, which bear interest at a rate of 3.75% (2016: 3.75%) per annum and was denominated in USD. The balance was fully repaid in the current financial year.

The amount owing to EWI Project Management Sdn Bhd, the former holding company of the Company, represented unsecured interest free advances, which was fully repaid in the current financial year.

21. AMOUNTS OWING TO A SHAREHOLDER

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<i>Unsecured:</i>				
Bearing interest at 4.26% (2016: 4.26%) per annum	-	51,856	-	-
Bearing interest at 5.84% (2016: 5.84%) per annum	-	67,505	-	67,505
Interest free	-	24,873	-	24,873
	-	144,234	-	92,378

The amounts owing to a shareholder bearing interest at rates of 4.26% and 5.84% (2016: 4.26% and 5.84%) per annum were fully repaid in the current financial year.

In the previous financial year, the interest free amount owing to a shareholder represented deferred consideration of GBP4,868,000 (equivalent to RM24,873,000) arising from the acquisition of EW Investment. The balance was fully repaid in the current financial year.

The currency exposure profile of amounts owing to a shareholder is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
RM	-	67,505	-	67,505
GBP	-	76,729	-	24,873
	-	144,234	-	92,378

NOTES TO THE FINANCIAL STATEMENTS

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22. AMOUNT OWING TO A FORMER SHAREHOLDER OF A SUBSIDIARY

In the previous financial year, the amount owing to a former shareholder of a subsidiary represents deferred consideration of GBP2,086,000 (equivalent to RM10,660,000) arising from the acquisition of EW Investment. The amount was unsecured, interest free and fully repaid in the current financial year.

23. AMOUNT OWING TO A CORPORATE SHAREHOLDER OF A SUBSIDIARY

The amount owing to a corporate shareholder of a subsidiary represents advances from Salcon Development Sdn Bhd, a non-controlling interest in EW-Salcon.

The amount is unsecured, interest free and repayable on demand. The amount is denominated in AUD.

24. BORROWINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash advance facility (Note a)	-	47,891	-	-
Bridging loan facility (Note b)	-	259,536	-	259,536
Bank term loans I (Note c)	-	550,250	-	-
Bank term loans II (Note d)	-	66,190	-	66,190
Bank term loan III (Note e)	48,684	-	-	-
Bank term loan IV (Note f)	79,913	-	-	-
	128,597	923,867	-	325,726

Represented by:

Current

- not later than one year	79,913	923,867	-	325,726
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Non-current

- later than one year but not later than five years	48,684	-	-	-
	128,597	923,867	-	325,726

(a) The cash advance facility was secured by the following:

- a first registered mortgage over a freehold land for development disclosed in Note 10 to the financial statements;
- first registered perfected General Security Agreement over all the assets and undertakings pertaining to EW Sydney Development;
- joint and several guarantee from certain directors of EW Sydney Development;
- authority to set-off over the Debt Service Reserve Account ("DSRA"); and
- deed of subordination over related parties or shareholders' loan of EW Sydney Development.

The effective interest rate for the current financial year was 3.41% (2016: 3.64%) per annum.

The cash advance facility was denominated in AUD and was fully repaid in the current financial year.

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24. BORROWINGS (CONTINUED)

(b) The bridging loan facility was secured by the following:

- a first party charge over the Interest Service Reserve Account ("ISRA") in favour of the lenders;
- guarantee from a shareholder of the Company;
- a first party charge over all the issued and paid-up shares of Fortune Quest in favour of the lenders; and
- a first party charge over all the issued and paid-up shares of EW Investment in favour of the lenders.

The effective interest rate for the current financial year was 6.11% (2016: 5.77%) per annum.

The bridging loan facility was denominated in RM and was fully repaid in the current financial year.

(c) The bank term loans I were secured by the following:

- third party charge over all the issued and paid-up shares of EW Investment;
- first party assignment and charge over the ISRA and DSRA;
- joint and several guarantee from a former shareholder of EW Investment and a shareholder of the Company;
- debenture by way of registered first fixed and floating charge over all present and future assets of EW ACE;
- irrevocable letter of undertaking from a former shareholder of EW Investment and a shareholder of the Company;
- memorandum of charge over all shares of EW ACE; and
- deed of subordination of all shareholders' loan and advances of EW Investment.

The effective interest rates for the current financial year ranged between 4.30% to 4.56% (2016: 4.23% to 4.49%) per annum.

The bank term loans were denominated in GBP and were fully repaid in the current financial year.

(d) The bank term loans II were secured by the following:

- a first party charge over the ISRA in favour of the lenders;
- guarantee from a shareholder of the Company;
- a first party charge over all the issued and paid-up shares of Fortune Quest in favour of the lenders; and
- a first party charge over all the issued and paid-up shares of EW Investment in favour of the lenders.

The effective interest rates for the current financial year ranged between 3.73% to 4.75% (2016: 3.86% to 4.49%) per annum.

Included in the bank term loans for the financial year ended 31 October 2016 were balances of RM56,620,000 and RM9,570,000, which were denominated in GBP and AUD respectively.

The bank term loans were fully repaid in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

24. BORROWINGS (CONTINUED)

(e) The bank term loan III is secured by the following:

- first ranking mortgage over a freehold land for development disclosed in Note 10 to the financial statements;
- General Security Agreement over all the present and after-acquired property of EW Sydney Development;
- guarantee and indemnity from the Company;
- Specific Security Agreement over the Proceeds Account, Operating Account and Term Deposit Account; and
- Builder's Side Deed between EW Sydney Development and the lenders.

The effective interest rate for the current financial year is 3.41% per annum.

The bank term loan is denominated in AUD and falls due for repayment in November 2020.

(f) The bank term loan IV is secured by the following:

- first ranking mortgage over a freehold land for development disclosed in Note 10 to the financial statements;
- General Security Agreement over all the present and after-acquired property of EW-Salcon;
- guarantee from a corporate shareholder of EW-Salcon; and
- Specific Security Agreement over the DSRA.

The effective interest rate for the current financial year is 3.25% per annum.

The bank term loan is denominated in AUD and falls due for repayment in March 2018.

25. REVENUE

Revenue represents the agreed value of services, net of GST and VAT, rendered during the current financial year.

