ECOWORLD
CREATING TOMORROW & BEYOND

annual report **2014**

A Continuing Evolution...

RATIONALE

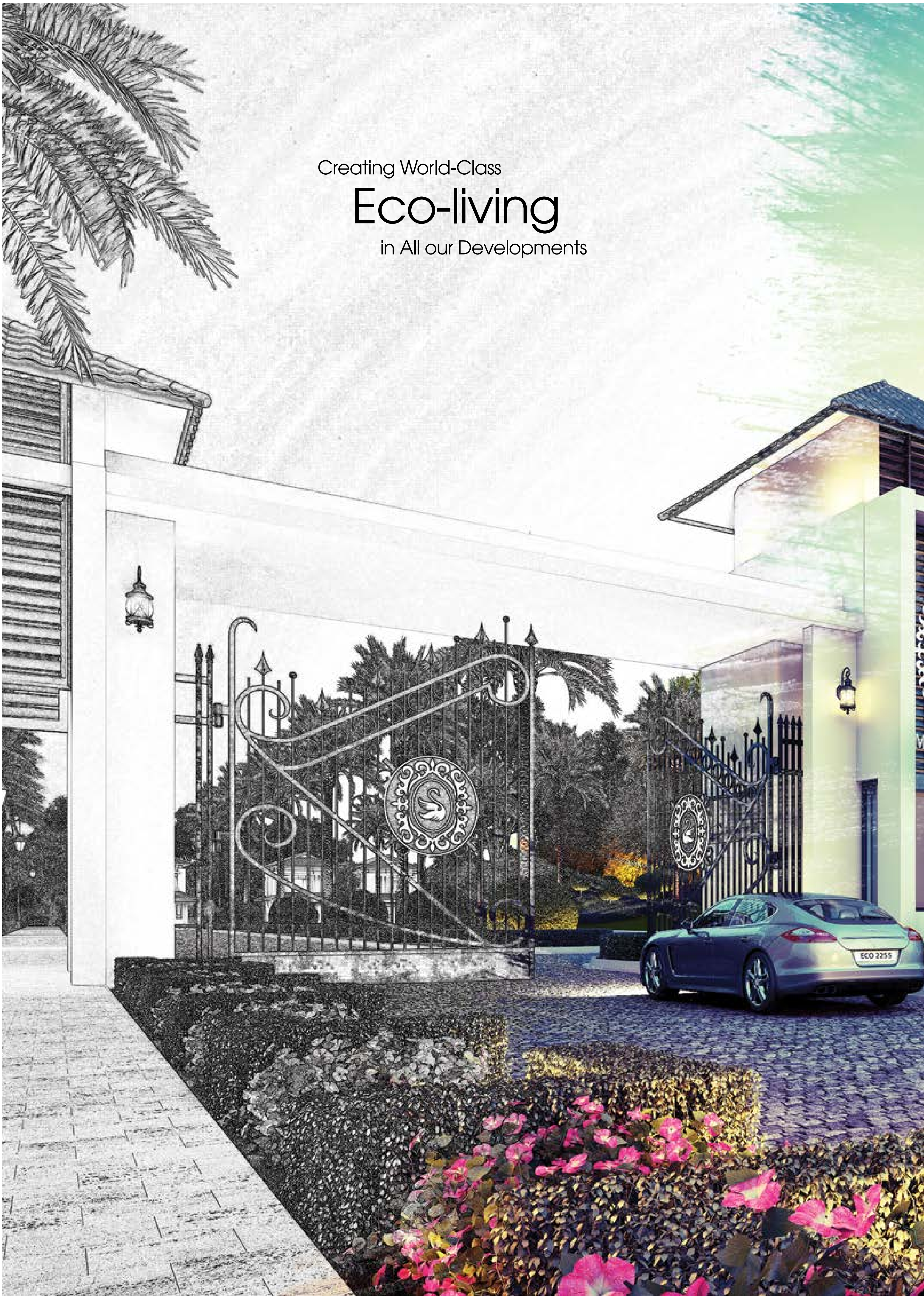
Our values have made us who we are today. They inspire us to commit ourselves to excellence and motivate us to deliver our developments with passion, creativity and innovation. Our values also ground us to have a healthy respect for our resources, time and talents. They teach us to uphold trust as a guiding principle and demand integrity at all times. At EcoWorld, our values help us to flourish, for we understand that as long as we hold true to them, we'll realise our ambitions and continue to Create Tomorrow and Beyond.

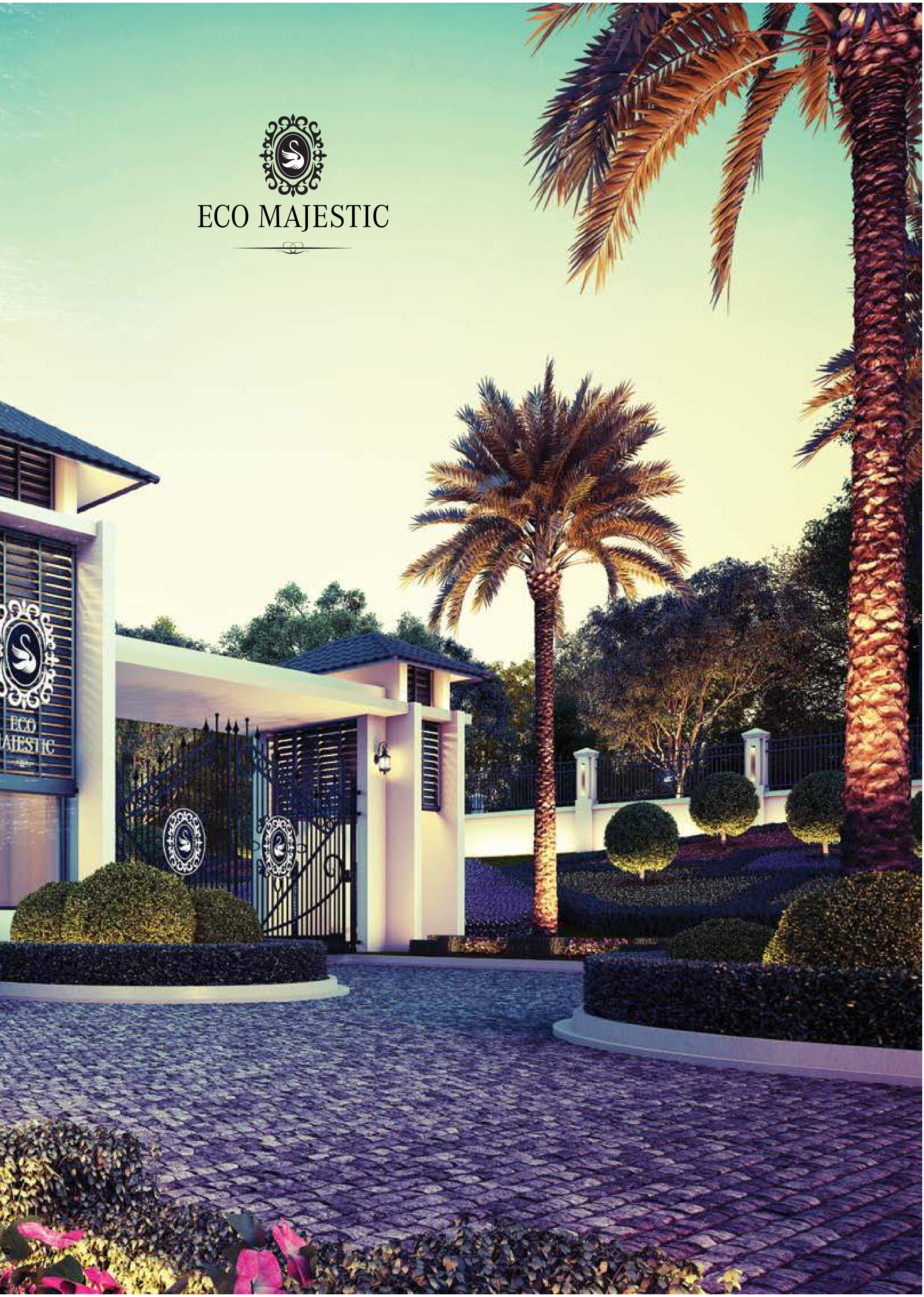
CONTENTS

Creating World-Class

Eco-living

in All our Developments




ECO MAJESTIC

VISION

Creating Tomorrow
& Beyond

MISSION

We will achieve our Vision through a Culture of Excellence and Teamwork by:

1.
Creating World-Class Eco-living in All our Developments

2.
Being a Caring and Responsible Organisation which actively contributes back to Society

3.
Having a Reputation for providing Unmatched Product and Service Quality to our Customers at all times

4.
Leading with Passion in the Pursuit of Innovation and Sustainability to Create Enduring Value

5.
Delivering Exciting and Consistent Growth to our Stakeholders and Shareholders

FINANCIAL HIGHLIGHTS

Period/Year Ended	31 October 2014	30 September 2013	30 September 2012	30 September 2011 restated #	30 September 2010 restated #
Financial Results (RM'000)					
Revenue	**148,395**	156,326	65,286	55,714	63,920
Profit/ (Loss) before tax	**12,092**	29,603	8,095	(2,296)	(6,108)
Profit/ (Loss) attributable to owners of the Company	**7,181**	24,268	7,202	(2,081)	(5,569)
Financial Position (RM'000)					
Total cash and bank balances	**43,423**	25,244	6,904	3,631	5,303
Total assets	**686,856**	489,229	491,272	447,328	467,600
Total borrowings	**240,674**	52,148	64,041	64,468	83,240
Total net tangible assets	**325,861**	321,222	298,854	291,652	293,733
Paid-Up Capital	**253,317**	253,317	253,317	253,317	253,317
Equity attributable to owners of the Company	**325,864**	318,722	296,354	289,152	291,233
Financial Ratios					
Basic earnings/(loss) per share (sen)	**2.83**	9.58	2.84	(0.82)	(2.20)
Net assets per share attributable to owners of the Company (RM)	**1.29**	1.26	1.17	1.14	1.15
Return on equity (%)	**2.20**	7.61	2.43	N/A	N/A
Net gearing ratio (times)	**0.61**	0.08	0.19	0.21	0.27
Share price – High (RM)	**5.40**	2.25	0.30	0.33	0.26
Low (RM)	**2.00**	0.25	0.20	0.19	0.16

In compliance with FRSIC 17 - Development of Affordable Housing adopted in FY 2012, the comparative figures have been restated.

GROUP 2014 SUMMARY

	1 month ended 31 October 2014	3 months ended 30 September 2014	3 months ended 30 June 2014	3 months ended 31 March 2014	3 months ended 31 December 2013
(RM'000)					
Revenue	**36,035**	35,633	27,254	26,853	22,620
Profit before tax	**2,823**	1,589	2,766	2,944	1,970
Profit attributable to owners of the Company	**1,372**	766	1,684	2,572	787
Paid-Up Capital	**253,317**	253,317	253,317	253,317	253,317
Equity attributable to owners of the Company	**325,864**	324,497	321,232	319,548	319,509
Total assets	**686,857**	665,285	657,377	524,982	475,175
Total net tangible assets	**325,861**	324,497	323,732	322,048	322,009
Basic earnings per share (sen)	**0.54**	0.30	0.66	1.02	0.31
Net assets per share attributable to owners of the Company (RM)	**1.29**	1.28	1.27	1.26	1.26


EcoBotanic


EcoSpring


EcoMajestic


EcoSummer


Eco Business Park I

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman
Tan Sri Abdul Rashid Bin Abdul Manaf

Non-Independent Non-Executive Deputy Chairman
Dato' Leong Kok Wah

President & Chief Executive Officer
Dato' Chang Khim Wah

Executive Director & Chief Financial Officer
Datuk Heah Kok Boon

Executive Director
Liew Tian Xiong

Non-Independent Non-Executive Directors
Tan Sri Dato' Sri Liew Kee Sin
Tan Sri Lee Lam Thye

Senior Independent Non-Executive Director
Tang Kin Kheong

Independent Non-Executive Directors
Dato' Idrose Bin Mohamed
Dato' Haji Obet Bin Tawil

Audit Committee

Tang Kin Kheong
(Chairman)
Dato' Idrose Bin Mohamed
Dato' Haji Obet Bin Tawil

Remuneration Committee

Tan Sri Dato' Sri Liew Kee Sin
(Chairman)
Dato' Idrose Bin Mohamed
Tang Kin Kheong

Nomination Committee

Dato' Idrose Bin Mohamed
(Chairman)
Tan Sri Lee Lam Thye
Tang Kin Kheong

Risk Management Committee

Dato' Sundarajoo a/l Somu
(Chairman)
Hoe Mee Ling
Khoo Teck Chong
Ho Kwee Hong
Soo Chan Fai

Company Secretaries

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)

Registered Office

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
T: 03-20849000
F: 03-20949940, 03-20950292

Registrar

Securities Services (Holdings) Sdn. Bhd. (Co. No: 36869-T)
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
T: 03-20849000
F: 03-20949940, 03-20950292

Auditors

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur.

Stock Exchange Listing

Bursa Malaysia Securities Berhad
(Main Market)

Website

www.ecoworldgroup.com.my

CORPORATE STRUCTURE

Eco World Development Group Berhad *(17777-V)*

40%

100%

Arah Selasih Sdn Bhd *(1096068-V)*

Eco Business Park 1 Sdn Bhd *(1088039-M)*
(formerly known as Gaya Setara Sdn Bhd)

Eco Business Park 2 Sdn Bhd *(1078581-H)*
(formerly known as Velvet Rhythm Sdn Bhd)

Eco Meadows Sdn Bhd *(1088028-X)*
(formerly known as Cangkat Juara Sdn Bhd)

Eco Sanctuary Sdn Bhd *(1076483-V)*
(formerly known as Prominent Stream Sdn Bhd)

Eco Sky Sdn Bhd *(1079085-X)*
(formerly known as Crystal Cypress Sdn Bhd)

Eco Terraces Sdn Bhd *(1076231-P)*
(formerly known as Maha Meridian Sdn Bhd)

Eco World IBS Sdn Bhd *(1087059-U)*

Eco Macalister Development Sdn Bhd *(1064369-M)*
(formerly known as Bintang Dedikasi Sdn Bhd)

Eco World Project Management Sdn Bhd *(978603-W)*

Eco World Trading Sdn Bhd *(1086148-X)*
(formerly known as Eco World Marketing Sdn Bhd)

Eco World Ukay Sdn Bhd *(1076389-M)*
(formerly known as Maple Kingdom Sdn Bhd)

Eco World Development (S) Pte Ltd *(201417197 R)*

Evergreen Upstream Sdn Bhd *(1076385-V)*

CORPORATE STRUCTURE

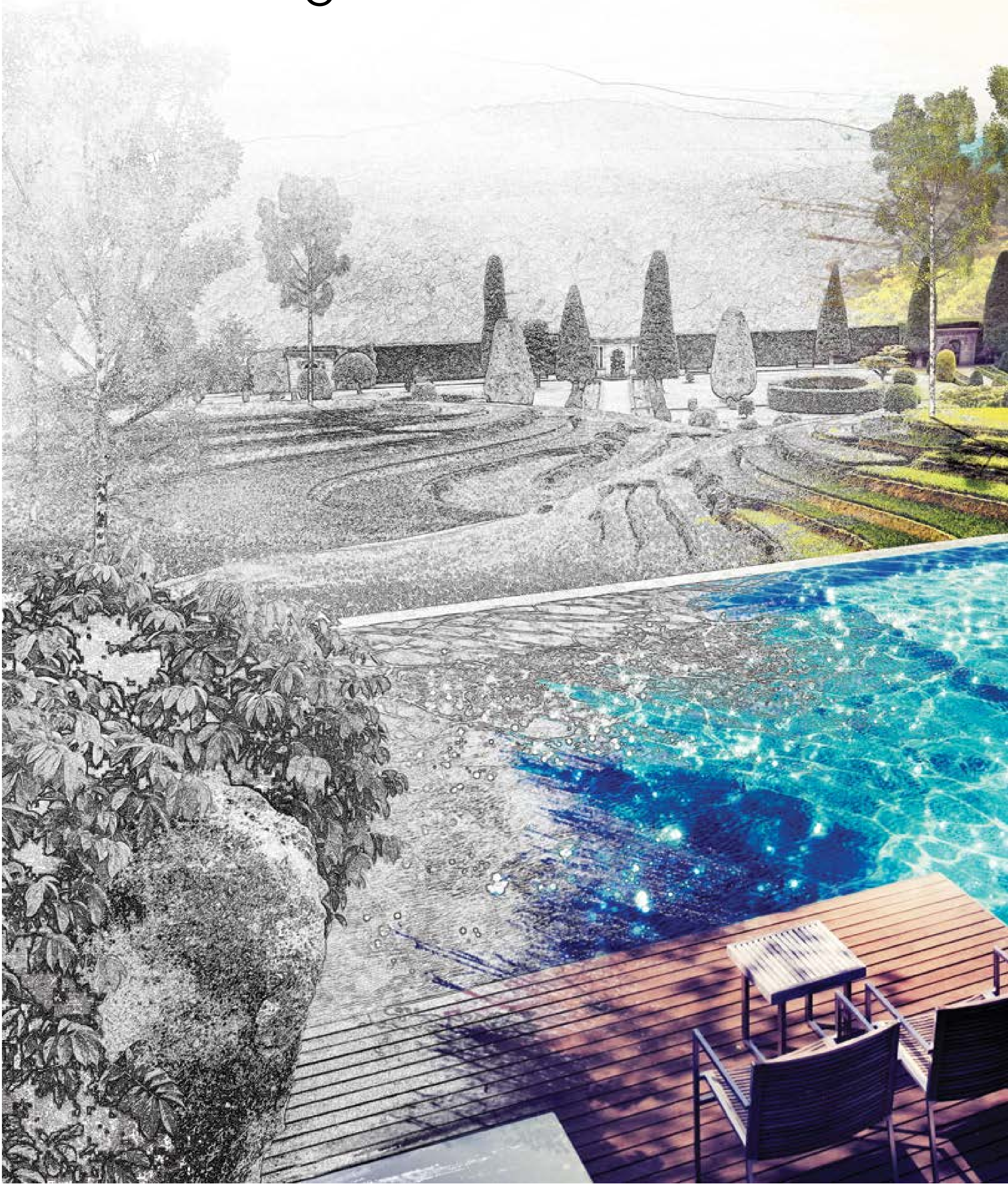
- **BBCC Development Sdn Bhd** *(1129028-T)*
- **Natural Esplanade Sdn Bhd** *(1088018-V)*