26. OTHER INCOME

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- subsidiaries	-	-	48,909	28,849
- trust and deposits	21,369	39	21,272	-
- others	972	47	909	7
Dividend income	-	-	4,145	-
Gain on bargain purchase arising from acquisition of a subsidiary (Note 35(b))	-	5,540	-	-
Realised gain on foreign exchange	5,186	-	3,241	-
Others	42	3	-	-
	27,569	5,629	78,476	28,856

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For the year ended 31 October 2017

27. FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Facility fee on borrowings	7,991	11,153	2,450	6,999
Interest on borrowings	21,037	37,863	9,302	12,526
Interest on shareholder's advances	2,892	3,807	1,996	1,844
	31,920	52,823	13,748	21,369

28. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(Loss)/Profit before tax is stated after charging/(crediting):				
Auditors' remuneration	156	192	47	111
Allowance for doubtful debts	-	207	-	-
Depreciation	2,968	908	184	35
Loss on disposal of plant and equipment	24	16	-	-
Plant and equipment written off	70	-	-	-
Directors' remuneration:				
- salaries, allowances and bonuses	10,919	4,865	9,357	3,821
- director fee	903	800	903	800
- defined contribution plan	1,230	555	1,108	460
- others	476	10	444	-
Employee benefits expense (Note 31)	27,731	13,440	11,238	2,279
Landholder duty	12,249	8,691	-	8,691
Listing expenses	1,022	290	1,022	290
Rental expenses				
- office premises	3,074	1,667	165	-
- office equipment	96	110	27	6
Realised loss/(gain) on foreign exchange	-	540	-	(127)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

29. TAXATION

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax				
- Malaysian tax				
- current year	1,620	-	1,620	-
- prior years	1	(174)	1	1
- Foreign tax				
- current year	2,265	2,998	-	-
- prior years	(30)	54	-	-
	3,856	2,878	1,621	1
Deferred tax				
- Malaysian tax				
- current year	(688)	(1,195)	-	-
- prior years	250	1	-	-
- Foreign tax				
- current year	(3,206)	(3,841)	-	-
- prior years	11	4	-	-
	(3,633)	(5,031)	-	-
	223	(2,153)	1,621	1

The Group operates in a multi-jurisdictional tax environment.

The Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the fiscal year.

The corporate tax rates of entities within the Group outside Malaysia are as follows:

- (a) subsidiaries incorporated in Jersey and the British Virgin Islands: 0% (2016: 0%);
- (b) subsidiary incorporated in the United Kingdom: 19% (2016: 20%); and
- (c) subsidiaries incorporated in Australia: 30% (2016: 30%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

29. TAXATION (CONTINUED)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the (loss)/profit before tax as a result of the following differences:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Accounting (loss)/profit before tax and share of results in a joint venture	(50,742)	(165,342)	67,298	(86,843)
Tax at applicable tax rates	911	(28,689)	16,152	(20,842)
Tax effect arising from non-taxable income	(4,577)	(1,330)	(16,314)	(6,924)
Tax effect arising from non-deductible expenses	3,657	27,981	1,782	27,766
Adjustments attributable to prior years	232	(115)	1	1
	223	(2,153)	1,621	1

30. LOSS PER SHARE

Basic:

Basic loss per share has been calculated by dividing the Group's loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares in issue is calculated as follows:

	Group	
	2017	2016
Loss for the year attributable to owners of the parent (RM'000)	(87,633)	(220,093)
Number of ordinary shares at beginning of the year ('000)	246,541	750
Effect of share issued pursuant to:		
- Issuance of ordinary shares ('000)	1,274,376	222,429
Weighted average number of ordinary shares ('000)	1,520,917	223,179
Basic loss per ordinary share (sen)	(5.76)	(98.62)

Diluted:

Diluted loss per share has been calculated by dividing the Group's loss for the year attributable to owners of the parent by the weighted average number of ordinary shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value.

However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on loss per share, the potential exercise of the Warrants is not taken into account in calculating diluted loss per share.

As at 31 October 2017, the basic and diluted losses per share are equal as the unexercised Warrants has no dilutive effect on the loss per share, as the Warrants' Exercise Price is higher than the market price per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Salaries, wages, bonuses and allowances	23,766	11,697	9,718	1,959
Defined contribution plan	1,909	863	1,159	231
Other staff benefits	2,056	880	361	89
	27,731	13,440	11,238	2,279

32. LEASE COMMITMENTS

	Group	
	2017 RM'000	2016 RM'000
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 12 months	3,248	1,204
Later than 1 year but not later than 5 years	7,378	1,824
	10,626	3,028

Operating lease payments represent non-cancellable rentals payable for the use of office premises.

33. CAPITAL COMMITMENT

	Group	
	2017 RM'000	2016 RM'000
Approved and contracted for capital expenditure in respect of plant and equipment not provided for in the financial statements	905	75

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For the year ended 31 October 2017

34. RELATED PARTY DISCLOSURES

The Group and the Company have a relationship with their former holding companies, related companies, subsidiaries, a joint venture, a shareholder and a corporate shareholder of a subsidiary.

- (a) **Other than those disclosed elsewhere in the financial statements, significant related party transactions determined on a basis negotiated between the Group and its related parties during the current financial year are as follows:**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with a joint venture				
Revenue	488	683	-	-
Advances to a joint venture	274,865	244,662	-	-
Interest receivable	39,567	29,099	-	-
Transactions with a shareholder				
Advances received	19,500	21,457	19,500	65,604
Interest charged	2,892	3,807	1,996	1,844
Transactions with subsidiaries				
Advances to subsidiaries	-	-	1,212,570	347,957
Settlement on behalf to former holding company of a subsidiary	-	-	-	113,573
Settlement on behalf to a corporate shareholder of a subsidiary	-	-	61,195	-
Interest receivable	-	-	48,909	28,849
Transaction with former holding company of a subsidiary				
Net repayment of advances	-	113,548	-	-
Transaction of a subsidiary with its former holding company				
Interest charged	220	642	-	-
Transactions with wholly-owned subsidiaries of EW Berhad where a director of the Company is also a director of EW Berhad				
Agent fees paid or payable	325	54	-	-
Support service fees paid or payable	81	-	81	-
Purchase of plant and equipment	649	12	644	8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

34. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) Other than those disclosed elsewhere in the financial statements, significant related party transactions determined on a basis negotiated between the Group and its related parties during the current financial year are as follows (continued):

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transaction with a joint venture of EW Berhad where a director of the Company is also a director of EW Berhad				
Rental paid or payable	330	-	-	-
Transaction with a company where a director has interest				
Rental paid or payable	165	-	165	-
Transaction with a company where a director of a subsidiary has interest				
Consultancy fee paid or payable	278	107	-	-
Transaction of a subsidiary with its corporate shareholder				
Advances received	1,709	-	-	-
Transactions with related companies of GLL EWI (HK) Limited, a substantial shareholder of the Company				
Corporate advisory and placement fee payable	5,556	-	5,556	-
Insurance fee payable	39	-	19	-
Interest charged	1,073	-	688	-
Interest received	126	-	126	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Key management personnel remuneration

Key management personnel are defined as those persons having executive authority and responsibility for planning, directing and controlling of the activities of the Group and of the Company either directly or indirectly. The remuneration of the key management personnel during the financial year is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors' remuneration				
Salaries, allowances and bonuses	10,919	4,865	9,357	3,821
Director fee	903	800	903	800
Defined contribution plan	1,230	555	1,108	460
Others	476	10	444	-
	13,528	6,230	11,812	5,081

35. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of a subsidiary not constituting a business

On 11 September 2017, a wholly-owned subsidiary of the Company, Fortune Quest, acquired 80 ordinary shares in EW-Salcon for a cash consideration of AUD120,000. Consequently, EW-Salcon became an 80% owned subsidiary of the Group.

EW-Salcon is a property development company that owns a parcel of land held for development at South Yarra, Victoria, Australia. The Group intends to use the site to construct a residential development. The management considers that at the date of acquisition, EW-Salcon constituted group of net assets, rather than business, as EW-Salcon has not carried out any active development at the site.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

35. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of a subsidiary not constituting a business (continued)

(i) Assets acquired and liabilities recognised at the date of acquisition:

	2017 RM'000
<i>Assets</i>	
Plant and equipment	1,667
Properties under development for sale	152,908
Deferred tax assets	2,855
Other receivables and prepayments	1,330
Cash and bank balances	1,995
<i>Liabilities</i>	
Other payables and accruals	(1,113)
Amount owing to the then shareholder	(76,814)
Borrowings	(83,698)
Net liabilities acquired	(870)
	RM'000
Net liabilities acquired	(870)
Non-controlling interests	1,282
Purchase consideration	412

(ii) Effects of acquisition on cash flows:

	2017 RM'000
Consideration paid in cash	(412)
Add: Cash and cash equivalents of a subsidiary acquired	562
Net cash inflow on acquisition	150

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

35. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of a subsidiary not constituting a business (continued)

(iii) Impact of the acquisition to the Group:

The Group's revenue and loss for the year attributable to EW-Salcon is RM Nil and RM2,141,000 respectively.

Had EW-Salcon been acquired since 1 November 2016, the Group's revenue and loss for the year would have been RM488,000 and RM92,540,000 respectively. These figures are presented solely for illustrative purpose to provide reference for comparison in future periods.

(b) Acquisition of subsidiaries in previous financial year

Acquisition of EW Investment

On 7 December 2015, the Company acquired 100% equity interest in EW Investment for a total cash consideration of GBP6,954,000. EW Investment is an investment holding company. EW Investment has 2 subsidiaries, namely EW ACE and EW International Marketing. EW Investment also has an indirect investment in a joint venture, EW-Ballymore Holding, which is an investment holding. The subsidiaries of EW-Ballymore Holding are mainly involved in property development.

Acquisition of Fortune Quest

On 8 December 2015, the Company acquired 100% equity interest in Fortune Quest for a total cash consideration of AUD1,046,000. Fortune Quest is an investment holding company. Fortune Quest has a wholly-owned subsidiary, EW Sydney Development. EW Sydney Development is involved in property development.

Acquisition of EW Management

On 7 December 2015, the Company acquired 75% equity interest in EW Management for a total cash consideration of GBP375,000. EW Management provides advisory and project monitoring services to EW ACE.

(i) Consideration transferred:

	EW Investment RM'000	Fortune Quest RM'000	EW Management RM'000
Purchase consideration	44,459	3,200	2,388

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

35. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries in previous financial year (continued)

(ii) Assets acquired and liabilities recognised at the dates of acquisition:

	EW Investment RM'000	Fortune Quest RM'000	EW Management RM'000	2016 Total RM'000
<i>Assets</i>				
Plant and equipment	1,970	548	4	2,522
Properties under development for sale	-	157,000	-	157,000
Deferred tax assets	188	7,097	-	7,285
Investment in a joint venture	14,885	-	-	14,885
Amount owing by a joint venture	870,159	-	-	870,159
Trade and other receivables	20,055	1,445	2,369	23,869
Cash, bank balances and deposits	9,795	2,115	10,083	21,993
<i>Liabilities</i>				
Trade and other payables	(7,069)	(7,894)	(19)	(14,982)
Current tax liabilities	(187)	-	(1,843)	(2,030)
Amounts owing to the then shareholders	(282,426)	-	(23)	(282,449)
Amount owing to former holding company	-	(127,616)	-	(127,616)
Borrowings	(690,911)	(46,041)	-	(736,952)
Deferred tax liabilities	-	(1,756)	-	(1,756)
Net (liabilities)/assets acquired	(63,541)	(15,102)	10,571	(68,072)
	RM'000	RM'000	RM'000	RM'000
Net (liabilities)/assets acquired	(63,541)	(15,102)	10,571	(68,072)
Goodwill arising on acquisition	108,000	18,302	-	126,302
Gain on bargain purchase arising from acquisition	-	-	(5,540)	(5,540)
Non-controlling interests	-	-	(2,643)	(2,643)
Purchase consideration	44,459	3,200	2,388	50,047

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

35. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries in previous financial year (continued)

(iii) Effects of acquisition on cash flows:

	EW Investment RM'000	Fortune Quest RM'000	EW Management RM'000	2016 Total RM'000
Consideration paid in cash	-	(3,200)	(2,388)	(5,588)
Add: Cash and cash equivalents of subsidiaries acquired	526	1,496	10,083	12,105
Net cash inflow/(outflow) on acquisition	526	(1,704)	7,695	6,517

(iv) Impact of the acquisition to the Group:

	2016 RM'000
The Group's revenue attributable to:	
(i) EW Investment group	683
(ii) Fortune Quest group	-
(iii) EW Management	-
The Group's loss for attributable to:	
(i) EW Investment group	91,474
(ii) Fortune Quest group	6,389
(iii) EW Management	12,078

Had these subsidiaries been acquired since 1 November 2015, the Group's revenue and loss for the previous financial year would have been RM970,000 and RM238,326,000 respectively. These figures were presented solely for illustrative purpose to provide reference for comparison in future periods.

36. SEGMENTAL REPORTING

The Group is principally involved in property development and investment in property development projects.

The Group's operating and reportable segments are business units operating in different geographical locations.

(a) By geographical segments

For the management purposes, the Group is organised into several geographical locations of the world, and has three reportable geographical segments as follows:

- (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.
- (iii) Malaysia – the areas of operation are investment holding and promoting and marketing services activities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

36. SEGMENTAL REPORTING (CONTINUED)**(a) By geographical segments (continued)**

Transactions between segments are entered into in the normal course of business and determined on a basis negotiated between the parties involved. The effects of such inter-segmental transactions are eliminated on consolidation.