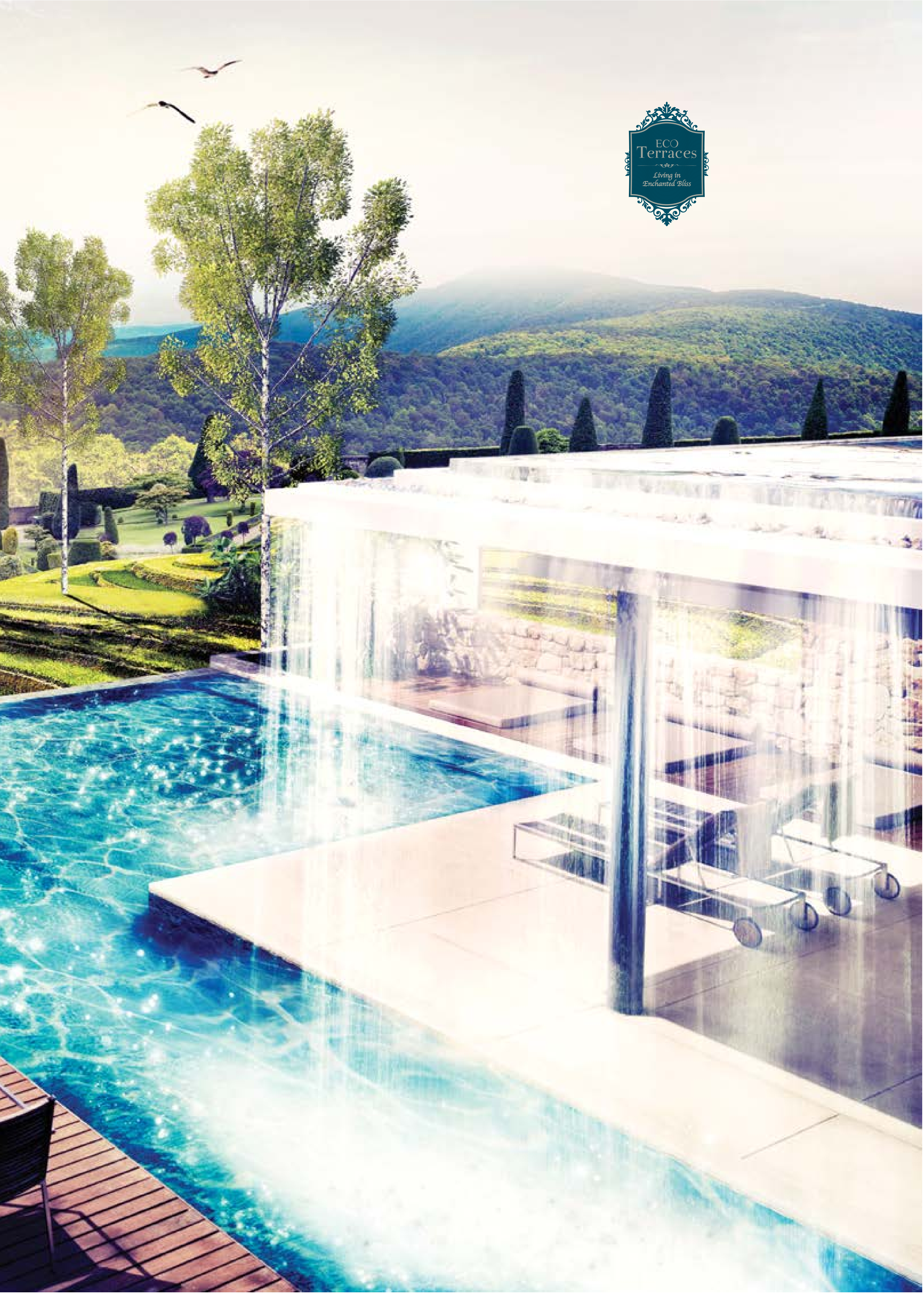
- **Focal Aims Land Sdn Bhd** *(319435-X)*
- **Melia Spring Sdn Bhd** *(1095333-H)*
- **Paragon Pinnacle Sdn Bhd** *(1098122-T)*
- **Pingat Stabil Sdn Bhd** *(1089333-D)*
- **Rentas Prestasi Sdn Bhd** *(1097165-X)*
- **Sendi Prestasi Sdn Bhd** *(1096633-W)*
- **Teraju Pasifik Sdn Bhd** *(1082988-W)*
- **Trinity Lake Sdn Bhd** *(1066879-M)*

- **Focal Aims Properties Sdn Bhd** *(471101-H)*
  - 100% **Eco Tropics Development Sdn Bhd** *(316524-U)* (formerly known as Focal Aims Sdn Bhd)
    - 100%
      - **Focal Aims Realty Sdn Bhd** *(203016-P)*
      - **Focal Aims Resort (M) Sdn Bhd** *(473536-V)*
      - **Focal Aims Development Sdn Bhd** *(417670-H)*
- **Jasa Hektar Sdn Bhd** *(1098120-M)*
- **Majestic Blossom Sdn Bhd** *(1079086-W)*
- **Matlamat Bakat Sdn Bhd** *(1088019-D)*
- **Meridian Insight Sdn Bhd** *(1091013-W)*

Leading

with Passion in the Pursuit of Innovation and Sustainability to Create Enduring Value




ECO
Terraces
Living in
Enchanted Bliss

BOARD OF DIRECTORS

TAN SRI ABDUL RASHID BIN ABDUL MANAF

Non-Independent Non-Executive Chairman

DATO' CHANG KHIM WAH

President & Chief Executive Officer

LIEW TIAN XIONG

Executive Director

DATO' LEONG KOK WAH

Non-Independent Non-Executive Deputy Chairman

DATUK HEAH KOK BOON

Executive Director & Chief Financial Officer

BOARD OF DIRECTORS

TAN SRI DATO' SRI LIEW KEE SIN

Non-Independent Non-Executive Director

TANG KIN KHEONG

Senior Independent Non-Executive Director

DATO' HAJI OBET BIN TAWIL

Independent Non-Executive Director

TAN SRI LEE LAM THYE

Non-Independent Non-Executive Director

DATO' IDROSE BIN MOHAMED

Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

Tan Sri Abdul Rashid Bin Abdul Manaf

Non-Independent Non-Executive Chairman
Malaysian, 68 years of age

- Barrister-at-Law (Middle Temple London)

Tan Sri Abdul Rashid Bin Abdul Manaf serves as a Non-Independent Non-Executive Chairman of Eco World Development Group Berhad since 29 November 2013.

Tan Sri Abdul Rashid is a full-time businessman. Before venturing into business, he was a senior partner in a legal firm in Kuala Lumpur until his retirement on 24 August 2006. In 1970, he became a Barrister-at-Law. He joined the Malaysian Judicial and Legal Service in 1971 and became a Magistrate until 1973. He was later made the President of the Sessions Court in Klang. In 1975, he became the Senior Federal Counsel for the Income Tax Department. He left Government Service in 1977. He was previously the Chairman of the Board of S P Setia Berhad from 1997 until 2012.

He is a director and a major shareholder of Eco World Development Holdings Sdn Bhd, a substantial shareholder of Eco World Development Group 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 over the past 10 years.

BOARD OF DIRECTORS' PROFILE

Dato' Leong Kok Wah

Non-Independent Non-Executive Deputy Chairman
Malaysian, 61 years of age

- Master of Business Administration (MBA) (University of Hull, UK)
- Member of Institute of Bankers (UK)
- Member of Institute of Credit Management (UK)
- Member of Institute of Marketing (UK)
- Member of Institute of Bankers Malaysia

Dato' Leong Kok Wah serves as a Non-Independent Non-Executive Deputy Chairman of Eco World Development Group Berhad since 29 November 2013.

Dato' Leong has an extensive career and held senior positions in the construction industry. He also has vast experience in stockbroking, asset management and options and futures trading. He is currently an Executive Director of Salcon Berhad and sits on the Board of various companies in Malaysia. He was formerly a Director of S P Setia Berhad.

Dato' Leong also sits on the Board of MUI Continental Berhad. He is also the Chairman of Risk Management Committee, Audit Committee member and Investment Committee member of MUI Continental Berhad.

He is a director and shareholder of Eco World Development Holdings Sdn Bhd, a substantial shareholder of Eco World Development Group 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 over the past 10 years.

Dato' Chang Khim Wah

President and Chief Executive Officer
Malaysian, 50 years of age

- Bachelor of Engineering (University of New South Wales)
- Professional Engineer registered with the Board of Engineers, Malaysia
- Member of the Institute of Engineers, Malaysia
- Member of the Institute of Engineers, Australia

Dato' Chang Khim Wah was appointed as an Executive Director of Eco World Development Group Berhad on 7 October 2013, and was re-designated as President and Chief Executive Officer of the Group on 12 December 2013.

Dato' Chang has 27 years of experience in the property development industry. He began his career as a consultant engineer in Australia from 1989 to 1991. Upon his return to Malaysia in 1991, he joined one of the biggest consultancy firms in Malaysia, KTA-Tenaga Sdn Bhd, specialising in dam designs and water supply systems.

Dato' Chang was previously a Director of S P Setia Berhad and the Executive Vice President in charge of the Southern and Northern Property Divisions of S P Setia Berhad group of companies, including the offices in Singapore and Indonesia. He left S P Setia Berhad to join Eco World Development Sdn Bhd on 1 May 2013.

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 over the past 10 years.

BOARD OF DIRECTORS' PROFILE

Datuk Heah Kok Boon

Executive Director and Chief Financial Officer
Malaysian, 47 years of age

- Bachelor of Commerce (majoring in Accounting and Commercial Law), University of Melbourne, Australia
- Chartered Accountant of Malaysian Institute of Accountants

Datuk Heah Kok Boon serves as an Executive Director and Chief Financial Officer of Eco World Development Group Berhad since 28 November 2013.

Datuk Heah has garnered more than 25 years' experience in audit, corporate finance and corporate investment. He started his career in the audit department of an international accounting firm – KPMG. After 4 years of varied audit exposures, he went to join the Corporate Finance Department of Aseambankers Malaysia Berhad, now known as Maybank Investment Bank Berhad. After 14 years of originating, structuring and executing various deals over multiple industries, he left as an Executive Vice President in 2007.

Datuk Heah then joined S P Setia Berhad as Head of Corporate Affairs where he planned and executed S P Setia's financial strategies/funding needs and mergers & acquisitions exercises. He left to join Eco World Development Sdn Bhd on 1 May 2013.

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 over the past 10 years.

Liew Tian Xiong

Executive Director
Malaysian, 23 years of age

- Bachelor of Commerce, University of Melbourne, Australia

Mr. Liew Tian Xiong serves as an Executive Director of Eco World Development Group Berhad since 29 November 2013.

Mr. Liew graduated in 2012 with a Bachelor of Commerce from the University of Melbourne, Australia. Prior to that, he had work experience from attachments with Pheim Asset Management Sdn Bhd (2010 and 2011) and AmBank (M) Berhad (2010).

He is a substantial shareholder of Eco World Development Group Berhad and the son of Tan Sri Dato' Sri Liew Kee Sin, a Non-Independent Non-Executive Director of the Company. 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 over the past 10 years.

BOARD OF DIRECTORS' PROFILE

Tan Sri Dato' Sri Liew Kee Sin

Non-Independent Non-Executive Director
Malaysian, 56 years of age

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

Tan Sri Dato' Sri Liew Kee Sin serves as a Non-Independent Non-Executive Director Eco World Development Group Berhad since 5 May 2014.

Tan Sri Dato' Sri Liew started his career in a local merchant bank in 1981. After gaining 5 years of extensive experience in the banking industry, he ventured into property development and developed his first project called Bukit Indah in Ampang, Selangor.

He was awarded Corporate Executive of the year in 2005 for mid-cap companies by AsiaMoney Magazine. In 2007, he was named Property Man of the Year by FIABCI Malaysia in recognition of his contributions to the country's real estate industry and community at large.

He was the Ernst & Young Entrepreneur of the Year Country Winner in 2011. In 2012, he was honoured by *The Edge* Malaysia with an Outstanding Property Personality Award, and was conferred a Lifetime Achievement Award for Property and Philanthropic Leadership by the World Chinese Economic Forum. In September 2013, *The Edge* Billion Ringgit Club named him as Malaysia's Outstanding CEO for showing exemplary leadership in building businesses and creating value.

He was previously the Director and President/Chief Executive Officer of S P Setia Berhad from 1996 to 2014 and was appointed as the first Chairman of Battersea Project Holding Company Limited in 2012.

Tan Sri Dato' Sri Liew was appointed Chairman of the Remuneration Committee of Eco World Development Group Berhad on 21 August 2014.

He is a director of Eco World Development Holdings Sdn Bhd which is a substantial shareholder of Eco World Development Group Berhad. He is also the father of Mr. Liew Tian Xiong, a director and substantial shareholder of the Company. 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 over the past 10 years.

Tan Sri Lee Lam Thye

Non-Independent Non-Executive Director
Malaysian, 68 years of age

Tan Sri Lee Lam Thye was appointed to the Board of Eco World Development Group Berhad as Independent Non-Executive Director on 29 November 2013. He was subsequently re-designated as Non-Independent Non-Executive Director on 21 August 2014.

Tan Sri Lee started his career as a teacher and later became a unionist. He was elected and served as the State Legislative Assemblyman for Bukit Nanas from 1969 to 1974. From 1974 to 1990, he served as a Member of Parliament for Bandar Kuala Lumpur/Bukit Bintang. Following his retirement from politics in 1990, he continued his career in public service by contributing actively in the social arena.

Currently, he is the Chairman of Eco World Foundation, the Chairman of the National Institute of Occupational Safety and Health (NIOSH), the Deputy Chairman of the National Unity Consultative Council, the Vice Chairman, as well as Member of the Executive Council of the Malaysia Crime Prevention Foundation (MCPF) and Member of Board of Trustees of 1Malaysia Foundation. He was previously the Chairman of the Board of Trustees of S P Setia Foundation.

Tan Sri Lee also sits on the Boards of Amcorp Properties Berhad and Media Prima Berhad (including on the boards of Media Prima subsidiaries Sistem Televisyen Malaysia Berhad and Synchrosound Studio Sdn Bhd).

Tan Sri Lee was appointed member of the Nomination Committee of Eco World Development Group Berhad on 12 December 2013.

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 over the past 10 years.

BOARD OF DIRECTORS' PROFILE

Tang Kin Kheong

Senior Independent Non-Executive Director
Malaysian, 59 years of age

- Certified Public Accountant
- Member of the Malaysian Institute of Accountants

Mr. Tang Kin Kheong was appointed to the Board of Eco World Development Group Berhad on 29 November 2013 and serves as Senior Independent Non-Executive Director.

Mr. Tang qualified as a Certified Public Accountant, Malaysia with Turquand Youngs & Co, an antecedent firm of Ernst & Young. In 1983 – 1984, he was seconded to work in the firm's office in New Haven, CT, USA during which he was exposed to the US public accounting and business environment. Mr. Tang left the firm in 1986 to join Cold Storage (Malaysia) Berhad as Head of Internal Audit reporting directly to the Audit Committee of the Board. He returned to the accounting profession in 1989 when he joined Moores Rowland.

In 2008, Mr. Tang led the Kuala Lumpur Office of Moores Rowland into a merger with the international accounting firm of Mazars, where he served as its Malaysian Managing Partner until August 2013.

He left Mazars in August 2014 to practice as a sole proprietor.

Mr. Tang is also a member of the Malaysian Institute of Accountants. In all, Mr. Tang has had 24 years of experience as a practicing accountant. He is a licensed auditor and licensed liquidator. He works with publicly listed companies and owner managed businesses, offering auditing, accounting, insolvency and other business advisory services.

Mr. Tang was appointed as the Chairman of the Audit Committee of Eco World Development Group Berhad on 29 November 2013. He was also appointed member of the Remuneration Committee and member of the Nomination Committee on 12 December 2013.

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 over the past 10 years.

Dato' Idrose Bin Mohamed

Independent Non-Executive Director
Malaysian, 58 years of age

- Bachelor Degree in Civil Engineering, UITM

Dato' Idrose Bin Mohamed serves as an Independent Non-Executive Director of Eco World Development Group Berhad since 29 November 2013.

Dato' Idrose is a Civil Engineer who has served both the government as well as in the private sector. He has been involved in the planning and implementation of the multi-billion ringgit North-South Expressway during his 17 years of service in the government. In August 1994, he left the government service and joined the private sector to be involved in the construction of another major expressway.

From October 1996 until his retirement at the end of September 2010, he has accumulated 14 years of experience as Managing Director/Chief Executive Officer of several public listed and government linked companies, amongst them PLUS Expressways Berhad, Pos Malaysia Berhad and Prasarana Malaysia Berhad.

Dato' Idrose has over 30 years of extensive experience in planning, engineering, construction, project and infrastructure implementation as well as services and operations management.

After his retirement, he pursued his personal interest in project consultancy, construction, engineering and property development. He currently sits on the board of several private limited companies.

Dato' Idrose was appointed member of the Audit Committee of Eco World Development Group Berhad on 29 November 2013. He was also appointed Chairman of the Nomination Committee and member of the Remuneration Committee on 12 December 2013.

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 over the past 10 years.

BOARD OF DIRECTORS' PROFILE

Dato' Haji Obet Bin Tawil

Independent Non-Executive Director
Malaysian, 60 years of age

- Bachelor of Economics Degree (Analytical Economics), University Kebangsaan Malaysia

Dato' Haji Obet Bin Tawil serves as an Independent Non-Executive Director of Eco World Development Group Berhad since 21 August 2014.

Dato' Haji Obet was previously the State Secretary of Johor from March 2011 until April 2014 before his retirement on 9 April 2014. Prior to that he was the Director of Johor Land and Mines Department. He has served in the public sector since 1979, in various government agencies including Land Office of Mersing, Kluang and Muar.

Dato' Haji Obet was a director of Johor Corporation and Universiti Teknologi Malaysia from 14 March 2011 until 9 April 2014. He was also previously a member of the Authority for Iskandar Regional Development Authority. Currently he is a director of Four Seasons Residences Sdn Bhd.