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
2017					
REVENUE					
External revenue	-	-	488	-	488
Inter-segment revenue	22,543	-	963	(23,506)	-
Total revenue	22,543	-	1,451	(23,506)	488
RESULTS					
Segment results	(11,295)	(26,904)	(39,751)	-	(77,950)
Share of results in a joint venture	(36,509)	-	-	-	(36,509)
Depreciation	(64)	(275)	(2,629)	-	(2,968)
Unrealised (loss)/gain on foreign exchange	(1)	(2,913)	37,441	-	34,527
Other income	40	256	27,273	-	27,569
Finance costs	(18,163)	(9)	(13,748)	-	(31,920)
(Loss)/Profit before tax	(65,992)	(29,845)	8,586	-	(87,251)
Taxation	(2,323)	3,283	(1,183)	-	(223)
(Loss)/Profit for the year	(68,315)	(26,562)	7,403	-	(87,474)
SEGMENT ASSETS, LIABILITIES AND OTHER INFORMATION					
Additions to non-current assets	402	182	5,760	-	6,344
Segment assets	1,401,599	419,030	891,733	-	2,712,362
Segment liabilities	3,646	151,424	9,648	-	164,718

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For the year ended 31 October 2017

36. SEGMENTAL REPORTING (CONTINUED)

(a) By geographical segments (continued)

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
2016					
REVENUE					
External revenue	-	-	683	-	683
Inter-segment revenue	21,039	-	354	(21,393)	-
Total revenue	21,039	-	1,037	(21,393)	683
RESULTS					
Segment results	(7,934)	(10,155)	(24,211)	-	(42,300)
Share of results in a joint venture	(53,927)	-	-	-	(53,927)
Depreciation	(16)	(122)	(770)	-	(908)
Unrealised (loss)/gain on foreign exchange	(3)	14	(74,951)	-	(74,940)
Other income	14	37	5,578	-	5,629
Finance costs	(31,454)	-	(21,369)	-	(52,823)
Loss before tax	(93,320)	(10,226)	(115,723)	-	(219,269)
Taxation	(3,052)	3,837	1,368	-	2,153
Loss for the year	(96,372)	(6,389)	(114,355)	-	(217,116)
SEGMENT ASSETS, LIABILITIES AND OTHER INFORMATION					
Additions to non-current assets	170	34	507	-	711
Segment assets	991,900	207,641	25,931	-	1,225,472
Segment liabilities	605,952	65,770	441,079	-	1,112,801

(b) By business segments

For management purposes, the Group is organised into property development as primary segment. Other activities include investment holding and promotion and marketing activities. They are managed separately when making decisions on resource allocation. The entire revenue of the Group for the financial year (2016: 100%) is contributed by a wholly-owned subsidiary which is involved in the promotion and marketing services rendered to the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

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37. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments:

(a) Classification of financial instruments

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Financial assets (loans and receivables)				
Trade receivables	32	289	-	-
Other receivables	2,166	5,146	5	1
Amounts owing by subsidiaries	-	-	1,891,346	583,122
Amount owing by a joint venture	1,089,481	745,417	-	-
Cash, bank balances and deposits	992,388	18,573	879,915	5,142
Total financial assets	2,084,067	769,425	2,771,266	588,265
Financial liabilities (at amortised cost)				
Trade payables	1,512	1,699	-	-
Other payables and accruals	14,440	13,924	6,309	8,559
Amounts owing to former holding companies	-	12,954	-	630
Amounts owing to a shareholder	-	144,234	-	92,378
Amount owing to a former shareholder of a subsidiary	-	10,660	-	10,660
Amount owing to a corporate shareholder of a subsidiary	16,340	-	-	-
Amounts owing to subsidiaries	-	-	1,550	4,979
Borrowings	128,597	923,867	-	325,726
Total financial liabilities	160,889	1,107,338	7,859	442,932

(b) Fair value of financial instruments

The borrowings of the Group and of the Company are reasonable approximations of their fair values because they are floating rate instruments which are re-priced to market interest rates.

The carrying amounts of all other financial assets and liabilities at the reporting date approximated or were at their fair values in view of their short term nature.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks including liquidity and cash flow risks, interest rate risk, foreign currency risk and credit risk. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and of the Company.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk management is carried out through risk review, internal control systems and adherence to the financial risk management policies. There is detailed system for the reporting and forecasting of cash flows from the operations to ensure that risk are promptly identified and appropriate mitigating actions taken. The Group and the Company always maintain sufficient facility headroom to cover risks. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group does not trade in derivative instruments.

(i) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligations when they fall due.

The Group and the Company seek to ensure that they maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that the Group and the Company, through efficient working capital management, must be able to convert their current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of their businesses, the Group and the Company also seek to maintain sufficient credit lines available to meet their liquidity requirements while ensuring effective working capital management.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Group			
2017			
Financial liabilities			
Trade payables	1,512	-	1,512
Other payables and accruals	14,440	-	14,440
Amount owing to a corporate shareholder of a subsidiary	16,340	-	16,340
Borrowings	82,643	52,122	134,765
Total undiscounted financial liabilities	114,935	52,122	167,057
Financial guarantee contracts	109,590	2,855,649	2,965,239
			Less than 1 year RM'000
2016			
Financial liabilities			
Trade payables			1,699
Other payables and accruals			13,924
Amounts owing to former holding companies			13,185
Amounts owing to a shareholder			147,637
Amount owing to a former shareholder of a subsidiary			10,660
Borrowings			944,358
Total undiscounted financial liabilities			1,131,463

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) *Liquidity and cash flow risks (continued)*

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Company			
2017			
Financial liabilities			
Other payables and accruals	6,309	-	6,309
Amounts owing to subsidiaries	1,550	-	1,550
Total undiscounted financial liabilities	7,859	-	7,859
Financial guarantee contracts	111,241	2,907,771	3,019,012
			Less than 1 year RM'000
2016			
Financial liabilities			
Other payables and accruals			8,559
Amount owing to former holding company			630
Amount owing to a shareholder			94,678
Amount owing to a former shareholder of a subsidiary			10,660
Amounts owing to subsidiaries			4,979
Borrowings			334,025
Total undiscounted financial liabilities			453,531

The management has determined the differentials and estimated the fair value of the intra group financial guarantees to be immaterial and the requirements to reimburse is remote.

(ii) *Interest rate risk*

The Group's and the Company's exposure to changes in interest rate risk relates primarily to the bank borrowings. The Group does not generally hedge interest rate risk.

A sensitivity analysis has been performed based on the Group's outstanding floating rate of bank borrowings as at year end. If interest rate increases or decreases by 50 basis points with all other variables held constant, the consolidated loss after tax would increase or decrease by approximately RM Nil (2016: RM4,388,000) as a result of higher or lower interest expense on these borrowings.

(iii) *Foreign currency risk*

The Group is exposed to foreign currency risk mainly as a result of translation of foreign operations to RM and foreign currency transactions entered into in currencies other than its functional currency.