Dato' Haji Obet was appointed member of the Audit Committee of Eco World Development Group Berhad on 21 August 2014.

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 over the past 10 years.

CHAIRMAN'S STATEMENT

TAN SRI ABDUL RASHID BIN ABDUL MANAF

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

CHAIRMAN'S
STATEMENT

Dear Valued Shareholders,

2014 has been a year of accelerated growth for Eco World Development Group Berhad (EW Berhad). From only 991 acres of remaining undeveloped landbank at the start of the financial period, the Group amassed close to 4,000 acres of land during the course of the period.

Three major acquisitions were announced in 2014. The year began with the purchase of 308.7 acres in the south of Kota Kemuning, Shah Alam in March 2014. Next, EW Berhad announced a corporate exercise on 25 April to acquire the development rights to eight projects covering 3.107 acres of landbank from the subsidiaries of Eco World Development Sdn Bhd (EW Sdn Bhd). Thereafter in July 2014 the Company acquired 492.7 acres of freehold land between the towns of Semenyih and Broga to further entrench our presence in the Southern Klang Valley growth corridor. This brings the Group's total landbank to 4,926 acres with a total gross development value of RM47 billion.

Apart from this, EW Berhad acquired two of EW Sdn Bhd's wholly-owned subsidiaries, namely Eco World Project Management and Eco Macalister Development Sdn Bhd.

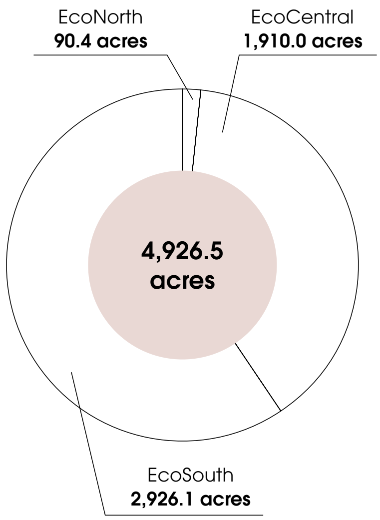
Foundation laid for strong & sustained growth

The ability of a property developer to deliver strong and sustained growth is dependent on several factors which include the size, location and quality of its landbank, diversity of product offerings as well as its execution capability and track record.

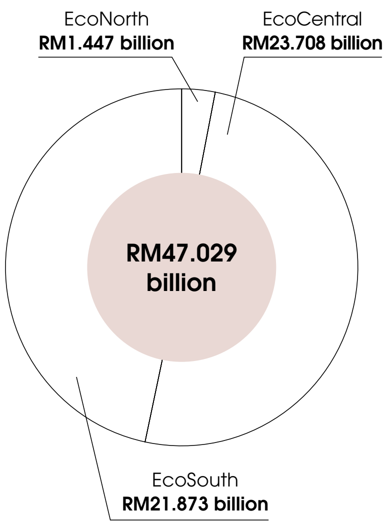
Following the above acquisitions, EW Berhad will secure an immediate enlarged and active presence in the Klang Valley, Iskandar Malaysia and Penang. The Group's development pipeline has grown from 3 to 13 projects which are planned to be launched in quick succession within the next one to two years. Our product range will also expand to include affordable, upgrader and luxury homes, integrated high-rise developments and green business parks.

Through Eco World Project Management, EW Berhad gains a development team with the expertise and proven capability to create and deliver highly sought after development projects. This is attested by the numerous successful launches undertaken during the period which resulted in cumulative sales achieved of more than RM3 billion in FY2014 by EW Sdn Bhd.

Total Landbank



Total GDV



EcoWorld Gallery and Show Village at EcoMajestic

The Company is privileged to have Tan Sri Liew Kee Sin join the Board in May 2014 as a Non-Independent Non-Executive Director. His entrepreneurial vision, unparalleled knowledge, experience and strong personal brand not just in Malaysia but also abroad, is invaluable for a property company seeking to rapidly scale the heights to become a globally significant player in the shortest possible time.

As part of the corporate exercise, EW Berhad also announced a proposed fund raising. This proposal will see the subscription of shares in EW Berhad by shareholders of EW Sdn Bhd, followed by a Proposed Rights Issue with Warrants and thereafter a Proposed Placement of up to 20% of the Company's issued and paid-up capital. Through these series of share issuances, the Company targets to raise approximately RM2.8 billion to fund its expansion plans and provide working capital for ongoing and future projects. The entire corporate exercise has been approved by the Company's shareholders and is expected to be completed by 2Q FY2015.

Financial performance & prospects

For the 13 months ended 31 October 2014, EW Berhad recorded revenue and profit before tax of RM148.4 million and RM12.1 million, respectively. Our financial performance in FY2014 has been constrained by the completion of Saujana Glenmarie and the inability to launch new properties at Kota Masai while awaiting approval of the revised master plan by the authorities.

Nonetheless, the Group's prospects going forward are highly positive based on the strong sales achieved by EW Sdn Bhd in FY2014. Upon completion of the acquisition of development rights, the benefits of these sales will flow to EW Berhad – accordingly, the stage is indeed set for the Company to achieve explosive growth over the next few years.

Beginning our CSR journey

With our business plans firmly in place, the Group made a long-term commitment in its corporate social responsibility journey by launching the Eco World Foundation in September 2014. It has been a momentous occasion for the Group to be able to take our mission of being a caring and responsible organisation which actively contributes back to society to the next level.

On this note we are extremely pleased that Tan Sri Lee Lam Thye has agreed to serve as the Chairman of the Eco World Foundation. It was a unanimous decision by the Board and senior management team that there can be no better person to lead the charge for the Foundation other than one of Malaysia's most highly regarded social activists.

At the same launch, the Foundation announced the commencement of the Eco World Student Aid Programme (SAP) which saw the immediate adoption of around 3,000 students. The objective of this noble programme is to keep disadvantaged children of all races in school through a holistic approach which addresses every aspect of a primary student's educational requirements. I am sure I speak for the entire Group in expressing our delight that we have been able to play a part in bringing hope for a better future to these young ones.

To help fund the Foundation's activities, the inaugural Eco World Foundation Charity Dinner was organised in October 2014 which raised RM6.64 million in total. I would like to take this opportunity to express our heartfelt thanks to our generous donors for their contributions and to Team EcoWorld for their dedication and hard work in ensuring the success of the Charity Dinner.

The Company also participated and supported two charity runs in September and October this year. In September, 30 runners participated in the KL Rat Race 2014 where EcoWorld was the "Powered By" sponsor. The run saw Corporate Malaysia coming together for a good cause in support of *The Edge* Education Foundation. One month later, another 12 runners signed up for the Bursa Bull Charge 2014, a charity run which aims to raise the bar on sustainability and inclusiveness and focuses on promoting education and entrepreneurship.

Industry recognition

Although the EcoWorld brand is new, we are honoured to have been given two awards by *The Edge* Malaysia, the country's leading business publication. In August, EcoWorld won the award for Best Performing Stock at *The Edge* Billion Ringgit Club Awards 2014. This award is given to a company which records the highest returns to shareholders over a period of three years.

In October, EcoWorld won *The Edge* Malaysia Notable Achievement Award 2014 at *The Edge* Malaysia Property Excellence Awards. This award recognises a company

with recent significant achievements that have raised their profile as a leading property developer. I would like to congratulate the management and staff for their concerted efforts and tireless dedication that has brought the Company to where it is today.

On behalf of the Board, I would like to welcome Dato' Haji Obet Bin Tawil on board as an Independent Non-Executive Director of EW Berhad. His long and distinguished track record in public service along with his vast experience and in-depth knowledge on land matters is of great benefit to the Company.

As the Group moves ahead with its launch plans and explores new ventures, we hope to grow the EcoWorld brand further. We would like to thank each and every one of you for your tremendous support which has spurred us to give our best to make EcoWorld a name that is not only admired and respected in the property industry, but also one that delivers exciting and consistent growth for our stakeholders and shareholders.

TAN SRI ABDUL RASHID BIN ABDUL MANAF
Chairman, Eco World Development Group Berhad

PRESIDENT´S REPORT

DATO' CHANG KHIM WAH
PRESIDENT AND CHIEF EXECUTIVE OFFICER

PRESIDENT'S REPORT

Dear Valued Shareholders,

It has been an extremely busy and rewarding year for the Group. We achieved total sales of RM3.186 billion for the 13-months from 30 September 2013 to 31 October 2014. This is a remarkable result for a relatively new name in the property market and we are deeply grateful to our customers for their support and trust in the EcoWorld brand.

RM3.02 billion was contributed by projects launched under Eco World Development Sdn Bhd (EW Sdn Bhd), namely ***EcoSky***, ***EcoMajestic***, ***EcoBotanic***, ***EcoSpring***, ***EcoSummer*** and ***Eco Business Park 1***. The development rights to all these projects have been acquired by Eco World Development Group Berhad (EW Berhad) pursuant to a corporate exercise announced in April 2014. The remaining RM166 million sales came from the Company's existing projects of ***Kota Masai*** in Iskandar Malaysia and ***Saujana Glenmarie*** in the Klang Valley.

FY2014 Sales Achieved
RM3.186 billion

Landbank Acquired
3,909 acres

Target
RM7 billion sales over next 2 years

Defining the EcoWorld Brand

As a young company with solid foundations, the Group has been busy establishing our brand presence with the opening of several EcoWorld Galleries and Show Villages to showcase our products under the EcoWorld umbrella.

Guided by our mission to Create World Class Eco-living in All our Developments, we established our very own Green Council to come up with principles and guidelines to embed sustainability into our development processes and create a distinctive and uniquely identifiable EcoWorld product.

Our very first EcoWorld Show Village was unveiled during EcoBotanic's launch in Iskandar Malaysia in September 2013. The team put in great effort to ensure that whatever we had envisioned during the design stage became a stunning visual and physical reality on the ground. The majestic entrance statement opening up to thematic gardens, wide-bodied lakes and waterways, beautifully designed and landscaped roundabouts, strong architectural language of homes surrounded by lush greenery, green connecting paths and linear parks are just some of the features which have come to define an EcoWorld township.

We followed this through with the launch of EcoSpring and EcoSummer's Show Village in September 2014 to showcase our properties and development concepts to a wider target market in the Tebrau Corridor.


EcoWorld Gallery and Show Village at EcoSpring

Meanwhile, in the Klang Valley, EcoMajestic unveiled its 30,000 sq ft Sales Gallery and Show Village to great acclaim in November 2014. The colonial-era straits design of the houses with its timeless elegance was extremely well received by first-time homeowners and upgraders alike.

We have also set a high benchmark for our developments by making sure there is value creation in the form of amenities, infrastructure and design. We want our buyers to appreciate the value as well as the lifestyle each project offers and it is important they share the journey of enhancement together with us.

Hence, at the ground-breaking of EcoSky in March 2014, the Group made a commitment to allocate RM3 million to benefit the surrounding communities in Taman Wahyu, Jalan Ipoh. This will include the construction of a new covered walkway to connect EcoSky to the Taman Wahyu KTM station and rejuvenation of the landscape of a 2.72 acre neighbouring public green belonging to DBKL which is located adjacent to EcoSky's own community park.

Engaging our communities

At EcoWorld we understand that if we aspire to build a strong brand, it must be defined not just by our products but also by our services and how we engage with our communities.

Shortly after the ground-breaking of EcoSky, the team along with popular MyFM deejays launched "A Woman, A Rose" campaign to introduce EcoWorld to the general public. A total of 1,200 stalks of roses were personally distributed by our staff together with these local celebrities in various locations in the Klang Valley and Johor Bahru to women of all ages in honour of International Women's Day.

Apart from receiving roses, 70 lucky ladies drew RM18,888 worth of discounts in a lucky draw for EcoSky's Tower C launch. To demonstrate our support for the green No Plastic Bag Day movement, a special EcoWorld canvas bag was also distributed to the public.

PRESIDENT'S REPORT

Team building retreat at Port Dickson

In May 2014 we launched the Alliance EcoWorld Debit Card – the first of its kind by a property developer developed in collaboration with Alliance Bank Malaysia Berhad to reward our customers for their support and investment in EcoWorld properties. This innovative card was launched simultaneously in Kuala Lumpur and Iskandar Malaysia and the fun-filled launch events saw more than 2,000 customers and their families visiting our EcoWorld Galleries.

We also strongly believe in the power of sporting achievement to unite and inculcate a spirit of excellence amongst the youth. At EcoWorld, we are blessed with many energetic young talents whom we are committed to nurture so that they can bring the Group to greater heights locally and internationally.

To inspire them and other young people to reach for the skies, we signed a RM100,000 sponsorship deal with Malaysia's top youth squash talent Low Wee Wern in August 2014. The one-year sponsorship with Low, 23, marks our first foray in supporting one of the country's upcoming sporting stars. We hope that our sponsorship will propel this promising sportswoman to excel not just on the local and regional stages but also to help her to better compete and flourish in the international arena as well.

Strengthening the team

Within the organisation, we prioritise team building, talent development and continuous engagement with all levels of staff to ensure they are aligned with the company's Vision, Mission, Core Values and Goals.

The Group's in-house EcoWorld Centre for Excellence actively develops and implements programmes for junior, middle and senior staff that are centered on improving core, functional, technical and leadership competencies.

Signing ceremony for Low Wee Wern's sponsorship

To assist our staff in improving their communication, public speaking and leadership skills the Group launched the EcoWorld Toastmasters Club in April 2014 covering the Central, Northern and Southern regions. Our talent development programme also includes ongoing English classes conducted by the British Council Malaysia for all levels of language proficiency. The intensive classes were spread over a period of six months and 120 EcoWorld employees have since graduated.

On the team building front, a noteworthy activity would be the inaugural EcoWorld Mount Kota Kinabalu Expedition organised in September 2014 where 40 staff conquered the mountain to plant the EcoWorld flag at its peak.

To promote employee wellbeing and health, the Pink Possible Campaign was rolled out in October 2014 in line with Breast Cancer Awareness Month. A series of health talks, subsidised mammogram check-ups, healthy food, yoga lessons and self-examination info kits were offered to staff. The campaign has since progressed to include a Quit Smoking Initiative.

EcoWorld Mount Kinabalu Expedition

A hiking activity under the Pink Possible Campaign

Looking ahead

The corporate exercise which we announced in April 2014 will be completed in 2QFY15. Of the eight projects acquired, five were launched in 2013/2014. The Group also acquired two sizeable township lands in 2014.

For the upcoming financial year, our new project launches include EcoSanctuary, a 308.7-acre development south of Kota Kemuning and also EcoTerraces, a freehold 12.8-acre site located in Paya Terubong in Penang. We will also be unveiling the new masterplans for EcoTropics & Eco Business Park III in Iskandar Malaysia.

EcoSanctuary will be the Group's flagship luxury project in the Klang Valley, showcasing the full spectrum of our eco-living concepts and development capabilities. It will offer landed homes incorporating intelligent and aesthetically pleasing designs with an emphasis on sustainability within gated and guarded residential enclaves. The development will also include commercial offerings situated in a beautifully-landscaped suburban sanctuary. Its accessibility via four major highways in the Klang Valley is a strong point to draw buyers seeking a serene, safe and secure environment, away from the hustle and bustle of city life.

PRESIDENT'S REPORT

EcoTerraces, our maiden development in Penang is a high-rise exclusive development with an existing natural waterfall on site. This gift of nature will serve as a focal point for the creation of visually arresting water features complemented by a state-of-the-art clubhouse.

Down south, we aim to introduce our revised master plan for Kota Masai in Pasir Gudang which will now comprise two separate developments – a residential enclave named EcoTropics as well as a green business park called Eco Business Park III. These projects will bring the Group's well received landed eco-living and green business park concepts to a new and upcoming development corridor, thereby further increasing our market share and reach in the fast-growing Iskandar Malaysia economic region.

With so many new projects in the pipeline and the strong performance of our existing developments in both the Klang Valley and Iskandar Malaysia, we believe that the future is very bright for EcoWorld. Accordingly, we have set a two-year sales target of RM7 billion to be achieved over FY2015 & FY2016.

Last but not least, we would like to thank our customers, shareholders, business associates and partners for all your support, without which, EcoWorld's achievements this year would not have been possible. We look forward to scaling greater heights with you by our side as we strive to Create Tomorrow and Beyond.

DATO' CHANG KHIM WAH
President and Chief Executive Officer

EcoTropics

EcoTerraces

Eco Business Park III

Having a

Reputation

for providing Unmatched Product and Service Quality
to our Customers at all times

REVIEW OF OPERATIONS

Following a year of active acquisitions, EcoWorld has expanded its project portfolio significantly with 1,910 acres in the Klang Valley (EcoCentral), 2,926 acres in Iskandar Malaysia (EcoSouth) and 90 acres in Penang (EcoNorth).

Details of the projects making up the EcoWorld Collection along with sales achieved for the year under review are set out below according to regions.

EcoCentral

EcoSky

The 9.6-acre EcoSky in Taman Wahyu, off Jalan Ipoh in Kuala Lumpur is the first project launched under the EcoWorld brand in the Klang Valley. Its launch in December 2013 drew a large crowd of purchasers who quickly snapped up units in the freehold mixed commercial development.

This RM974 million project comprising three residential towers as well as retail and office lots aims to redefine city living with its "360° Living" concept that brings all the conveniences of an urban lifestyle to the doorstep.

As a GBI, LEEDS and BCA Green Mark certified project, EcoSky offers a fully integrated and sustainable built environment with comprehensive amenities including 33,000 sq ft of land reserved as a green zone. The project recorded sales of RM565 million for the year under review.

EcoMajestic

With a land size of 1,073 acres, the RM11.14 billion EcoMajestic is set to be the largest strata titled fully gated and guarded township in Malaysia. Situated at the heart of the fast-growing town of Semenyih in Selangor, the development will combine the grace and beauty of colonial-era straits style designs with over 100 acres of green and open space along with a sizeable 150-acre commercial precinct.

A red carpet bridge, which provides access into the northern portion of the development is nearing completion. Works have also commenced on the EcoMajestic Interchange, which when completed by end-2016, will greatly improve connectivity via direct access to the LEKAS Highway at the south-western boundary.

The development's May 2014 debut saw overnight queues for its Phase 1 comprising 612 terraced homes and a very strong take-up rate of 95% was achieved during the weekend launch. Subsequent launches of semi-dees and cluster homes also performed well.

EcoSanctuary

Saujana Glenmarie

EcoMajestic's 30,000 sq ft EcoWorld Gallery and Show Village with 10 different show houses were unveiled in November with a grand opening ceremony. Despite heavy rain, the exclusive invitation-only event was attended by over 1,500 purchasers who were treated to a sumptuous dinner and a 3D holographic launch video projected over the 5.37-acre Swan Lake. The project recorded sales of RM753 million for the year under review.

EcoSanctuary

In March 2014, the Company acquired 308.7 acres of land south of the established township of Kota Kemuning in Shah Alam, Selangor for a new development to be named EcoSanctuary. Envisaged as an eco-themed mixed residential and commercial development with a gross development value of RM8 billion, this project will be a showcase for EcoWorld's eco luxury products. The first launch of residential units is scheduled in FY2015.

EcoForest

The 492.7-acre EcoForest, acquired in July 2014 for RM225.3 million, is a freehold tract located between the towns of Semenyih and Broga, 15km south-east of Kajang town, 40km southeast of Kuala Lumpur city centre and within close proximity to EcoMajestic. The RM3.5 billion EcoForest is planned as a mixed residential township with a focus on affordable housing to complement the Group's overall master development strategy for the fast-growing Southern Klang Valley corridor.

Both EcoMajestic and EcoForest are well positioned to benefit from the proposed Kajang Mass Rapid Transit station on the Sungai Buloh – Kajang Line located just 20 minutes away. The burgeoning student population created by Nottingham University nearby also bodes well for development prospects in Semenyih.

To further enhance accessibility and improve connectivity between EcoMajestic and EcoForest, the Group plans to upgrade the existing connecting roads from EcoMajestic to EcoForest. Subject to the agreement for the acquisition of EcoForest becoming unconditional, the project is planned to be launched in FY2016.

Saujana Glenmarie

The Group's legacy 25.9-acre freehold Saujana Glenmarie project in the Klang Valley was relaunched with design enhancements incorporated into its remaining completed units of semi-detached villas and bungalows to appeal to the lifestyle needs of discerning luxury homeowners. The project recorded sales of RM32 million for the year under review.

EcoSouth

EcoBotanic

Spanning 270 acres, EcoBotanic is EcoWorld's first masterpiece in Iskandar Malaysia and draws inspiration from classic English country homes. At the heart of EcoBotanic is a sparkling butterfly-shaped lake surrounded by serene parkland, which symbolises the essence of this eco township.

Situated within Nusajaya and directly neighbouring EduCity, the RM3.79 billion EcoBotanic was launched in September 2013 with a huge crowd of registrants attending the balloting event for Phase 1 comprising 624 residential units of cluster and semi-detached homes. The project recorded sales of RM996 million for the year under review.

EcoSpring & EcoSummer

The RM5.87 billion EcoSpring and EcoSummer developments are located on a 613.8-acre freehold tract in the matured and well established Tebrau corridor in Iskandar Malaysia. With homes combining the best of East and West, attractions of these twin projects include its two-tier gated and guarded security concept and an 18-acre town park.

EcoSummer

A grand opening ceremony was held for its Show Village in September with over 3,000 purchasers and new customers treated to a two minute dazzling fireworks display. The project recorded sales of RM397 million for the year under review.

Eco Business Park I

The first to be launched in EcoWorld's series of green business parks, Eco Business Park I (EBP I) is a fully serviced gated and guarded development in Tebrau, Iskandar Malaysia specially catered to medium & light industrial businesses.

The RM3.8 billion project is strategically located 15 minutes to and from Singapore and JB City Centre via the Eastern Dispersal Link Expressway as well as being only 20 minutes away from Senai Airport.

EBP I comprises freehold business lots designed with the environment in mind. Every unit is integrated with a host of intelligent green features, such as rainwater harvesting systems. Linear parks and open spaces ensure a pleasant and conducive environment for businesses to operate smoothly. Launched in May 2014, the project recorded sales of RM309 million for the year under review.

Eco Business Park II

Situated in Senai, Iskandar Malaysia just five minutes away from the Senai International Airport – Eco Business Park II has all the hallmarks of EcoWorld's green business park range. The project which has a gross development value of RM3 billion is scheduled to be launched in FY2016.

EcoTropics & Eco Business Park III

The remaining 991 acres of undeveloped land from the Company's legacy Kota Masai development will be revised to create two separate projects – EcoTropics & Eco Business Park III. Pending approval of the new masterplan, the existing Kota Masai project recorded sales of RM134 million for the year under review.

The 743.6-acre EcoTropics with a gross development value of RM3.4 billion aims to revitalise the Pasir Gudang locale into a thriving suburban centre with its carefully planned residential and commercial properties when it is launched in FY2015.

Eco Business Park III will also be open for sale in FY2015. As part of EcoWorld's signature green business park range the project will offer a ground-breaking 4-in-1 concept integrating retail, office, showroom and warehouse into a single high-tech facility with green features that help minimise environmental footprint.

EcoNorth

EcoTerraces

Located in Paya Terubong, Penang, the freehold 12.8-acre EcoTerraces will be a high-rise niche development of luxury condominiums. A unique selling point of the project is the high percentage of the land that will be dedicated for the creation of amenities, water features and other natural elements to offer a serene and therapeutic lifestyle for its residents. The RM338 million development is planned for launch in FY2015.

EcoMeadows

Situated on the scenic Penang mainland, within the growing Batu Kawan – Bukit Tambun corridor, the RM918 million EcoMeadows is a gated and guarded strata development encompassing stunning and thematic landscaping across 76.5 acres. Designed with a unique signature masterplan, houses are interconnected with green connectors, linear parks and pedestrian walkways. The project is currently planned for launch in FY2016.

Being a Caring and Responsible

Organisation

which actively contributes
back to Society

ECO
SPRING
IN THE TIMELESS BALLAD OF BLOSSOMING BEAUTY

Our Commitment to actively contribute back to society

Eco World's vision of "Creating Tomorrow & Beyond" is not limited to crafting beautiful and sustainable developments for future generations, it includes our commitment to actively contribute back to society by being a responsible corporate citizen.

Launch of Eco World Foundation

On 24 September 2014 we officially launched the Eco World Foundation. The Foundation serves as the charitable arm of EcoWorld with a focus on helping underprivileged students along their quest for education through the Eco World Student Aid Programme (SAP).

With an annual budget of RM5 million, the main objective of the SAP is to keep disadvantaged students in school by providing for their educational requirements. Currently, the programme caters to more than 3,000 primary, secondary and tertiary students throughout Malaysia.

The holistic approach of the SAP addresses every aspect of a student's educational requirements, from equipping them for the new school year and arranging meals in school to funding their school and tuition fees.

Attention will also be given to the personal development of each student under the Programme with home visits and Parents' Dialogue sessions conducted by the Foundation to better understand their family situation and provide the parents with moral support.

Throughout the months of September to November, the Foundation conducted over 20 Parents' Dialogue sessions and carried out home visits in Kota Kinabalu where over 200 students are cared for under the SAP.

Other activities which will be undertaken as part of the programme include annual UPSR Motivational Camps to prepare Standard 6 students for their examinations. The Foundation will also organise annual UPSR Excellence Awards Ceremony where top scorers, deserving teachers and outstanding schools are recognised at a grand awards dinner.

Students who do well in their UPSR examinations are eligible to apply for continuation of support through to secondary education and subsequently to tertiary level as well. The SAP includes 21 tertiary students currently in local institutions of higher learning.

CORPORATE SOCIAL RESPONSIBILITY

EcoWorld's CSR journey begins with the launch of the Eco World Foundation

A stunning performance by the EcoWorld Choir during the Foundation's annual fundraising night

The EcoWorld Student Aid Programme cares for more than 3,000 primary, secondary and tertiary students

Green Standard

We focus on practical, actionable and achievable green solutions

The EcoWorld Green Standard

The EcoWorld Green Council has established an internal rating tool to promote, inculcate and enforce practical, actionable and achievable green solutions which is required to be adopted across all EcoWorld developments.

Known as the EcoWorld Green Standard, this internal rating is benchmarked against other green rating tools in the region – namely Malaysia's Green Building Index and Singapore's Green Mark.

The EcoWorld Green Standard includes the following best practices:

- **Passive design features**
  Beginning from the conceptual planning stage, design features are incorporated to take into account local climate conditions in order to maintain a comfortable indoor temperature within the home. These features take into consideration the position of the sun, the prevailing wind flow and other elements to minimise unwanted heat gains. Lower heat gains means a more thermally comfortable home which translates directly into savings for the purchasers in the form of reduced air conditioning and electricity consumption.

- **Maximisation of daylight into homes**
  Being in the tropics, daylight in Malaysia can be quite bright and harsh. To make daylighting practical and acceptable, homes are designed to let in light without the heat and glare.

- **Water efficiency**
  With an abundance of rain for the most part of the year, rainwater harvesting along with water efficient fittings can help reduce the potable water consumption as well as provide some reserves during drier months.

- **Environmental protection**
  Given that EcoWorld's projects are mainly situated in new areas, protection of the natural environment is crucial. Mature trees are carefully identified for transplantation and concerted efforts are made to preserve the natural contour of the land to minimise on-site excavation and mitigate the risks of soil erosion.

- **Improving indoor environment quality**
  The creation of a healthy and safe internal environment within the home is also a key focus. EcoWorld strives to achieve this by using low VOC paints and other certified eco-friendly materials.


Tree transplanting efforts in an EcoWorld township

EcoBotanic's lush landscaping

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("**the Board**") of Eco World Development Group Berhad ("**EcoWorld**" or "**the Company**") is committed to ensuring that a high standard of corporate governance is practised throughout the Company and its subsidiaries ("**the Group**") as a fundamental part of discharging its responsibilities to safeguard shareholders' investments and to protect the interests of all stakeholders.

Set out below is a statement, made pursuant to paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), on how the Group has applied the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**").

PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

The respective roles and responsibilities of the Board and Management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for developing and agreeing with the Chief Executive Officer ("**the CEO**") the Group's corporate objectives, and the goals and targets to be met by Management.

Management is responsible for the day to day running of the Group's business in accordance with the corporate objectives and goals and targets set by the Board.

Clear roles and responsibilities

In line with its overall responsibility for the proper conduct of the Group's business, the Board is responsible for establishing the Group's goals and strategic directions, setting goals and targets for Management and monitoring the achievement of those goals and targets, overseeing the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

The Board is guided by a Board Charter (available on the Company's website) which sets out the roles and responsibilities of the Board. The Board Charter further defines the roles and responsibilities of the Chairman, President/Chief Executive Officer and Non-Executive Directors.

The following are the responsibilities of the Board, which are set out in the Board Charter:-

- reviewing and adopting a strategic plan, as developed by Management, taking into account the sustainability of the Company's business, with attention given to the environmental, social and governance aspects of the business;
- overseeing the conduct of the Company's business, including monitoring the performance of Management to determine whether the business is being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- succession planning - ensuring that all candidates appointed to senior management positions are of sufficient calibre and that there are programmes to provide for the orderly succession of senior management;
- reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace;

- overseeing the development and implementation of a shareholder communication policy;

- reviewing the adequacy and integrity of the Company's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and

- overseeing the Group's adherence to high standards of conduct or ethics and corporate behaviour, including the Code of Ethics for Directors.

Code of Conduct and Ethics

The Company has issued a Code of Conduct and Business Ethics ("**the Code**") that applies to all Directors and employees of the Group. All employees are required to read, understand and abide by the Code. The Code is effectively communicated via the Company's intranet and is also subject to regular review and updates.

The Board has an additional code of ethics which is incorporated in the Board Charter.

Whilst the Company does not have a separate whistle-blowing policy, the Code contains provisions which encourage all employees to report any genuine concerns without fear of reprisal. The Company also has a strong corporate culture which prizes Team Spirit, Integrity, Commitment, Accountability and Excellence as core EcoWorld Values. Management actively promotes and inculcates these values throughout the Group via regular engagement, dialogue and training programmes. The Code and EcoWorld Values guide the formulation of the Company's Policies & Procedures which all employees are required to adhere to, failure of which will result in appropriate action being taken.

Promote Sustainability

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability embedded in the development of the Group's strategies, taking into account the impact on the environmental, social, cultural and governance aspects of business operations. These strategies seek to meet the expectations of stakeholder such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.

Details of the Group's corporate social responsibility activities are presented on pages 42 to 45 of this Annual Report.

Access to information and advice

The Directors are given adequate notice of Board meetings. Board papers together with the agenda are circulated in a timely manner. This is to ensure that the Directors are given sufficient time to read the Board papers and seek any clarification that they may need from Management before the Board Meetings, or to consult the Company Secretaries or independent advisers, if necessary. This enables the Directors to discuss the issues to be raised at the meetings effectively.

All Directors are entitled, whether via the Board or in his individual capacity, to take independent professional advice at the Company's expense where necessary in the furtherance of their duties. A Director may consult the Chairman or other Board members prior to seeking any independent professional advice.

Qualified and competent Company Secretary

Every Director has ready and unrestricted access to the advice and the services of the Company Secretaries in ensuring the effective functioning of the Board. The Company Secretaries ensure that Board policies and procedures are both followed and reviewed regularly and have the responsibility in law to ensure that each Director is made aware of and provided with guidance as to their duties, responsibilities and powers.

Board Charter

The Board has formalized and adopted a Board Charter which serves as a source of reference for Directors. The Board Charter is established to provide guidance and clarity on the Board's roles and responsibilities as well as the relationship between the Board and Shareholders.

The Board Charter also sets out processes and procedures for convening Board meetings. It also provides guidance to the Board in the assessment of its own performance and that of its individual directors. The Board periodically reviews the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the Board's responsibilities.

The Board Charter is available on the Company's website at www.ecoworldgroup.com.my.

PRINCIPLE 2 : STRENGTHEN COMPOSITION

Board Composition

Currently the Board consists of ten (10) members of which three (3) are Executive Directors, four (4) are Non-Independent Non-Executive Directors and three (3) are Independent Non-Executive Directors. Profiles of the Directors are set out on pages 14 to 23 of this Annual Report.

The current composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) or, if the number of directors is not 3 or a multiple of 3, the number nearest one-third (1/3), of the Board, whichever is higher, to be Independent Directors.

Collectively, the Directors have a wide range of experience and expertise in business, corporate and financial matters that add value to the Board as a whole.

The Company recognises the contribution of Independent Directors as vital to the development of the Company's strategies and to providing a balanced and independent view to the Board. All Independent Directors are independent of management and free from any relationship that could interfere with their independent judgment.

Mr. Tang Kin Kheong is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

Retirement of Directors

In accordance with the MMLR of Bursa Securities and Articles of Association of the Company, at least one-third (1/3), or the number nearest to one-third (1/3), of the Directors retire from office each year such that all directors retire at least once in every three (3) years. The retiring directors shall be eligible for re-election at the Annual General Meeting.

The following Directors retire by rotation at the forthcoming Forty-First Annual General Meeting of the Company pursuant to Article 80 of the Articles of Association and being eligible, offer themselves for re-election:-

(a) Tan Sri Abdul Rashid Bin Abdul Manaf;

(b) Dato' Chang Khim Wah; and

(c) Datuk Heah Kok Boon.

The following Directors who were appointed since the date of the last annual general meeting retire at the forthcoming Forty-First Annual General Meeting of the Company pursuant to Article 87 of the Articles of Association and being eligible, offer themselves for re-election:-

(a) Tan Sri Dato' Sri Liew Kee Sin; and

(b) Dato' Haji Obet Bin Tawil.

NOMINATION COMMITTEE

The Board has formed a Nomination Committee whose function is:

(a) to assist the Board in nominating candidates for appointment to the Board; and

(b) to assist the Board in assessing the performance of Directors on an on-going basis as to their skills and experience and other qualities.

The role of the Nomination Committee is to ensure that the Board comprises Directors with an appropriate mix of skills and experience, as well as to ensure a proper balance between Executive Directors and Independent Non-Executive Directors.

The duties and responsibilities of the Nomination Committee are as follows:-

- To recommend to the Board, candidates for any directorships proposed to be filled by the shareholders or the Board;
- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- To assess annually, the effectiveness of the Board as a whole and each individual Director, as well as the effectiveness of the various committees of the Board;
- To access on an annual basis the independence of the Independent Non-Executive Directors;
- To give consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- To review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- To keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- To review the results of the directors' performance evaluation process;

- To evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular proposed appointment. In identifying suitable candidates, the Nomination Committee shall:-

  (a) consider candidates from a wide range of backgrounds;

  (b) consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board; and

  (c) ensure that once appointed, appointees have enough time available to devote to the position of director.

- To act in line with the directions of the Board of Directors.

The current Nomination Committee comprises the following three (3) Non-Executive Directors, the majority of whom are Independent Directors:

(a) Dato' Idrose Bin Mohamed (Chairman, Independent Non-Executive Director);

(b) Tan Sri Lee Lam Thye (Member, Non-Independent Non-Executive Director); and

(c) Tang Kin Kheong (Member, Senior Independent Non-Executive Director).

Although the Chairman of the Nomination Committee is not the Senior Independent Non-Executive Director, the Board is of the view that the Nomination Committee is able to perform its duties transparently and independently.

During the financial period ended 31 October 2014, the Nomination Committee reviewed the composition of the Board and recommended to the Board the appointment of two (2) additional directors. The Nomination Committee also recommended the re-designation of an Independent Non-Executive Director to Non-Independent Non-Executive Director.

As all the current Directors were only appointed to the Board during the financial period ended 31 October 2014, the Nomination Committee considered that it would be too early to undertake any formal assessment of the performance of the individual directors or of the Board Committees, as well as of the independence of the Independent Non-Executive Directors. A decision has been taken to undertake the first annual assessment of performance and independence in the upcoming financial year.

Criteria for recruitment and assessment

The Nomination Committee assesses the suitability of candidates for appointment as Directors before recommending them to the Board. In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia, the competency, experience, commitment (including time commitment), contribution and integrity of the candidates, and additionally in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independence.

The Board does not currently have any gender diversity policy or target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

The Board will consider establishing a policy for gender diversity at board level for the future.