The following table demonstrates the sensitivity of the Group's loss after tax and other comprehensive income to a reasonably possible change in the GBP, AUD and USD exchange rates against RM with all other variables held constant.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Foreign currency risk (continued)

Group	Increase/(Decrease) in loss after tax	
	2017 RM'000	2016 RM'000
Change in currency rates of:		
GBP		
- Strengthen by 5%	59,311	3,054
- Weaken by 5%	(59,311)	(3,054)
AUD		
- Strengthen by 5%	(6,761)	(2,896)
- Weaken by 5%	6,761	2,896
USD		
- Strengthen by 5%	-	(617)
- Weaken by 5%	-	617
Group	(Decrease)/Increase in other comprehensive income	
	2017 RM'000	2016 RM'000
Change in currency rates of:		
GBP		
- Strengthen by 5%	(993)	1,360
- Weaken by 5%	993	(1,360)
USD		
- Strengthen by 5%	410	375
- Weaken by 5%	(410)	(375)

As other foreign currency denominated monetary items as at the reporting date are not material, the sensitivity analysis has not been presented.

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For the year ended 31 October 2017

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

As at the end of the reporting period, amount owing by a joint venture which are included in trade and other receivables amounted to RM614,000 (2016: RM4,718,000). The directors of the Company closely monitor the Group's credit risk exposure arising from the joint venture and are confident in recovering the outstanding balances.

As at 31 October 2017, the Group is also exposed to credit risk in respect of unsecured advances to the joint venture amounting to RM1,089,481,000 (2016: RM745,417,000). The directors of the Company closely monitor the Group's credit risk exposure arising from amount due from the joint venture, and are confident in recovering the outstanding balances.

The credit risk on cash, bank balances and deposits of the Group and of the Company is limited as these balances are placed with or transacted with financial institutions which are creditworthy.

The Group and the Company are exposed to credit risk in relation to corporate guarantees in respect of the banking facilities granted to the joint venture. The Group and the Company monitor the results of the joint venture and their repayment on an on-going basis. The maximum exposure of the Group and of the Company to credit risk amounting to RM2,774,409,000 (2016: RM Nil) and RM2,774,409,000 (2016: RM Nil) respectively.

As at the reporting date, there was no indication that the joint venture would default on repayment.

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure and when necessary, obtains financial support from its lenders, debt and equity capital raising exercises to ensure optimal capital structure and shareholder returns.

The principal form of capital is share capital and when necessary, borrowings as included in the statements of financial position.

As at the reporting date, the Group has complied with all bank covenants and all externally imposed capital requirements.

At the end of the financial year, the gearing ratios were as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Loans and borrowings (Note 24)	128,597	923,867	-	325,726
Less: Cash, bank balances and deposits (Note 14)	(992,388)	(18,573)	(879,915)	(5,142)
Net (cash)/debt	(863,791)	905,294	(879,915)	320,584
Total equity attributable to owners of the parent	2,544,876	107,883	2,813,791	206,434
Net gearing ratio	N/A	8.39	N/A	1.55

N/A - Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

40. SIGNIFICANT EVENTS

The following events have taken place during the financial year:

- (i) Bursa Malaysia had on 3 March 2017 approved the admission of the Company to the Official list, and listing and quotation for the entire issued and paid-up share capital of up to 2,400,000,000 ordinary shares and bonus issue of 960,000,000 warrants on the basis of two (2) Warrants for every five (5) shares held immediately after the IPO but prior to the listing on Bursa Malaysia.

The Company completed its IPO for 2,153,459,200 new ordinary shares at an issue price of RM1.20 each. The shares and Warrants were listed on Bursa Malaysia on 3 April 2017.

- (ii) On 10 April 2017, a wholly-owned subsidiary of the Company, Fortune Quest, entered into a conditional share sale and purchase agreement ("Share SPA") with Salcon Development Sdn Bhd ("Salcon Development"), a wholly-owned subsidiary of Salcon Berhad, for the proposed acquisition of eighty (80) ordinary shares in EW-Salcon representing 80% of the issued share capital of EW-Salcon for a total purchase consideration of AUD120,000. In addition to the purchase consideration, Fortune Quest shall, on completion of the Share SPA, repay a sum equivalent to 80% of the total advances owing by EW-Salcon to Salcon Development.

The Share SPA was completed during the financial year and accordingly, EW-Salcon became an 80% owned subsidiary of the Group.

41. SUBSEQUENT EVENTS

- (i) On 8 November 2017, the Company announced that it had entered into Heads of Agreement with Be Living Holdings Limited ("Be Living") to acquire a 70% equity interest in 12 sites in Greater London and South East England and a development management entity.

On 24 November 2017, the Company announced that EW Investment had on 23 November 2017 acquired one (1) share with the nominal value of GBP1.00 representing the entire issued and paid-up share capital of Eco World Be Co Ltd ("EW Be"), a company incorporated in Jersey, for a total cash consideration of GBP1.00. EW Be became a wholly-owned subsidiary of EW Investment.

On 15 December 2017, the Company further announced that EW Be is proposing to enter into a joint venture with Be Living to jointly develop 12 development projects located across Greater London and South East England. As part of the joint venture, the Company will also be acquiring Be Living's development management business thereby gaining its own development management team in the United Kingdom ("Proposed Acquisition"). The Proposed Acquisition is expected to be carried out in 2 stages namely, Stage 1 comprising 6 development projects (nearly all of which are at various stages of securing planning consent) and Stage 2 comprising another 6 development projects (mostly without planning consent). Given that the acquisitions under Stage 1 are targeted to be completed by the first quarter of 2018, the purchase consideration for Stage 1 will be funded via the proceeds raised from the Company's initial public offering (which was completed on 3 April 2017) ("IPO Proceeds"). This will result in a variation in the use of IPO Proceeds that was originally contemplated in the Company's prospectus dated 9 March 2017.

- (ii) On 8 November 2017, Fortune Quest has incorporated a wholly-owned subsidiary, namely Eco World (Macquarie) Pty Ltd ("EcoWorld Macquarie"). EcoWorld Macquarie was incorporated in Australia as a limited by shares company under the Corporations Act 2001, with 100 ordinary issued and paid-up shares. The principal activity of EcoWorld Macquarie is property development.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

41. SUBSEQUENT EVENTS (CONTINUED)

- (iii) On 24 November 2017, EcoWorld Macquarie entered into a put and call option agreement ("Option Agreement") with the owners of 25 apartment units ("Vendors") in respect of the acquisition of such units in the strata scheme comprised by Strata Plan 6481 ("Strata Scheme"), located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia ("Properties") for a purchase consideration of AUD33.8 million (equivalent to RM105.86 million).