REMUNERATION COMMITTEE

Board remuneration policies and procedures

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 the talented individuals to serve as directors.

The Remuneration Committee's principal objective is to evaluate, deliberate and recommend to the Board the remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The Remuneration Committee also evaluates the Executive Directors' remuneration and benefits based on the performance of the Executive Directors and of the Group.

Fees payable to Non-Executive Directors are deliberated and decided by the Board as a whole before they are presented for approval by shareholders at the annual general meeting.

The current Remuneration Committee comprises the following three (3) Non-Executive Directors, the majority of whom are Independent Directors:

(a) Tan Sri Dato' Sri Liew Kee Sin (Chairman, Non-Independent Non-Executive Director);

(b) Dato' Idrose Bin Mohamed (Member, Independent Non-Executive Director); and

(c) Tang Kin Kheong (Member, Senior Independent Non-Executive Director).

Directors' Remuneration

The range of remuneration received by Directors who held office at the end of the financial period ended 31 October 2014 is set out as below. The Company opts not to disclose the remuneration of individual Directors as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

1. Aggregate remuneration received by Directors are categorised into the following components:

Component	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**
Fees	-	-
Salary	187	-
Allowance	-	600
Others	-	-
Total	**187**	**600**

2. Number of Directors whose remuneration falls into the following bands:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	2
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	-	3
RM150,001 to RM200,000	1	-

PRINCIPLE 3 : REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board assesses the independence of the Independent Non-Executive Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria set out in the MMLR of Bursa Securities.

On 21 August 2014, the Board re-designated Tan Sri Lee Lam Thye from Independent Non-Executive Director to Non-Independent Non-Executive Director following his appointment as Chairman of Eco World Foundation.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management of the Group. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives, and monitor the risk profile of the Company's business and the reporting of monthly business performances.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

As at the date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board.

Upon the completion of nine (9) years of service, Independent Directors may continue to serve on the Board subject to them being re-designated as Non-Independent Directors. In the event the Board intends to retain any Director as an Independent Director after a cumulative term of nine (9) years, approval from the shareholders will be sought.

Chairman and President/CEO

The roles of Chairman and President/CEO are undertaken by separate persons. The Chairman is a Non-Executive member of the Board.

Non-Independent Chairman

The Board is chaired by a Non-Independent Non-Executive Director.

The Board notes Recommendation 3.5 of the MCCG 2012, which states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

Although the Board does not comprise a majority of Independent Directors, there is a majority of Non-Executive Directors, i.e. seven (7) out of ten (10). Their majority presence provides a reasonably effective check and balance within the Board. Being a Non-Executive Director, the Chairman is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgment.

The Board therefore believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.

PRINCIPLE 4 : FOSTER COMMITMENT

Time Commitment

Directors are expected to give sufficient time and attention to carry out their responsibilities. The Board Charter sets out a policy where a director shall notify the Chairman officially before accepting any new directorship in any other company and the notification shall explain the expectation and an indication of time commitment that will be spent on the new appointment.

The current Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

Board Meetings

The Board meets at least four (4) times a year, with additional meetings for particular matters convened as and when necessary.

A total of seven (7) Board meetings were held during the financial period ended 31 October 2014. The attendance record of each Director is as follows:

Director	Total Meetings Attended	Percentage of Attendance (%)
Tan Sri Abdul Rashid Bin Abdul Manaf *(Appointed on 29/11/2013)*	3/5	60
Dato' Leong Kok Wah *(Appointed on 29/11/2013)*	5/5	100
Dato' Chang Khim Wah *(Appointed on 7/10/2013)*	7/7	100
Datuk Heah Kok Boon *(Appointed on 28/11/2013)*	5/5	100
Liew Tian Xiong *(Appointed on 29/11/2013)*	5/5	100
Tan Sri Dato' Sri Liew Kee Sin *(Appointed on 05/05/2014)*	3/3	100
Tan Sri Lee Lam Thye *(Appointed on 29/11/2013)*	5/5	100
Mr. Tang Kin Kheong *(Appointed on 29/11/2013)*	5/5	100
Dato' Idrose Bin Mohamed *(Appointed on 29/11/2013)*	5/5	100
Dato' Haji Obet Bin Tawil *(Appointed on 21/08/2014)*	1/1	100

All the Directors complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial period ended 31 October 2014 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme ("**MAP**") as specified by Bursa Securities.

During the financial period ended 31 October 2014, the Directors attended the following training programmes and seminars to keep abreast of relevant changes in law, regulations, business environment, risk management, general economic and industry developments :-

	Training/Seminars	**Date**
(1)	Corporate Governance Guide : Towards Boardroom Excellence	25 March 2014
(2)	Advocacy Sessions On Corporate Disclosure for Directors	2 July 2014
(3)	Enhancing Internal Audit Practice	13 August 2014
(4)	Nominating Committee Programme 2 : Effective Board Evaluations	18 August 2014
(5)	Enterprise Risk Management	19 August 2014
(6)	ASEAN Corporate Governance Scorecard	27 August 2014
(7)	The Malaysian Equity Forum	9 & 10 September 2014
(8)	Directors' Breakfast Series : "Great companies deserve great board"	10 October 2014
(9)	GST Training	20 October 2014

The Directors will undergo relevant training programmes and seminars from time to time and as and when necessary to update themselves with the relevant knowledge and skills to discharge their duties effectively.

PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and interim financial results, the Board takes responsibility to ensure that these financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable financial reporting standards in Malaysia.

The Audit Committee assists the Board by reviewing these financial statements with Management and the external auditors.

The Responsibility Statement by the Directors pursuant to MMLR of Bursa Securities is set out in page 57 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee meets with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least twice a year and whenever necessary, the Audit Committee shall meet with the external auditors without the presence of executive Board members or management personnel, to allow the Audit Committee and the external auditors to exchange independent views on matters which require the Audit Committee's attention.

The Audit Committee considered the non-audit services provided by the external auditors during the financial period ended 31 October 2014 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the Malaysian Institute of Accountants.

A summary of activities of the Audit Committee during the financial period under review is set out in the Audit Committee Report on page 63 of this Annual Report.

PRINCIPLE 6 : RECOGNISE AND MANAGE RISK

Sound risk management framework

Following the Board's approval for the adoption of the risk management framework drawn up and recommended by KPMG Management & Risk Consulting Sdn Bhd arising from its assessment of the Group's risk profile, the Group's risk management function has been enhanced.

The Risk Management Committee was formed on 20 November 2014, comprising the following members:

Name	Executive Position
Dato' Sundarajoo a/l Somu (Chairman)	Chief Operating Officer
Hoe Mee Ling (Member)	Divisional General Manager, Southern Region
Khoo Teck Chong (Member)	General Manager, Northern Region
Ho Kwee Hong (Member)	General Manager, Eco World IBS and Eco Sanctuary
Soo Chan Fai (Member)	Group Financial Controller

The Risk Management Committee is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposures by ensuring that Management has taken the necessary steps to mitigate such risks and recommends action where necessary. The Risk Management Committee reports to the Audit Committee at least twice a year and would only report to the Board, if so required.

The Statement on Risk Management and Internal Control as set out in pages 65 to 67 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal Audit Function

The Directors acknowledge their responsibility to maintain a system of internal control and risk management. The Board seeks regular assurance on the continuity and effectiveness of the internal control and risk management system through independent review by the internal auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The activities of the internal auditors during the financial period are set out in the Audit Committee Report set out on page 64 of this Annual Report.

PRINCIPLE 7 : ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate disclosure policies and procedures

The Company recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.

Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.ecoworldgroup.com.my incorporates an Investor Relations section which provides all relevant information on the Company which is accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.

The quarterly financial results are also announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

PRINCIPLE 8 : STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Dialogue with Shareholders

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, interviews are conducted from time to time with local journalists by Management and reported in the local newspapers.

The Board views the annual general meeting as an ideal opportunity to communicate with shareholders. Whilst the Company endeavours to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Encourage Shareholders Participation at General Meetings

The Annual Report, which contains the Notice of Annual General Meeting, is sent to shareholders at least twenty-one (21) days prior to the date of the meeting. The Notice of Annual General Meeting, which sets out the business to be transacted at the Annual General Meeting, is also published in a major local newspaper. Items of special business included in the Notice of Annual General Meeting will be accompanied by an explanation of the proposed resolution.

At each meeting, shareholders are able to participate in the questions and answers session in respect of the matters listed in the Notice of Annual General Meeting. There is no time limitation for shareholders to raise questions and to solicit replies from the Board.

Poll Voting

In line with Recommendation 8.2 of the MCCG 2012, the Chairman informs shareholders of their right to demand a poll vote at the commencement of all general meetings.

Effective Communication and Proactive Engagement

In maintaining its commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The practice of disclosure of information is not established just to comply with the requirements of the MMLR of Bursa Securities, but also to adopt the best practices recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders. Where possible, the Group also provides additional disclosures of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

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 as at the end of each financial year/period, and of the results and cash flows of the Group and of the Company for that year/period then ended.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies that are consistently applied;
- reasonable and prudent judgments and estimates have been made; and
- all applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the requirements of the Companies Act, 1965.

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

ADDITIONAL COMPLIANCE INFORMATION

Share buyback

There was no buyback of the Company's shares during the financial period ended 31 October 2014.

Options, warrants or convertible securities

There were no options, warrants or convertible securities issued to any parties during the financial period under review.

Depository receipt programme

The Company did not sponsor any depository receipt programme during the financial period under review.

Sanctions and/or penalties

There were no public sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by any regulatory body during the financial period under review.

Non-audit fees

The amount of non-audit fee incurred for the services provided by the external auditors and their member firms to the Group for the financial period ended 31 October 2014 amounted to RM223,900.

Variation in results

There were no material variation between the audited results for the financial period ended 31 October 2014 and the unaudited results previously announced.

Profit guarantee

The Company did not give any profit guarantee during the financial period under review.

Material contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial period or which were entered into since the end of the previous financial year except as disclosed in Note 30 of the financial statements.

Utilisation of proceeds from corporate proposal

There were no proceeds raised from any corporate proposals during the financial period under review.

AUDIT COMMITTEE REPORT

MEMBERSHIP OF THE AUDIT COMMITTEE

Mr. Tang Kin Kheong
Chairman
Senior Independent Non-Executive Director

Dato' Idrose Bin Mohamed
Member
Independent Non-Executive Director

Dato' Haji Obet Bin Tawil *
Member
Independent Non-Executive Director

Tan Sri Lee Lam Thye **
Member

* Appointed 21 August 2014
** Until 21 August 2014 when he was re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director

MEETINGS

The Audit Committee held four (4) meetings during the financial period ended 31 October 2014. The attendance of each Audit Committee member was as follows:-

	Attendance
Mr. Tang Kin Kheong	4/4
Dato' Idrose Bin Mohamed	4/4
Dato' Haji Obet Bin Tawil	0/0
Tan Sri Lee Lam Thye	3/4

COMPOSITION AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

<u>Composition</u>

The Board shall appoint the Audit Committee from amongst themselves. The Audit Committee shall comprise no fewer than three (3) non-executive directors. The majority of the Audit Committee members shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as set out in the Main Market Listing Requirements and any practice notes issued thereto.

All members of the Audit Committee have a working familiarity with basic finance and accounting practices, and at least one (1) member :-

(a) must be a member of the Malaysian Institute of Accountant ("MIA"); or

(b) if he is not a member of MIA, he must have at least three (3) years of working experience and:

   i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
   ii. he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Audit Committee and each of its members have carried out their duties in accordance with their terms of reference.

Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

In the absence of the Chairman at any meeting of the Audit Committee, the other members shall amongst themselves elect another member who must be an independent director to chair the meeting.

The Chairman of the Audit Committee shall engage on a continuous basis with the Chairman of the Board, the President/Chief Executive Officer, the Chief Financial Officer ("**CFO**"), other senior members of management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

Meetings

The Audit Committee shall meet 4 times annually, or more frequently if required, at its discretion.

Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Audit Committee.

The CFO, the head of internal audit and a representative of the external auditors will normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee.

At least twice a year and whenever necessary, the Audit Committee shall meet with the external auditors without the presence of executive Board members or management personnel.

The Company Secretary shall be the Secretary of the Audit Committee.

Quorum

The quorum for an Audit Committee meeting shall be the majority of members present who must be independent directors.

Minutes

Minutes of each meeting of the Audit Committee shall be distributed to each member of the Audit Committee and also to the other members of the Board.

The Chairman shall also orally report on the proceedings of each Audit Committee meeting to the Board at the next Board meeting following the Audit Committee Meeting.

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

(a) have explicit authority to investigate any matter within its terms of reference, and the resources to do so. All employees shall be directed to co-operate as requested by the Audit Committee.

(b) have full and unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management.

(c) obtain independent professional advice and secure the attendance of outsiders with relevant experience at its meetings, if necessary.

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

(e) convene meetings with the external auditors, without the attendance of other directors or employees of the Company, whenever deemed necessary.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(b) To discuss with the external auditors before the audit commences, their audit plan, the nature and scope of the audit;

(c) To review the external auditors' management letter and management's response;

(d) To ensure that assistance is given by employees to the external auditors;

(e) To consider the major findings of internal investigations and management's response;

(f) To review the quarterly and year-end financial statements of the Board, focusing particularly on:–

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

AUDIT COMMITTEE REPORT

(g) To report the findings from its review of financial reporting and internal control matters, and other material matters to the Board;

(h) To discuss problems and reservations arising from the external auditors' interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);

(i) To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions and resources of the internal auditors, and that they have the necessary authority to carry out their work;

- review the annual internal audit plan and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal auditors;

- review the performance of the internal auditors;

- approve any appointment or termination of senior staff members of the in-house internal audit department; and

- take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(j) To determine the remit of the internal audit function;

(k) To review the effectiveness of the risk management process;

(l) To consider any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(m) To verify that allocation under any employee share plan or employee share option scheme are in compliance with the criteria stipulated in the by-laws of such plans or schemes;

(n) To consider other matters as instructed by the Board; and

(o) To consider and examine such other matters as the Audit Committee considers appropriate.

The Audit Committee makes recommendations to the Board for its consideration and implementation, but it has no executive powers to implement such recommendations on behalf of the Board.

Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the Audit Committee has the responsibility of promptly reporting such matter to Bursa Securities.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial period under review, the Audit Committee carried out the following activities.

1. Financial statements

(a) Reviewed the quarterly financial reports before they were presented to the Board for approval; and

(b) Reviewed the year-end financial statements of the Group and obtained assurance that the financial reporting and disclosure requirements of the relevant authorities had been duly complied with.

2. Matters relating to External Audit

(a) Reviewed with the external auditors, their audit plan covering the audit objectives and approach, key audit areas and the relevant accounting standards issued by the Malaysian Accounting Standard Board and other relevant technical pronouncements that are relevant to the Group.

(b) Reviewed with the external auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board of Directors.

(c) Evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment and audit fee.

3. Matters relating to Internal Audit

(a) Reviewed the internal auditors' annual audit plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.

(b) Reviewed the internal auditors' observations, recommendations for improvements and management's response thereto. Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports.

(c) Evaluated a proposal to set up an in-house internal audit department to perform the Group's internal audit function in place of KPMG Management & Risk Consulting Sdn Bhd, the independent professional services firm to which the Group's internal audit function had been outsourced, upon the expiry of the latter's mandate on 30 September 2014. After evaluation, the Audit Committee recommended to the Board that the proposal be accepted. The Board approved the proposal and the in-house internal audit department, operating under the name of Group Corporate Governance, has since been set up.

4. Matters relating to Risk Management

Reviewed with KPMG Management & Risk Consulting Sdn Bhd, its report arising from a separate assignment to assess and present the Group's risk profile and to draw up a risk management framework for the Group. Recommended to the Board the adoption of the report and the implementation of the risk management framework.

5. Matters relating to Related Party Transactions

Reviewed and considered all aspects of the multiple corporate proposals involving related parties (first announced on 25 April 2014) as set out in the Circular to Shareholders dated 20 November 2014 as well as the evaluation of the said proposals by the independent adviser, Kenanga Investment Bank Berhad, as set out in its Independent Advice Letter dated 27 November 2014.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group was outsourced to KPMG Management & Risk Consulting Sdn Bhd, an independent professional services firm which reported directly to the Audit Committee.

KPMG Management & Risk Consulting Sdn Bhd's mandate expired on 30 September 2014 and since then, the internal audit function has been undertaken by a newly established in-house internal audit department, namely, Group Corporate Governance.

The principal responsibility of the internal auditors is to undertake regular and systematic reviews of the system of internal control so as to provide reasonable assurance that this system is adequate and effective, and continue to operate satisfactorily.

The internal auditors' scope of work was based on a 5-phase approach as follows:

- Engagement initiation
- Internal audit planning
- Internal audit execution
- Reporting
- Engagement management and continuous improvement

The internal auditors used a risk-based methodology based on global best practices and industry standards.

The internal audit plan was reviewed and approved by the Audit Committee at the beginning of the financial year prior to execution.

The internal audit activities carried out for the financial period include, inter alia, the following:

- Ascertained the extent of compliance with the established Group policies, procedures and statutory requirements;
- Reviewed the system of internal controls and key operating processes based on the approved annual plan by adopting a risk-based approach and recommended improvements to the existing system of controls;
- Reviewed related party transactions.
- Followed-up on the implementation status of previously issued audit recommendations.

The Internal Audit reports incorporating the audit observations, audit recommendations and management action plans were issued to the Audit Committee. Follow-up audit was also conducted and the status of implementation on the agreed upon action plan were highlighted to the Audit Committee.

The total cost incurred in maintaining the internal audit function in 2014 was RM54,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The revised Malaysian Code of Corporate Governance (2012) requires the Board of Directors of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets.

Set out below is the Board of Directors' Statement on Risk Management and Internal Control for the financial period ended 31 October 2014 issued in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.*

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's internal control and risk management systems to safeguard shareholders' investments and the Group's assets and for reviewing the adequacy and integrity of such systems. The Board ensures the effectiveness of such systems through regular reviews. These responsibilities are delegated to the Audit Committee and the Risk Management Committee, which are empowered by their respective terms of reference.

Due to inherent limitations in the systems of internal control and risk management, such systems can only manage rather than eliminate all risks of failure to achieve business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement or loss.

INTERNAL AUDIT FUNCTION

The internal audit function was outsourced to KPMG Management & Risk Consulting Sdn Bhd until 30 September 2014 when its mandate expired.

Since then, the internal audit function has been undertaken by a newly formed in-house internal audit department, named Group Corporate Governance that reports to the Audit Committee on the adequacy and effectiveness of risk management and internal control systems.

A description of the activities of the internal audit function during the financial period ended 31 October 2014 can be found in the Audit Committee Report included in this Annual Report.

RISK MANAGEMENT

The Board believes that it is essential that a sound risk management process be in place for identifying, evaluating, monitoring and managing significant risks.

Since the end of the previous financial year, the Group initiated and completed several large asset acquisitions. In view of these asset acquisitions, the Board recognised the need to undertake a major review of the existing risk management framework that was inherited from the previous Board.

In this connection, during the financial period under review, the Board appointed KPMG Management & Risk Consulting Sdn Bhd to undertake a comprehensive reassessment of the Group's risks since the Group's risk profile may have significantly changed due to the new acquisitions, and to develop a new risk management framework that corresponds with the updated risk profile.

The Board has, on 20 November 2014, approved the adoption of the new risk management framework and also the establishment of a Risk Management Committee.

The salient features of the new risk management framework are as follows:

1. The Risk Management Committee is established to maintain risk oversight within the Group.

2. The risk management framework outlines the Group's risk management system and defines management's responsibilities. Risk assessments are undertaken by management to identify and update risks.

3. Risk Management Committee to meet quarterly to deliberate on the significant risks identified by management. Matters to be deliberated to include risk profiles, control procedures and status of action plans.

4. Risk Management Committee to report to the Audit Committee at least twice a year. Significant risk matters that require the attention of the Directors will be escalated to the Board.

5. The risk management framework and activities are reviewed by the in-house internal auditors, Group Corporate Governance. In particular, Group Corporate Governance incorporates into its internal audit plan the necessary procedures to check the implementation of approved risk management mitigation action plans.

INTERNAL CONTROL

The elements of the Group's system of internal control include the following:

- There is an organisation structure in place, which formally defines lines of responsibility and delegation of authority.

- Key functions such as finance, tax, treasury, corporate, legal matters and contract awarding are controlled centrally.

- There are strategic planning, annual budgeting and target-setting processes, which include forecasts for each business unit / division, which are reviewed in detail by the management.

- Actual performance compared with budget is reviewed with detailed explanations provided for any major variances.

- Senior management meets with Divisional Heads and Business Unit Heads on a monthly basis to discuss the Group's financial performance, business development, operational and corporate issues.

- Standard Operating Procedures which include policies and procedures within the Group are continuously reviewed and updated.

- The Divisional Heads and Business Unit Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.

- Corporate values, which emphasise ethical behaviour are set out in the Eco World Code of Conduct and Business Ethics manual.

The Group's system of internal control does not apply to associated companies and jointly controlled entities over which the Group does not have full management control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial period ended 31 October 2014.

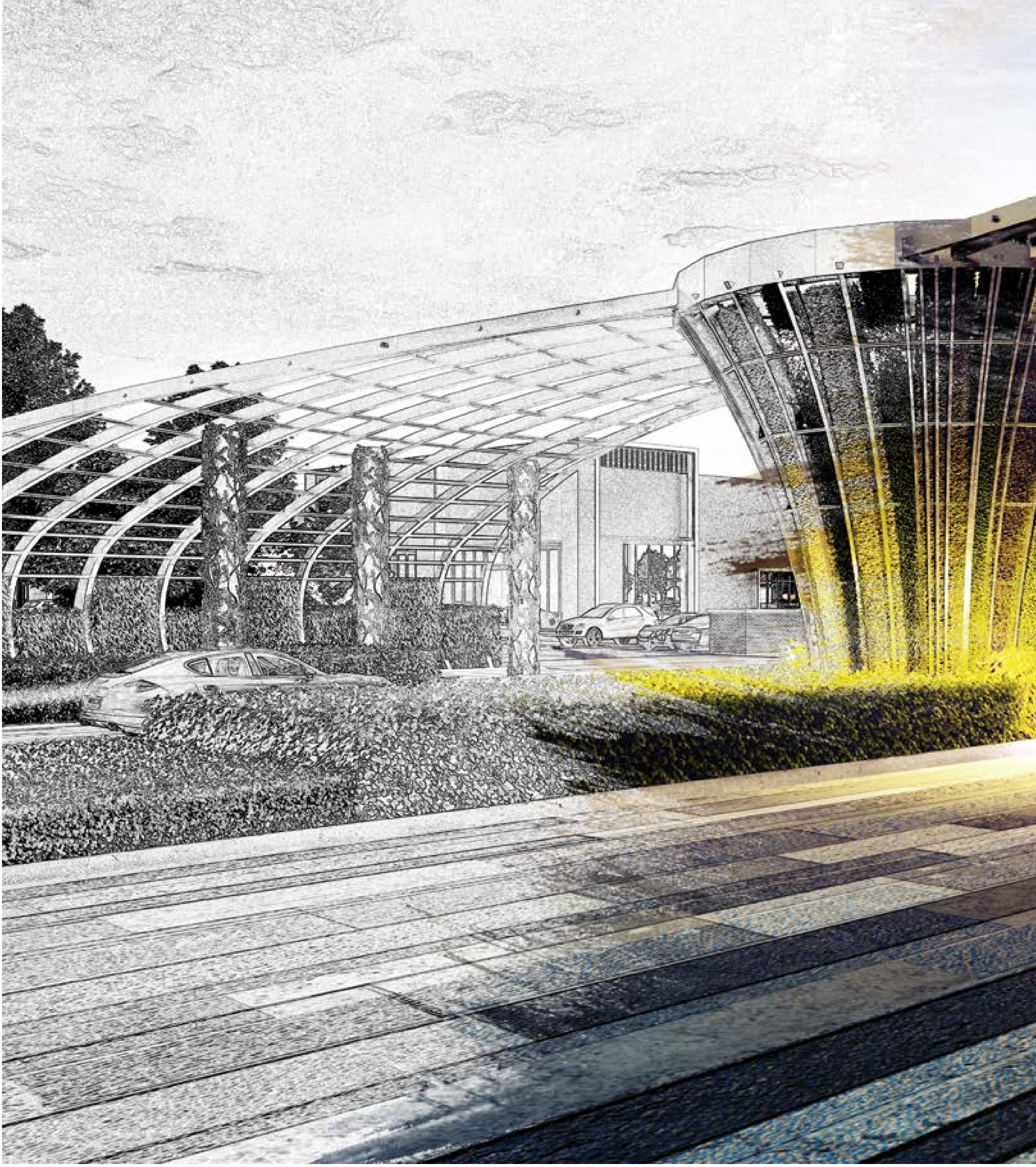
Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes the Board has adopted in the review of the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

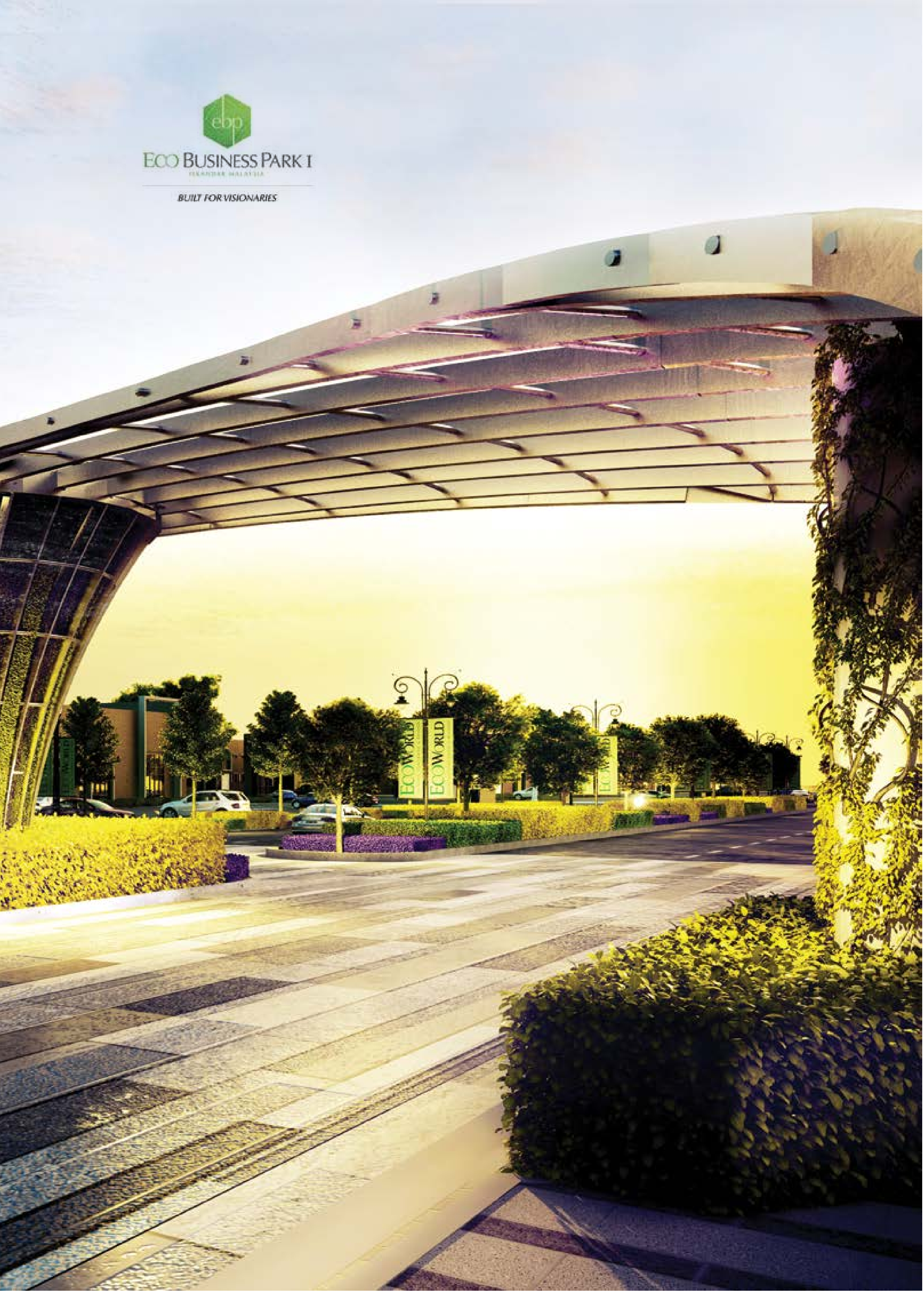
CONCLUSION

The Chief Executive Officer and Chief Financial Officer have given the Board assurance that a reasonable level of consideration has been given to the Group's risk management and internal control, in all material respects, based on the risk management framework adopted by the Group.

This statement was approved by the Board of Directors on 13 February 2015.

Delivering Exciting and Consistent Growth to our Stakeholders and Shareholders

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DIRECTORS' REPORT

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 October 2014.

CHANGE OF NAME

With effect from 18 December 2013, the Company changed its name from Focal Aims Holdings Berhad to Eco World Development Group Berhad.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial period except for the introduction of construction activity undertaken by the Group.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company was changed from 30 September to 31 October so as to be coterminous with the financial year end of Eco World Development Holdings Sdn. Bhd., being the major shareholder of the Company. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

RESULTS

	Group RM	Company RM
Profit net of tax	7,178,010	1,613,996
Profit attributable to:		
Owners of the Company	7,180,872	1,613,996
Non-controlling interests	(2,862)	-
	7,178,010	1,613,996

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

DIVIDENDS

The amounts of dividends paid by the Company since 30 September 2013 were as follows:

In respect of the financial year ended 30 September 2013 as reported in the directors' report of that year:

	RM
First and final single tier dividend of 1% on 253,317,000 ordinary shares approved on 27 February 2014 and paid on 23 April 2014	**2,533,170**

The directors do not recommend the payment of any dividend in respect of the financial period ended 31 October 2014.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Chang Khim Wah	
Datuk Heah Kok Boon	
Tan Sri Abdul Rashid Bin Abdul Manaf	(Appointed on 29 November 2013)
Dato' Leong Kok Wah	(Appointed on 29 November 2013)
Liew Tian Xiong	(Appointed on 29 November 2013)
Tang Kin Kheong	(Appointed on 29 November 2013)
Tan Sri Lee Lam Thye	(Appointed on 29 November 2013)
Dato' Idrose bin Mohamed	(Appointed on 29 November 2013)
Tan Sri Dato' Sri Liew Kee Sin	(Appointed on 5 May 2014)
Dato' Haji Obet Bin Tawil	(Appointed on 21 August 2014)
Tan Sri Datuk Mohd Razali Bin Abdul Rahman	(Resigned on 29 November 2013)
E. Seng Kiw @ Yee Oy Chong	(Resigned on 29 November 2013)
Yee Yok Sen	(Resigned on 29 November 2013)
Wan Mustapha Bin Wan Ismail	(Resigned on 29 November 2013)
Phang Piow @ Pang Choo Ing	(Resigned on 29 November 2013)
Pang Tin @ Pang Yon Tin	(Resigned on 29 November 2013)

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 30 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares of RM1 each			
	Date of appointment/ 1 October 2013	Acquired	Sold	31 October 2014
Eco World Development Group Berhad (formerly known as Focal Aims Holdings Berhad)				
Direct interests				
Liew Tian Xiong	-	88,780,601	-	88,780,601
Dato' Chang Khim Wah	-	1,530,000	-	1,530,000
Datuk Heah Kok Boon	-	191,250	-	191,250
Deemed interests				
Tan Sri Abdul Rashid bin Abdul Manaf *	76,010,000	-	(25,000,000)	51,010,000
Dato' Leong Kok Wah *	76,010,000	-	(25,000,000)	51,010,000

* Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Eco World Development Holdings Sdn. Bhd.

By virtue of Tan Sri Abdul Rashid bin Abdul Manaf, Dato' Leong Kok Wah and Liew Tian Xiong's substantial interest in the Company, they are deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

The other directors in office at the end of the financial period had no interest in shares in the Company or its related corporations during the financial period.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been 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 and that no allowance for doubtful debts was necessary; and
  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business 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 which would render:

  (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and
  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D.)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 36 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 December 2014.

Dato' Chang Khim Wah

Datuk Heah Kok Boon

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Chang Khim Wah and Datuk Heah Kok Boon, being two of the directors of Eco World Development Group Berhad *(formerly known as Focal Aims Holdings Berhad)*, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 77 to 135 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2014 and of their financial performance and cash flows for the period then ended.

The information set out in Note 39 on page 136 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 December 2014.

Dato' Chang Khim Wah

Datuk Heah Kok Boon

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Datuk Heah Kok Boon, being the director primarily responsible for the financial management of Eco World Development Group Berhad *(formerly known as Focal Aims Holdings Berhad)*, do solemnly and sincerely declare that the accompanying financial statements set out on pages 77 to 136 are in my opinion correct, and I 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)
abovenamed Datuk Heah Kok Boon at)
Shah Alam in the State of Selangor Darul)
Ehsan on 10 December 2014.)

Datuk Heah Kok Boon

Before me,

Nachatar Singh
B308
Commisioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD

(FORMERLY KNOWN AS FOCAL AIMS HOLDINGS BERHAD)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eco World Development Group Berhad *(formerly known as Focal Aims Holdings Berhad)*, which comprise the statements of financial position as at 31 October 2014 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 77 to 135.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2014 and of their financial performance and cash flows for the period then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 39 on page 136 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choo Kai
2030/03/16 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 December 2014

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

	Note	Group 1.10.2013 to 31.10.2014 RM	Group 1.10.2012 to 30.9.2013 RM	Company 1.10.2013 to 31.10.2014 RM	Company 1.10.2012 to 30.9.2013 RM
Revenue	4	**148,395,395**	156,325,502	**8,600,000**	2,000,000
Cost of sales	5	**(106,078,676)**	(108,034,011)	**-**	-
Gross profit		**42,316,719**	48,291,491	**8,600,000**	2,000,000
Other income	6	**1,890,699**	1,015,731	**6,385,449**	4,261,117
Selling and marketing expenses		**(11,461,865)**	(3,941,120)	**-**	-
Administrative expenses		**(17,681,281)**	(11,864,552)	**(7,777,846)**	(714,692)
Profit from operations		**15,064,272**	33,501,550	**7,207,603**	5,546,425
Finance costs	7	**(2,972,560)**	(3,898,225)	**(5,592,541)**	-
Profit before tax	8	**12,091,712**	29,603,325	**1,615,062**	5,546,425
Income tax expense	11	**(4,913,702)**	(5,335,512)	**(1,066)**	(23,333)
Profit net of tax		**7,178,010**	24,267,813	**1,613,996**	5,523,092
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operation		**(5,967)**	-	**-**	-
Total comprehensive income for the period/year		**7,172,043**	24,267,813	**1,613,996**	5,523,092
Profit net of tax attributable to:					
Owners of the Company		**7,180,872**	24,267,813	**1,613,996**	5,523,092
Non-controlling interests		**(2,862)**	-	**-**	-
		7,178,010	24,267,813	**1,613,996**	5,523,092
Total comprehensive income attributable to:					
Owners of the Company		**7,174,905**	24,267,813	**1,613,996**	5,523,092
Non-controlling interests		**(2,862)**	-	**-**	-
		7,172,043	24,267,813	**1,613,996**	5,523,092
Earnings per share attributable to owners of the Company:					
- Basic (sen)	**12**	**2.83**	9.58		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Plant and equipment	14	**4,195,370**	1,160,827	**386,959**	-
Land held for property development	15(a)	**303,051,882**	301,534,966	**-**	-
Investment in subsidiaries	16	**-**	-	**170,767,046**	170,017,000
Deferred tax assets	28	**146,979**	-	**-**	-
		307,394,231	302,695,793	**171,154,005**	170,017,000
Current assets					
Property development costs	15(b)	**40,249,832**	82,211,800	**-**	-
Gross amount due from customers	17	**3,961,610**	-	**-**	-
Inventories	18	**49,561,521**	39,570,490	**-**	-
Trade and other receivables	19	**45,481,249**	29,097,538	**263,775,281**	55,689,218
Other current assets	20	**186,490,211**	10,409,802	**14,890,461**	53
Tax recoverable		**10,294,855**	-	**160,126**	160,126
Cash and bank balances	21	**43,422,787**	25,243,908	**15,871,364**	22,380
		379,462,065	186,533,538	**294,697,232**	55,871,777
Total assets		**686,856,296**	489,229,331	**465,851,237**	225,888,777
Equity and liabilities					
Current liabilities					
Trade and other payables	22	**33,247,386**	29,214,204	**2,422,607**	2,215,287
Loans and borrowings	23	**99,320,598**	47,460,154	**99,320,598**	-
Other liabilities	24	**15,696,579**	10,730,704	**-**	-
Tax payable		**-**	3,699,336	**-**	-
		148,264,563	91,104,398	**101,743,205**	2,215,287
Net current assets		**231,197,502**	95,429,140	**192,954,027**	53,656,490
Non-current liabilities					
Other liabilities	24	**16,658,875**	15,330,425	**-**	-
Loans and borrowings	23	**141,353,716**	4,687,500	**141,353,716**	-
Deferred tax liabilities	28	**54,718,257**	56,885,014	**-**	-
		212,730,848	76,902,939	**141,353,716**	-
Total liabilities		**360,995,411**	168,007,337	**243,096,921**	2,215,287