Upon the exercise of the call or put option under the Option Agreement, EcoWorld Macquarie will enter into a definitive sale and purchase agreement with each of the Vendors to purchase the Properties ("SPA").

EcoWorld Macquarie intends to acquire all apartment units either through negotiation with the owners of the remaining five (5) apartment units to reach an agreement or via the strata renewal process. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million).

EcoWorld Macquarie will commence the strata renewal process as soon as possible and run this process in tandem with negotiation with the owners of the remaining five (5) apartment units to facilitate completion of the SPAs by the earlier of 9 November 2018 or a date that is three (3) months after the date of notice by EcoWorld Macquarie to the Vendors requiring early settlement.

At the date of this report, the SPA is pending for completion.

42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue on 25 January 2018 by the Board of Directors.

STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, Tan Sri Dato' Sri Liew Kee Sin and Dato' Teow Leong Seng, being the directors of Eco World International Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 86 to 143 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2017 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a directors' resolution.

TAN SRI DATO' SRI LIEW KEE SIN
Director

DATO' TEOW LEONG SENG
Director

Kuala Lumpur
Date: 25 January 2018

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, Dato' Teow Leong Seng (IC No: 581212-10-6981), being the director primarily responsible for the financial management of Eco World International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 86 to 143 are correct.

I hereby make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)	
the above named	)	
DATO' TEOW LEONG SENG	)	
at Kuala Lumpur in the	)	
Federal Territory	)	
	)	
this 25 January 2018	)	DATO' TEOW LEONG SENG

Before me,

Baloo A/L T. Pichai
No. W663

Commissioner for Oaths
Kuala Lumpur

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LIST OF PROPERTIES

As at 31 October 2017

(i) Details of the development properties held by the Group are as follows:

No.	Location	Description	Date of Acquisition	Land Area (Sq. M)	Tenure	Net Book Value (RM'000)
1.	West Village, Parramatta Lot 100 in Deposited Plan 792374 Lot 504 in Deposited Plan 701136/ 76-82 and 100, Church Street Parramatta New South Wales 2150 Australia	Land under development and held for development	30 November 2015	4,778	Freehold	220,441
2.	Yarra One, Melbourne 16-22, Claremont Street South Yarra, Victoria 3141 Australia	Land under development and held for development	10 April 2017	2,128	Freehold	146,276
						366,717

(ii) Details of the development properties held by a Joint Venture, EcoWorld-Ballymore are as follows:

No.	Location	Description	Date of Acquisition	Land Area (Sq. M)	Tenure	Net Book Value (RM'000)
1	Eco World-Ballymore London City Island Company Limited EGL442847/Land at Middle Wharf, Baldwins Upper Wharf and Crown Wharf, Orchard Place London E14 United Kingdom	Development site for the London City Island Phase 2 Project	11 January 2015	23,553	Freehold	1,542,263 [^]
	EGL489449/Land on the west side of Orchard Place London E14 United Kingdom			526	Leasehold Expiring: Year 2130	
2.	Eco World-Ballymore Embassy Gardens Company Limited TGL423144/Phase 2, Embassy Gardens, Nine Elms Lane London SW8 5BL United Kingdom	Development site for the Embassy Garden Phase 2 Project	11 January 2015	22,015	Freehold	2,609,782 [^]
3.	Eco World-Ballymore Arrowhead Quay Company Limited NGL501731 and EGL531989/ Land at South Quay Isle of Dogs London E14 United Kingdom	Development site for the Warden London Project	11 January 2015	5,463	Freehold	950,826 [^]
						5,102,871

Note:

[^] Based on the exchange rate of GBP1.00: RM5.587, being the closing rate for GBP to RM as at 31 October 2017

STATISTICS ON SHAREHOLDINGS

As at 22 January 2018

Total no. of issued shares	: 2,400,000,000
Class of share	: Ordinary Shares
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	7	0.04	142	negligible
100 - 1,000	3,895	23.82	2,365,873	0.10
1,001 - 10,000	8,477	51.84	43,513,250	1.81
10,001 - 100,000	3,588	21.94	114,330,824	4.76
100,001 to less than 5% of issued shares	383	2.34	620,867,611	25.87
5% and above of issued shares	4	0.02	1,618,922,300	67.46
Total	16,354	100.00	2,400,000,000	100.00

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Name	No. of Shares held			
	Direct	%	Indirect	%
Tan Sri Azlan Bin Mohd Zainol	5,120,000	0.21	58,200 ⁽¹⁾	negligible
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000 ⁽²⁾	1.90
Dato' Teow Leong Seng	15,263,000	0.64	-	-
Cheah Tek Kuang	3,000,000	0.13	-	-
Dato' Voon Tin Yow	6,141,600	0.26	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	5,000,000 ⁽³⁾	0.21
Dato' Seri Ahmad Johan Bin Mohammad Raslan	-	-	-	-
Dato' Siow Kim Lun	2,000,000	0.08	-	-

⁽¹⁾ Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Act

⁽²⁾ Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act

⁽³⁾ Deemed interested by virtue of her spouse's interest in the Company pursuant to Section 59(11)(c) of the Act

STATISTICS ON SHAREHOLDINGS

As at 22 January 2018

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares held			
	Direct	%	Indirect	%
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000 ⁽¹⁾	1.90
Eco World Capital (International) Sdn Bhd	648,000,000	27.00	-	-
GLL EWI (HK) Limited	648,000,000	27.00	-	-
Sinarmas Harta Sdn Bhd	78,726,900	3.28	648,000,000 ⁽²⁾	27.00
Dato' Leong Kok Wah	2,000,000	0.08	726,726,900 ⁽³⁾	30.28
Syabas Tropikal Sdn Bhd	-	-	726,726,900 ⁽⁴⁾	30.28
Eco World Development Group Berhad	-	-	648,000,000 ⁽²⁾	27.00
Davos Investment Holdings Private Limited	-	-	648,000,000 ⁽⁵⁾	27.00
Hong Leong Investment Holdings Pte Ltd	-	-	648,000,000 ⁽⁵⁾	27.00
Kwek Holdings Pte Ltd	-	-	648,000,000 ⁽⁵⁾	27.00
GLL (Malaysia) Pte Ltd	-	-	648,000,000 ⁽⁵⁾	27.00
GuocoLand Limited	-	-	648,000,000 ⁽⁵⁾	27.00
GuocoLand Assets Pte Ltd	-	-	648,000,000 ⁽⁵⁾	27.00
Guoco Group Limited	-	-	648,000,000 ⁽⁵⁾	27.00
GuoLine Overseas Limited	-	-	648,000,000 ⁽⁵⁾	27.00
GuoLine Capital Assets Limited	-	-	648,000,000 ⁽⁵⁾	27.00
Hong Leong Company (Malaysia) Berhad	-	-	648,000,000 ⁽⁵⁾	27.00
HL Holdings Sdn Bhd	-	-	648,000,000 ⁽⁵⁾	27.00
Hong Realty (Private) Limited	-	-	648,000,000 ⁽⁵⁾	27.00
Kwek Leng Kee	-	-	648,000,000 ⁽⁵⁾	27.00
Kwek Leng Beng	-	-	648,000,000 ⁽⁵⁾	27.00
Tan Sri Quek Leng Chan	-	-	648,000,000 ⁽⁵⁾	27.00