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Equity attributable to owners of the Company					
Share capital	25	**253,317,000**	253,317,000	**253,317,000**	253,317,000
Share premium	26	**22,343**	22,343	**22,343**	22,343
Foreign currency translation reserve	26	**(5,967)**	-	**-**	-
Retained earnings/ (accumulated losses)		**72,530,353**	65,382,651	**(30,585,027)**	(29,665,853)
		325,863,729	318,721,994	**222,754,316**	223,673,490
Non-controlling interests	27	**(2,844)**	2,500,000	**-**	-
Total equity		**325,860,885**	321,221,994	**222,754,316**	223,673,490
Total equity and liabilities		**686,856,296**	489,229,331	**465,851,237**	225,888,777

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

			Attributable to owners of the Company					
				Non-distributable			Distributable	
	Note	Equity, total RM	Total RM	Share capital RM	Share premium RM	Foreign currency translation reserve RM	Retained earnings RM	Non-controlling interests RM
Group								
At 1 October 2013		**321,221,994**	**318,721,994**	**253,317,000**	**22,343**	**-**	**65,382,651**	**2,500,000**
Total comprehensive income		**7,172,043**	**7,174,905**	**-**	**-**	**(5,967)**	**7,180,872**	**(2,862)**
Transactions with owners:								
Dividends	**13**	**(2,533,170)**	**(2,533,170)**	**-**	**-**	**-**	**(2,533,170)**	**-**
Dilution of equity interest in a subsidiary		**18**	**-**	**-**	**-**	**-**	**-**	**18**
Transfer of equity from non-controlling interest		**-**	**2,500,000**	**-**	**-**	**-**	**2,500,000**	**(2,500,000)**
At 31 October 2014		**325,860,885**	**325,863,729**	**253,317,000**	**22,343**	**(5,967)**	**72,530,353**	**(2,844)**
At 1 October 2012		298,854,059	296,354,059	253,317,000	22,343	-	43,014,716	2,500,000
Total comprehensive income		24,267,813	24,267,813	-	-	-	24,267,813	-
Transactions with owners:								
Dividends	13	(1,899,878)	(1,899,878)	-	-	-	(1,899,878)	-
At 30 September 2013		321,221,994	318,721,994	253,317,000	22,343	-	65,382,651	2,500,000

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

	Note	Equity, total RM	Share capital RM	Share premium RM	Accumulated losses RM
Company					
At 1 October 2013		**223,673,490**	**253,317,000**	**22,343**	**(29,665,853)**
Total comprehensive income		**1,613,996**	**-**	**-**	**1,613,996**
Transactions with owners:					
Dividends	**13**	**(2,533,170)**	**-**	**-**	**(2,533,170)**
At 31 October 2014		**222,754,316**	**253,317,000**	**22,343**	**(30,585,027)**
At 1 October 2012		220,050,276	253,317,000	22,343	(33,289,067)
Total comprehensive income		5,523,092	-	-	5,523,092
Transactions with owners:					
Dividends	13	(1,899,878)	-	-	(1,899,878)
At 30 September 2013		223,673,490	253,317,000	22,343	(29,665,853)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

	Group		Company	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM (Restated)	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM (Restated)
Operating activities				
Profit before tax	**12,091,712**	29,603,325	**1,615,062**	5,546,425
Adjustments for:				
Reversal of impairment for investment in a subsidiary	**-**	-	**-**	(3,200,000)
Reversal of allowance for impairment on receivables	**-**	-	**-**	(1,055,851)
Depreciation of plant and equipment	**454,559**	245,331	**43,591**	-
Interest expense	**2,972,560**	3,898,225	**5,592,541**	-
Interest income	**(1,634,214)**	(590,295)	**(6,385,449)**	-
Plant and equipment written off	**54,581**	1,557	**-**	-
Gain on disposal of plant and equipment	**(26,248)**	(1,047)	**-**	-
Provision for foreseeable losses for affordable housing	**943,042**	1,778,947	**-**	-
Operating cash flows before changes in working capital	**14,855,992**	34,936,043	**865,745**	1,290,574
Property development expenditure	**15,618,617**	31,186,810	**-**	-
Gross amount due from customers	**(3,961,610)**	-	**-**	-
Inventories	**19,371,970**	(11,881,775)	**-**	-
Receivables	**(25,059,238)**	5,559,896	**(12,317,063)**	-
Payables	**8,610,036**	(12,820,749)	**1,475,470**	49,796
Cash flows generated from/ (used in) operations	**29,435,767**	46,980,225	**(9,975,848)**	1,340,370
Interest received	**1,342,214**	590,295	**58**	-
Interest paid	**(7,583,089)**	(4,631,956)	**-**	-
Income taxes paid	**(21,221,629)**	(5,143,815)	**(1,066)**	-
Income taxes refunded	**-**	111,112	**-**	75,743
Net cash flows generated from/ (used in) operating activities	**1,973,263**	37,905,861	**(9,976,856)**	1,416,113

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

	Group		Company	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM (Restated)	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM (Restated)
Investing activities				
Purchase of plant and equipment	**(3,907,682)**	(72,710)	**(430,550)**	-
Proceeds from disposal of plant and equipment	**390,247**	2,580	**-**	-
Acquisition of shares in subsidiaries	**-**	-	**(39)**	-
Subscription of additional shares in existing subsidiaries	**-**	-	**(750,007)**	-
Additions to land held for property development	**(2,884,912)**	(5,703,487)	**-**	-
Development expenditure paid	**(1,041,053)**	-	**-**	-
Deposit paid for acquisition of land	**(75,945,120)**	-	**(6,344,514)**	-
Deposit paid for acquisition of development rights	**(88,808,804)**	-	**-**	-
Interest received	**292,000**	-	**38,256**	-
Advances (to)/from subsidiaries	**-**	-	**(202,502,747)**	497,244
Net cash flows (used in)/ generated from investing activities	**(171,905,324)**	(5,773,617)	**(209,989,601)**	497,244
Financing activities				
Proceeds from issuance of shares by a subsidiary to non-controlling interest	**18**	-	**-**	-
Drawdown of term loans	**242,790,975**	9,200,000	**242,790,975**	-
(Repayment)/drawdown of revolving credit	**(19,910,989)**	13,300,000	**-**	-
Repayment of term loans	**(17,928,425)**	(33,684,482)	**-**	-
Interest paid	**-**	-	**(4,442,364)**	-
Dividend paid	**(2,533,170)**	(1,899,878)	**(2,533,170)**	(1,899,878)
Net cash flows generated from/ (used in) financing activities	**202,418,409**	(13,084,360)	**235,815,441**	(1,899,878)
Net increase in cash and cash equivalents	**32,486,348**	19,047,884	**15,848,984**	13,479
Effect of exchange rate changes	**771**	-	**-**	-
Cash and cash equivalents at beginning of period/year	**10,935,668**	(8,112,216)	**22,380**	8,901
Cash and cash equivalents at end of period/ year (Note 21)	**43,422,787**	10,935,668	**15,871,364**	22,380

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at No. 60, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial period except for the introduction of construction activity undertaken by the Group.

With effect from 18 December 2013, the name of the Company was changed from Focal Aims Holdings Berhad to Eco World Development Group Berhad.

The financial year end of the Company was changed from 30 September to 31 October so as to be coterminous with the financial year end of Eco World Development Holdings Sdn. Bhd., being the major shareholder of the Company. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial period, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2013 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on the historical cost except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 October 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual periods beginning on or after 1 October 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

FRS, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2013

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (revised)
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendment to FRS 1	Government Loans
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Improvements to FRSs (2012)	

Adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Descriptions	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
FRS 9 Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB in October 2010) and FRS 7)	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of FRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein referred to as "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of MFRS Framework by Transitioning Entities that are within the scope of IC 15 will be mandatory for annual periods beginning on or after 1 January 2017.

Accordingly, the Group and the Company have elected to continue to apply the FRS Framework up to their financial year ending 31 October 2017 and will prepare its first MFRS financial statements for the financial year ending 31 October 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The Group and the Company have not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial period ended 31 October 2014 could be different if prepared under the MFRS Framework.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group losses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owner's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation 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 the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	20%
Office equipment and fittings	10% - 33%
Other assets	20%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.10 Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings.

2.12 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Inventories

Inventories consist of unsold properties and are stated at lower of cost and net realisable value.

Cost is determined on the specific identification basis and comprises costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.15 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial assets (cont'd.)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

2.16 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.

Trade and other receivables carried at amortised cost

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 payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as 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 with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Impairment of financial assets (cont'd.)

Trade and other receivables carried at amortised cost (cont'd.)

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.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Financial liabilities (cont'd.)

Other financial liabilities (cont'd.)

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 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 a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Employee benefits (cont'd.)

(b) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2.23 Operating leases - as lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.24 Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of properties under development

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.11.

(b) Sale of goods/completed properties

Revenue from sale of goods/completed properties is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(c) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.12.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised on a time proportion basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires 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 affected in the future.

3.1 Judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on amounts recognised in the financial statements:

Development expenditures and transaction costs capitalised

During the financial period, the Group and the Company entered into several corporate proposals pending completion as disclosed in Note 35. The Group and the Company have incurred development expenditures and transaction costs which include professional fees and borrowing related expenses in relation to these proposals. The management has capitalised these transaction costs as disclosed in Note 20 in view that these proposals will be completed in due course. In the event that there is objective evidence that the proposals will not be completed, these development expenditures and transaction costs will be recognised in profit or loss.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of the assets arising from property development activities are disclosed in Note 15.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(b) Provision for foreseeable losses for affordable housing

The Group recognises a provision for foreseeable losses for affordable housing as required under FRSIC Consensus 17 Development of Affordable Housing. The provision for foreseeable losses for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the master and building plans approved.

In determining the provision for foreseeable losses for affordable housing, judgements and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience and by relying on the work of specialists.

The carrying amount of the Group's provision for foreseeable losses for affordable housing as at reporting date is disclosed in Note 24.

(c) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, 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 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 with similar credit risk characteristics. The carrying amounts of the Group's and the Company's loans and receivables at the reporting date are disclosed in Note 19.

(d) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. 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.

The income tax expense of the Group and the Company at the reporting date is disclosed in Note 11.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(e) Deferred tax assets

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

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

The carrying amount of the Group's recognised deferred tax assets at reporting date is disclosed in Note 28.

4. REVENUE

	Group		Company	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Sale of properties	**144,366,290**	156,325,502	**-**	-
Construction contracts	**3,961,610**	-	**-**	-
Sale of goods	**67,495**	-	**-**	-
Dividend income from subsidiaries	**-**	-	**8,600,000**	2,000,000
	148,395,395	156,325,502	**8,600,000**	2,000,000

5. COST OF SALES

	Group	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Property development costs (Note 15(b))	**81,419,773**	104,701,655
Cost of completed properties sold	**20,636,268**	3,332,356
Construction contracts	**3,961,610**	-
Cost of goods sold	**61,025**	-
	106,078,676	108,034,011

6. OTHER INCOME

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Interest income from:				
- subsidiaries	**-**	-	**6,347,134**	-
- deposits	**292,000**	123,750	**38,257**	-
- late interest charge	**1,048,601**	348,484	**-**	-
- others	**293,613**	118,061	**58**	-
Gain on disposal of plant and equipment	**26,248**	1,047	**-**	-
Reversal of impairment for investment in a subsidiary (Note 16)	**-**	-	**-**	3,200,000
Reversal of allowance for impairment on receivables (Note 19(b))	**-**	-	**-**	1,055,851
Others	**230,237**	424,389	**-**	5,266
	1,890,699	1,015,731	**6,385,449**	4,261,117

7. FINANCE COSTS

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Interest expense on borrowings	**8,089,180**	4,631,956	**5,592,541**	-
Less: Interest expense capitalised in property development costs (Note 15(b))	**(1,266,245)**	(1,713,004)	**-**	-
Less: Interest expense capitalised in other current assets	**(3,850,375)**	-	**-**	-
Add: Write off of interest expenses capitalised in land held for development (Note 15(a))	**-**	979,273	**-**	-
	2,972,560	3,898,225	**5,592,541**	-

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Auditors' remuneration				
- statutory audits	**160,064**	90,000	**40,000**	36,000
- other services	**23,900**	47,900	**11,400**	11,400
Depreciation of plant and equipment (Note 14)	**454,559**	245,331	**43,591**	-
Directors' remuneration (Note10)	**1,887,224**	2,778,860	**1,418,500**	350,300
Plant and equipment written off	**54,581**	1,557	**-**	-
Operating lease:				
Minimum lease payment on office rental	**580,463**	279,610	**-**	-
Rental expenses	**65,664**	-	**-**	-
Realised foreign exchange loss	**8,282**	-	**-**	-
Employee benefits expense (Note 9)	**4,886,117**	5,275,196	**-**	-
Professional fees relating to mandatory take over offer by Eco World Development Holdings Sdn. Bhd.	**798,667**	-	**798,667**	-
Donation to Eco World Foundation	**1,000,000**	-	**1,000,000**	-

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Salaries and allowances	**4,055,283**	4,293,285
Defined contribution plan	**519,473**	473,036
Social security contributions	**8,911**	32,695
Staff welfare	**302,450**	476,180
	4,886,117	5,275,196

10. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the period/year are as follows:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Executive:				
Salaries and other emoluments	**442,388**	1,282,680	**-**	-
Bonus	**2,655**	554,940	**-**	-
Defined contribution plan	**23,681**	269,730	**-**	-
	468,724	2,107,350	**-**	-
Non-executive (but holding executive position in subsidiaries):				
Salaries and other emoluments	**-**	321,210	**-**	-
Fees	**-**	70,000	**-**	70,000
	-	391,210	**-**	70,000
Non-executive:				
Other emoluments	**648,500**	95,300	**648,500**	95,300
Fees	**770,000**	185,000	**770,000**	185,000
	1,418,500	280,300	**1,418,500**	280,300
Total directors' remuneration (Note 8 and 30(b))	**1,887,224**	2,778,860	**1,418,500**	350,300

Total remuneration of the directors of the Company who held office at the end of the financial period/year fell within the following bands is analysed below:

	Number of directors	
	1.10.2013 to 31.10.2014	1.10.2012 to 30.9.2013
Executive directors:		
RM550,001 - RM600,000	**1**	-
RM850,001 - RM900,000	**-**	1
RM1,200,001 - RM1,250,000	**-**	1
Non-executive directors:		
RM50,000 and below	**-**	1
RM50,001 - RM100,000	**-**	4
RM100,001- RM150,000	**2**	-
RM150,001 - RM200,000	**2**	2
RM200,001 - RM250,000	**3**	-

11. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the period/year ended 31 October 2014 and 30 September 2013 are:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	**7,236,119**	8,459,996	**-**	-
(Over)/underprovision in prior years	**(8,681)**	28,788	**1,066**	23,333
	7,227,438	8,488,784	**1,066**	23,333
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	**(1,719,122)**	(1,738,272)	**-**	-
Overprovision in prior year	**(594,614)**	(1,415,000)	**-**	-
	(2,313,736)	(3,153,272)	**-**	-
Income tax expense recognised in profit or loss	**4,913,702**	5,335,512	**1,066**	23,333

11. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between income tax and accounting results

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the period/year ended 31 October 2014 and 30 September 2013 are as follows:

	1.10.2013 to 31.10.2014 RM	1.10.2012 to 30.9.2013 RM
Group		
Profit before tax	**12,091,712**	29,603,325
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**3,022,928**	7,400,831
Adjustments:		
Effect of expenses not deductible for tax purposes	**2,478,359**	1,098,247
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**-**	(1,777,354)
Deferred tax assets not recognised in current period	**15,710**	-
(Over)/underprovision of income tax in prior years	**(8,681)**	28,788
Overprovision of deferred tax in prior year	**(594,614)**	(1,415,000)
Income tax expense recognised in profit or loss	**4,913,702**	5,335,512
Company		
Profit before tax	**1,615,062**	5,546,425
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**403,766**	1,386,606
Adjustments:		
Expenses not deductible for tax purposes	**1,746,234**	177,357
Income not subject to tax	**(2,150,000)**	(1,563,963)
Underprovision of income tax in prior years	**1,066**	23,333
Income tax expense recognised in profit or loss	**1,066**	23,333

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the period/year. The domestic statutory tax rate will be reduced to 24% from the current period's rate of 25% with effect from the year of assessment 2016.

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period/year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	Group	
	1.10.2013 to 31.10.2014	**1.10.2012 to 30.9.2013**
Profit net of tax attributable to owners of the Company (RM)	**7,180,872**	24,267,813
Weighted average number of ordinary shares in issue	**253,317,000**	253,317,000
Basic earnings per share (sen)	**2.83**	9.58

No diluted earnings per share is presented as there were no diluted potential ordinary shares outstanding as at 31 October 2014 and 30 September 2013.

13. DIVIDENDS

	Group/Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**
Recognised during the financial period/year:		
In respect of the year ended 30 September 2013:		
First and final single tier dividend of 1% on 253,317,000 ordinary shares	**2,533,170**	-
In respect of the year ended 30 September 2012:		
First and final dividend of 1% less 25% income tax on 253,317,000 ordinary shares	**-**	1,899,878
	2,533,170	1,899,878

The directors do not recommend the payment of any dividend in respect of the financial period ended 31 October 2014.