⁽¹⁾ Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act

⁽²⁾ Deemed interested by virtue of its interest in Eco World Capital (International) Sdn Bhd pursuant to Section 8 of the Act

⁽³⁾ Deemed interested by virtue of his interest in Syabas Tropikal Sdn Bhd pursuant to Section 8 of the Act

⁽⁴⁾ Deemed interested by virtue of its interest in Sinarmas Harta Sdn Bhd pursuant to Section 8 of the Act

⁽⁵⁾ Deemed interested by virtue of its interest in GLL EWI (HK) Limited pursuant to Section 8 of the Act

STATISTICS ON SHAREHOLDINGS

As at 22 January 2018

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	648,000,000	27.00
2	GLL EWI (HK) LIMITED	648,000,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	202,991,700	8.46
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	119,930,600	5.00
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	76,885,900	3.20
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	49,738,700	2.07
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	47,174,400	1.97
8	LIEW KEE SIN	43,549,098	1.81
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIEW TIAN XIONG (MY2690)	40,500,000	1.69
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	28,988,200	1.21
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD (MY2689)	22,000,000	0.92
12	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM LEE	20,000,000	0.83
13	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	15,000,000	0.63
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SWEE YEE (M09)	12,849,800	0.54
15	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	12,000,000	0.50
16	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH LEONG SENG	9,200,000	0.38
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH LILY (E-BBB/SNG)	8,000,000	0.33
18	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM PENDIDIKAN	7,000,000	0.29

STATISTICS ON SHAREHOLDINGS

As at 22 January 2018

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
19	SIGMA SELEKSI SDN BHD	6,809,200	0.28
20	TEOW LEONG SENG	6,063,000	0.25
21	VOON TIN YOW	6,056,000	0.25
22	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM PERSARAAN	5,481,400	0.23
23	AZLAN BIN MOHD ZAINOL	5,120,000	0.21
24	AMANAHRAYA TRUSTEES BERHAD AS 1MALAYSIA	5,000,000	0.21
25	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	5,000,000	0.21
26	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR JAYASANKARAN A/L K.K.SANKARAN	5,000,000	0.21
27	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM KESIHATAN	4,869,800	0.20
28	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND	4,447,093	0.19
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KHO CHAI YAM (PB)	4,341,900	0.18
30	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL	4,225,000	0.18
		2,074,221,791	86.43

STATISTICS ON WARRANTHOLDINGS

As at 22 January 2018

Total no. of warrants issued	: 960,000,000
Exercise price of warrants	: RM1.45
Expiry date	: 4 April 2022

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warranholders	%	No. of Warrants	%
Less than 100	1,235	11.10	60,903	0.01
100 - 1,000	3,651	32.82	1,607,540	0.17
1,001 - 10,000	3,901	35.07	15,228,190	1.58
10,001 - 100,000	1,963	17.64	68,564,888	7.14
100,001 to less than 5% of issued warrants	372	3.34	274,941,799	28.64
5% and above of issued warrants	3	0.03	599,596,680	62.46
Total	11,125	100.00	960,000,000	100.00

DIRECTORS' WARRANTHOLDINGS AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS

Name	No. of Warrants held			
	Direct	%	Indirect	%
Tan Sri Azlan Bin Mohd Zainol	2,048,000	0.21	27,280 ⁽¹⁾	negligible
Tan Sri Dato' Sri Liew Kee Sin	98,616,319	10.27	18,280,000 ⁽²⁾	1.90
Dato' Teow Leong Seng	6,105,200	0.64	-	-
Cheah Tek Kuang	1,200,000	0.13	-	-
Dato' Voon Tin Yow	2,456,640	0.26	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	-	-
Dato' Seri Ahmad Johan Bin Mohammad Raslan	-	-	-	-
Dato' Siow Kim Lun	800,000	0.08	-	-

⁽¹⁾ Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Act

⁽²⁾ Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act

STATISTICS ON WARRANTHOLDINGS

As at 22 January 2018

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	No. of Warrant	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	259,200,000	27.00
2	GLL EWI (HK) LIMITED	259,200,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	81,196,680	8.46
4	LIEW KEE SIN	17,419,639	1.81
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIEW TIAN XIONG (MY2690)	16,200,000	1.69
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	12,987,000	1.35
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	11,595,280	1.21
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR IAM TRADITIONAL ASIAN GROWTH FUND	10,820,000	1.13
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	8,943,560	0.93
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD (MY2689)	8,800,000	0.92
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SWEE YEE (M09)	8,000,000	0.83
12	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM LEE	8,000,000	0.83
13	SINARMAS HARTA SDN BHD	6,908,480	0.72
14	TEOW LEONG SENG	6,105,200	0.64
15	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	4,800,000	0.50
16	AMANAHRAYA TRUSTEES BERHAD AS 1MALAYSIA	3,600,000	0.38
17	LOI HENG SEWN	3,600,000	0.38
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIOW YEE	2,960,000	0.31

STATISTICS ON WARRANTHOLDINGS

As at 22 January 2018

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	No. of Warrant	%
19	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FRANCIS CHAI KIM LUNG	2,873,000	0.30
20	SIGMA SELEKSI SDN BHD	2,723,680	0.28
21	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PHUA SIN MO	2,632,800	0.27
22	VOON TIN YOW	2,422,400	0.25
23	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHI LEONG MING	2,200,000	0.23
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG HONG LIM (E-TJJ/TMB)	2,160,000	0.22
25	AZLAN BIN MOHD ZAINOL	2,048,000	0.21
26	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM PENDIDIKAN	2,000,000	0.21
27	CHONG CHING YEE	2,000,000	0.21
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD ZOLKEFLEE BIN ABD HAMID	1,857,000	0.19
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KEAN PING	1,600,000	0.17
30	ONG AUN KUNG	1,600,000	0.17
		756,452,719	78.80

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting ("**AGM**") of Eco World International Berhad ("**Company**") will be held at Eco Ardence Sales Gallery, PT 8, Persiaran Setia Alam, Eco Ardence, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 March 2018 at 10.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|---|---|--|
| 1 | To receive the Audited Financial Statements for the financial year ended 31 October 2017 together with the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Note (i) |
| 2 | To approve the payment of Directors' Fees for the financial year ended 31 October 2017. | Ordinary Resolution 1 |
| 3 | To re-elect the following Directors who are retiring pursuant to Article 107(1) of the Articles of Association of the Company:

(i) Dato' Teow Leong Seng
(ii) Dato' Siow Kim Lun | Ordinary Resolution 2
Ordinary Resolution 3 |
| 4 | To re-elect the following Directors who are retiring pursuant to Article 114 of the Articles of Association of the Company:

(i) Dato' Voon Tin Yow
(ii) Mr Choong Yee How
(iii) Mr Cheng Hsing Yao
(iv) Tan Sri Datuk Dr Rebecca Fatima Sta Maria | Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6
Ordinary Resolution 7 |
| 5 | To re-appoint Messrs Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

- | | | |
|---|--|-------------------------------|
| 6 | Directors' Benefits payable to the Independent Directors from the date of the forthcoming AGM until the next AGM of the Company

To approve the payment of Directors' Benefits to the Independent Directors of the Company from the date of the forthcoming AGM until the next AGM of the Company. | Ordinary Resolution 9 |
| 7 | Authority to issue and allot shares

"THAT subject always to the Companies Act 2016 (" Act "), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (" Bursa Malaysia ") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being." | Ordinary Resolution 10 |

NOTICE OF ANNUAL GENERAL MEETING

8 **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")****Ordinary Resolution 11**

"THAT subject to the provision of the Main Market Listing Requirements of Bursa Malaysia, approval be and is hereby given to the Company and its subsidiaries ("**Group**") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with specified classes of related parties ("**Recurrent Related Party Transactions**") which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

9 **Proposed Adoption of New Constitution of the Company ("Proposed Adoption of New Constitution")****Special Resolution**

"THAT the Company's existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in Part B of the Circular to Shareholders dated 27 February 2018 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full powers to assent to any conditions, modifications and/or amendments as may be required by any authorities to give effect to the Proposed Adoption of New Constitution."

10 To transact any other business for which due notice shall have been given.

By Order of the Board

TAI YIT CHAN (MAICSA 7009143)

TAN AI NING (MAICSA 7015852)

Company Secretaries

Selangor Darul Ehsan

27 February 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTES

- (i) In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 March 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- (ii) A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. There shall be no restriction to the qualification of the proxy. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy.
- (iii) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (iv) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.
- (v) The instrument appointing a proxy by a member who is entitled to attend and vote at the AGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of our Company, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- (vii) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all the resolutions set out in the notice of general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

(i) **Item 1 of the Agenda – To receive the Audited Financial Statements**

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(ii) **Ordinary Resolution 1 – To approve the payment of Directors' Fees for the financial year ended 31 October 2017**

The payment of the Directors' Fees of RM903,014 in respect of the financial year ended 31 October 2017 will only be made if the proposed Ordinary Resolution 1 has been passed at the forthcoming AGM pursuant to Article 115 of the Articles of Association of the Company.

(iii) **Ordinary Resolution 9 – Directors' Benefits payable to the Independent Directors from the date of the forthcoming AGM until the next AGM of the Company**

The Benefits payable to the Independent Directors of up to RM226,000 from the date of the forthcoming AGM until the next AGM of the Company will only be made by the Company as and when incurred if the proposed Ordinary Resolution 9 has been passed at the forthcoming AGM. In determining the estimated total amount of the Directors' Benefits, the Board has considered the number of scheduled and special meetings for the Board and Board Committees as well as the number of Independent Directors involved in the meetings.

(iv) **Ordinary Resolution 10 – Authority to issue and allot shares**

The proposed Ordinary Resolution 10 is the general mandate for issuance of shares by the Company pursuant to Section 76 of the Act, the Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for the purpose of funding future investments project(s), working capital and/or acquisitions. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

(v) **Ordinary Resolution 11 – Proposed Shareholders' Mandate**

The proposed Ordinary Resolution 11, if passed, will allow the Group to enter into Recurrent Related Party Transactions pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Company or affecting the business opportunities available to the Company. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to Part A of the Circular to Shareholders dated 27 February 2018 for further information.

(vi) **Special Resolution – Proposed Adoption of New Constitution**

The Special Resolution, if passed, will align the Constitution of the Company with the Act which came into force on 31 January 2017, the updated provision of the Main Market Listing Requirements of Bursa Malaysia and the prevailing laws, guidelines or requirements of the relevant authorities, to enhance administrative efficiency and provide greater clarity.

Please refer to Part B of the Circular to Shareholders dated 27 February 2018 for further information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

ECO WORLD INTERNATIONAL BERHAD

(COMPANY NO. 1059850-A)
(INCORPORATED IN MALAYSIA)

No. of Shares Held	
CDS Account No.	
Contact No.	

I/We, _____ NRIC/Passport/Company No. _____
(NAME IN FULL AND IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member/members of **ECO WORLD INTERNATIONAL BERHAD ("Company")**, hereby appoint

_____ NRIC/Passport No. _____
(NAME IN FULL AND BLOCK LETTERS)

(Proportion: _____%) of _____
(FULL ADDRESS)

and/or failing him/her, _____
(NAME IN FULL AND BLOCK LETTERS)

NRIC/Passport No. _____ (Proportion: _____%)

of _____
(FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Fourth Annual General Meeting ("**AGM**") of the Company to be held at Eco Ardence Sales Gallery, PT 8, Persiaran Setia Alam, Eco Ardence, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 March 2018 at 10.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval for the payment of Directors' Fees		
Ordinary Resolution 2	Re-election of Dato' Teow Leong Seng		
Ordinary Resolution 3	Re-election of Dato' Siow Kim Lun		
Ordinary Resolution 4	Re-election of Dato' Voon Tin Yow		
Ordinary Resolution 5	Re-election of Mr Choong Yee How		
Ordinary Resolution 6	Re-election of Mr Cheng Hsing Yao		
Ordinary Resolution 7	Re-election of Tan Sri Datuk Dr Rebecca Fatima Sta Maria		
Ordinary Resolution 8	Re-appointment of Messrs Mazars PLT as Auditors of the Company		
Ordinary Resolution 9	Approval for the payment of Directors' Benefits		
Ordinary Resolution 10	Authority to issue and allot shares		
Ordinary Resolution 11	Proposed Shareholders' Mandate		
Special Resolution	Proposed Adoption of New Constitution		

(Please indicate with an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signed (and sealed) this _____ day of _____ 2018

Signature/Common Seal of Shareholder(s)

NOTES:

- In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 March 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. There shall be no restriction to the qualification of the proxy. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.

- The instrument appointing a proxy by a member who is entitled to attend and vote at the AGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of our Company, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of the AGM dated 27 February 2018.

Fold this flap for sealing

Then fold here

Affix Stamp

Symphony Share Registrars Sdn Bhd (378993-D)

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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