14. PLANT AND EQUIPMENT

	Motor Vehicles RM	Office equipment and fittings RM	* Other assets RM	Total RM
Group				
Cost				
At 1 October 2012	3,913,326	1,626,035	742,189	6,281,550
Additions	20,944	31,662	20,104	72,710
Disposal	(16,936)	(950)	-	(17,886)
Written off	-	(59,457)	(43,991)	(103,448)
At 30 September 2013 and 1 October 2013	**3,917,334**	**1,597,290**	**718,302**	**6,232,926**
Additions	**1,978,077**	**977,119**	**952,486**	**3,907,682**
Disposal	**(2,032,600)**	**(19,739)**	**(1,663)**	**(2,054,002)**
Written off	**-**	**(550,904)**	**(255,796)**	**(806,700)**
At 31 October 2014	**3,862,811**	**2,003,766**	**1,413,329**	**7,279,906**
Accumulated depreciation				
At 1 October 2012	2,927,236	1,487,907	529,869	4,945,012
Charge for the year (Note 8)	102,906	65,804	76,621	245,331
Disposal	(15,435)	(918)	-	(16,353)
Written off	-	(58,995)	(42,896)	(101,891)
At 30 September 2013 and 1 October 2013	**3,014,707**	**1,493,798**	**563,594**	**5,072,099**
Charge for the period (Note 8)	**175,194**	**119,609**	**159,756**	**454,559**
Disposal	**(1,669,785)**	**(19,165)**	**(1,053)**	**(1,690,003)**
Written off	**-**	**(548,854)**	**(203,265)**	**(752,119)**
At 31 October 2014	**1,520,116**	**1,045,388**	**519,032**	**3,084,536**
Net carrying amount				
At 31 October 2014	**2,342,695**	**958,378**	**894,297**	**4,195,370**
At 30 September 2013	902,627	103,492	154,708	1,160,827

14. PLANT AND EQUIPMENT (CONT'D.)

	Office equipment and fittings RM	* Other assets RM	Total RM
Company			
Cost			
At 1 October 2012, 30 September 2013 and 1 October 2013	-	-	-
Additions	**195,050**	**235,500**	**430,550**
At 31 October 2014	**195,050**	**235,500**	**430,550**
Accumulated depreciation			
At 1 October 2012, 30 September 2013 and 1 October 2013	-	-	-
Charge for the period (Note 8)	16,449	27,142	43,591
At 31 October 2014	16,449	27,142	43,591
Net carrying amount			
At 31 October 2014	**178,601**	**208,358**	**386,959**
At 30 September 2013	-	-	-

* Other assets comprise office renovation, site office equipment and communication equipment.

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group	
	2014 RM	2013 RM
Cost		
Freehold land	**263,850,748**	276,352,013
Development expenditure	**37,684,219**	26,289,809
At 1 October 2013/2012	**301,534,967**	302,641,822
Additions	**3,440,364**	5,703,487
Transfer from property development costs (Note 15(b))	**-**	14,362,288
Write off of interest capitalised (Note 7)	**-**	(979,273)
Transfer to property development costs (Note 15(b))	**(1,923,449)**	(20,193,358)
At 31 October/30 September	**303,051,882**	301,534,966

(b) Property development costs

	Group	
	2014 RM	2013 RM
Cumulative property development costs		
Freehold land	**49,673,157**	49,703,515
Development expenditure	**84,730,904**	82,126,846
At 1 October 2013/2012	**134,404,061**	131,830,361
Development expenditure incurred during the period/year	**66,756,310**	86,995,809
Transfer to land held for property development (Note 15(a))	**-**	(14,362,288)
Transfer from land held for property development (Note 15(a))	**1,923,449**	20,193,358
Reversal of completed projects	**(77,339,719)**	(78,252,395)
Unsold units transferred to inventories	**(29,221,954)**	(12,000,784)
	96,522,147	134,404,061
Cumulative costs recognised in profit or loss		
At 1 October 2013/2012	**(52,192,261)**	(25,743,001)
Recognised during the period/year (Note 5)	**(81,419,773)**	(104,701,655)
Reversal of completed projects	**77,339,719**	78,252,395
At 31 October/30 September	**(56,272,315)**	(52,192,261)
Property development costs at 31 October/30 September	**40,249,832**	82,211,800

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)

(b) Property development costs (cont'd.)

	Group	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**
Included in property development costs incurred during the financial period/year is:		
Interest expense (Note 7)	**1,266,245**	1,713,004

Land held for property development and property development costs are pledged as security for borrowings as referred to in Note 23.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM	**2013 RM**
Unquoted shares, at cost		
At beginning of period/year	**170,017,000**	170,017,000
Acquisition of shares in subsidiaries	**39**	-
Subscription of additional shares in existing subsidiaries	**750,007**	-
At end of period/year	**170,767,046**	170,017,000

Following an assessment of the underlying value of a subsidiary, the Company noted that the recoverable amount of the subsidiary which amounted to RM6,124,741 is higher than the carrying amount of the investment in subsidiary. In this connection, the Company had reversed the impairment losses on investment in the subsidiary of RM3,200,000 in prior year as referred to in Note 6.

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	% of equity interest held		Principal activities
		2014	**2013**	
Held by the Company:				
Focal Aims Land Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Focal Aims Properties Sdn. Bhd. ("FAPSB")	Malaysia	**100%**	100%	Investment holding
Eco World Ukay Sdn. Bhd *(formerly known as Maple Kingdom Sdn. Bhd.)*	Malaysia	**100%**	-	Project management, building and construction services
Eco Sanctuary Sdn. Bhd. *(formerly known as Prominent Stream Sdn. Bhd.)*	Malaysia	**100%**	-	Property development and property investment holding
Teraju Pasifik Sdn. Bhd.	Malaysia	**100%**	-	Dormant
* Majestic Blossom Sdn. Bhd.	Malaysia	**100%**	-	Property development and property investment holding
* Eco Sky Sdn. Bhd. *(formerly known as Crystal Cypress Sdn. Bhd.)*	Malaysia	**100%**	-	Property development
* Trinity Lake Sdn. Bhd.	Malaysia	**100%**	-	Property development
Eco Terraces Sdn. Bhd. *(formerly known as Maha Meridian Sdn. Bhd.)*	Malaysia	**100%**	-	Property development
* Eco Business Park 2 Sdn. Bhd. *(formerly known as Velvet Rhythm Sdn. Bhd.)*	Malaysia	**100%**	-	Property development
Eco Meadows Sdn. Bhd. *(formerly known as Cangkat Juara Sdn. Bhd.)*	Malaysia	**100%**	-	Property development

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Country of incorporation	% of equity interest held		Principal activities
		2014	**2013**	
Held by the Company (cont'd.):				
* Evergreen Upstream Sdn. Bhd.	Malaysia	**100%**	-	Property development and property investment holding
* Eco Business Park 1 Sdn. Bhd. *(formerly known as Gaya Setara Sdn. Bhd.)*	Malaysia	**100%**	-	Property development
** Natural Esplanade Sdn. Bhd. ("NESB")	Malaysia	**40%**	-	Dormant
Pingat Stabil Sdn. Bhd.	Malaysia	**100%**	-	Dormant
Arah Selasih Sdn. Bhd.	Malaysia	**100%**	-	Dormant
Rentas Prestasi Sdn. Bhd.	Malaysia	**100%**	-	Dormant
Sendi Prestasi Sdn. Bhd.	Malaysia	**100%**	-	Dormant
Eco World Trading Sdn. Bhd. *(formerly known as Eco World Marketing Sdn. Bhd.)*	Malaysia	**100%**	-	Supplying of building materials
Eco World IBS Sdn. Bhd.	Malaysia	**100%**	-	Traders and manufacturers of prefabricated and precast components
* Eco World Development (S) Pte. Ltd.	Singapore	**100%**	-	Promotion, marketing and other activities related to property management
Held through FAPSB:				
Eco Tropics Development Sdn. Bhd. ("ETSB") *(formerly known as Focal Aims Sdn. Bhd.)*	Malaysia	**100%**	100%	Property development and property investment holding
Held through ETSB:				
Focal Aims Realty Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Focal Aims Development Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Focal Aims Resort (M) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant

* Audited by a firm other than Ernst & Young.

** The non-controlling interests in respect of NESB is not material to the Group.

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Incorporation of new subsidiaries

Details of new subsidiaries incorporated during the financial period were as follows:

Name of subsidiaries	Purchase consideration RM	Effective interest held %	Effective acquisition date
Eco World Ukay Sdn. Bhd. *(formerly known as Maple Kingdom Sdn. Bhd.)*	2	100	10 March 2014
Eco Sanctuary Sdn. Bhd. *(formerly known as Prominent Stream Sdn. Bhd.)*	2	100	17 March 2014
Teraju Pasifik Sdn. Bhd.	2	100	31 March 2014
Majestic Blossom Sdn. Bhd.	2	100	14 April 2014
Eco Sky Sdn. Bhd. *(formerly known as Crystal Cypress Sdn. Bhd.)*	2	100	14 April 2014
Trinity Lake Sdn. Bhd.	2	100	14 April 2014
Eco Terraces Sdn. Bhd. *(formerly known as Maha Meridian Sdn. Bhd.)*	2	100	14 April 2014
Eco Business Park 2 Sdn. Bhd. *(formerly known as Velvet Rhythm Sdn. Bhd.)*	2	100	14 April 2014
Eco Meadows Sdn. Bhd. *(formerly known as Cangkat Juara Sdn. Bhd.)*	2	100	17 April 2014
Evergreen Upstream Sdn. Bhd.	2	100	17 April 2014
Eco Business Park 1 Sdn. Bhd. *(formerly known as Gaya Setara Sdn. Bhd.)*	2	100	17 April 2014
Natural Esplanade Sdn. Bhd. (Note b)	2	100	17 April 2014
Pingat Stabil Sdn. Bhd.	2	100	11 June 2014
Arah Selasih Sdn. Bhd.	2	100	24 June 2014

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Incorporation of new subsidiaries (cont'd.)

Details of new subsidiaries incorporated during the financial period were as follows:

Name of subsidiaries	Purchase consideration RM	Effective interest held %	Effective acquisition date
Rentas Prestasi Sdn. Bhd.	2	100	24 June 2014
Sendi Prestasi Sdn. Bhd.	2	100	24 June 2014
Eco World Trading Sdn. Bhd. *(formerly known as Eco World Marketing Sdn. Bhd.)*	2	100	3 July 2014
Eco World IBS Sdn. Bhd.	2	100	3 July 2014

Name of subsidiaries	Purchase consideration SGD	Effective interest held %	Effective acquisition date
Eco World Development (S) Pte. Ltd.	1	100	13 June 2014

(b) Dilution of shares in a subsidiary company

On 9 October 2014, Natural Esplanade Sdn. Bhd. ("NESB") ceased to be a wholly owned subsidiary of Eco World Development Group Berhad due to allotment of additional 10 ordinary shares of RM1 each and 18 ordinary shares of RM1 each to the Company and a third party respectively, resulting in the Company's equity interest in NESB being reduced from 100% to 40%. The dilution has no material effect to the result and financial position of the Group.

The directors consider that the Group has control over NESB as currently all directors are appointed by the Group, even though it has less than 50% equity interest. Therefore, the directors assessed that the Group has control over NESB since the acquisition in April 2014.

17. GROSS AMOUNT DUE FROM CUSTOMERS

	Group	
	2014 RM	2013 RM
Aggregate contract expenditure incurred to-date	**3,961,610**	-
Attributable profit recognised to-date	**-**	-
	3,961,610	-
Progress billings	**-**	-
	3,961,610	-

As it is still at the early stage of the contract and the outcome of the contract cannot be estimated reliably, hence no profit is recognised during the period.

18. INVENTORIES

These comprise completed properties held for sale stated at cost.

During the period/year, the amount of inventories recognised as expense in cost of sales of the Group was RM20,636,268 (2013: RM3,332,356).

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables				
Third parties	**42,763,482**	28,337,933	**-**	-
Other receivables				
Amounts due from subsidiaries	**-**	-	**262,721,299**	55,684,718
Sundry deposits	**987,994**	536,305	**4,502**	4,500
Sundry receivables	**1,729,773**	223,300	**1,049,480**	-
	2,717,767	759,605	**263,775,281**	55,689,218
Total trade and other receivables	**45,481,249**	29,097,538	**263,775,281**	55,689,218
Total trade and other receivables	**45,481,249**	29,097,538	**263,775,281**	55,689,218
Add: Cash and bank balances (Note 21)	**43,422,787**	25,243,908	**15,871,364**	22,380
Total loans and receivables	**88,904,036**	54,341,446	**279,646,645**	55,711,598

(a) Trade receivables

The Group's normal trade credit term ranges from 21 to 90 days (2013: 21 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

19. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	**19,419,313**	8,863,174
1 to 30 days past due not impaired	**7,419,610**	8,454,286
31 to 60 days past due not impaired	**5,113,099**	3,697,048
61 to 90 days past due not impaired	**8,706,939**	3,801,543
91 to 120 days past due not impaired	**862,018**	1,970,534
More than 120 days past due not impaired	**1,242,503**	1,551,348
	23,344,169	19,474,759
	42,763,482	28,337,933

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These include amounts of RM4,489,232 (2013: RM3,749,668) placed with lawyers as stakeholder deposits and will be released upon the end of defect liability period.

Trade receivables that are past due but not impaired

Trade receivables that are past due not impaired relate to customers for whom there is no objective evidence that the receivables are not fully recoverable. No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

19. TRADE AND OTHER RECEIVABLES (CONT'D.)

(b) Amounts due from subsidiaries

The amounts due from subsidiaries which arose from advances is unsecured, repayable on demand and bear interest at rates ranging from 3.00% to 5.46% (2013: Nil) per annum.

<u>Amounts due from a subsidiary that are impaired</u>

Movement in allowance account:

	Company	
	2014 RM	2013 RM
At 1 October 2013/2012	**-**	1,055,851
Reversal of allowance for impairment losses (Note 6)	**-**	(1,055,851)
At 31 October/30 September	**-**	-

In prior year, the Company has assessed the amounts due from a subsidiary which was individually impaired and reversed the allowances for impairment losses of RM1,055,851 as the amount is expected to be recoverable in the foreseeable future.

20. OTHER CURRENT ASSETS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Prepayment	**323,847**	634,744	**20,000**	53
Prepaid development expenditures	**1,041,053**	-	**-**	-
Deposits for acquisition of development rights	**88,808,804**	-	**-**	-
Deposits for acquisition of development lands	**75,945,120**	-	**6,344,514**	-
Accrued billings in respect of property development costs	**6,098,128**	6,224,262	**-**	-
Accrued rebates	**263,708**	3,550,796	**-**	-
Other assets	**14,009,551**	-	**8,525,947**	-
	186,490,211	10,409,802	**14,890,461**	53

(a) Prepaid development expenditures

Prepaid development expenditures mainly consists of development costs incurred whilst the proposed acquisition of land as disclosed in Note 35(a) is pending completion. These development costs are capitalised as management is of the view that it is probable for this transaction to be completed in due course.

20. OTHER CURRENT ASSETS (CONT'D.)

(b) Deposits for acquisition of development rights

The deposits represent part of the consideration paid pursuant to the Development Rights Agreement dated 25 April 2014 which was entered into between certain subsidiaries of the Group and subsidiaries of Eco World Development Sdn. Bhd., for the acquisition of development rights as disclosed in Note 35(b)(iii). The remaining balance of the purchase consideration is disclosed as capital commitment in Note 29(a).

Based on the terms of the acquisition of development rights, the acquisition may be accounted for as a business combination upon its completion.

(c) Deposits for acquisition of development lands

The deposits represent refundable earnest deposit paid for the acquisition of development lands as disclosed in Note 35. The remaining balance of the purchase consideration is disclosed as capital commitment in Note 29(a).

(d) Accrued rebate

Accrued rebates represents rebates given in respect of development properties sold in prior years. The rebates will be offset against revenue in the period by using the stage of completion method. The stage of completion is determined by the proportion that the costs incurred to-date bear to estimated total costs.

(e) Other assets

Other assets of the Group and of the Company represent transaction costs such as professional fees and borrowings related expenses incurred in relation to the acquisition of development rights and development land as disclosed in Note 35(a), (b) and (c). Even though these proposed transactions are pending completion, these directly attributable transaction costs are capitalised as management is of the view that it is probable for these transactions to be completed in due course. Included in this amount is finance cost of RM3,850,375.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash on hand and at banks	**37,879,933**	21,046,470	**15,485,864**	22,380
Short term deposits with licensed banks	**5,542,854**	4,197,438	**385,500**	-
Cash and bank balances (Note 19)	**43,422,787**	25,243,908	**15,871,364**	22,380
Bank overdrafts (Note 23)	**-**	(14,308,240)	**-**	-
Cash and cash equivalents	**43,422,787**	10,935,668	**15,871,364**	22,380

21. CASH AND CASH EQUIVALENTS (CONT'D.)

Included in cash and bank balances of the Group are amount of RM14,855,015 (2013: RM6,715,282) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

The weighted average effective interest rate of the short term deposits with licensed banks is 3.20% (2013: 1.90%). The maturity period for short term deposit with licensed banks is 1 month or less (2013: 7 days).

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade payables				
Trade payables	**16,572,926**	21,448,682	**-**	-
Accruals	**7,367,904**	4,314,505	**-**	-
	23,940,830	25,763,187	**-**	-
Other payables				
Accruals	**4,706,522**	1,139,470	**1,415,149**	326,200
Deposit received	**197,340**	162,169	**-**	-
Payroll liability	**832,341**	630,920	**-**	-
Accrual of directors' bonus	**375,876**	569,970	**-**	-
Sundry payables	**3,194,477**	948,488	**977,458**	45,787
Amount due to a subsidiary	**-**	-	**30,000**	1,843,300
	9,306,556	3,451,017	**2,422,607**	2,215,287
	33,247,386	29,214,204	**2,422,607**	2,215,287
Total trade and other payables	**33,247,386**	29,214,204	**2,422,607**	2,215,287
Add: Loans and borrowings (Note 23)	**240,674,314**	52,147,654	**240,674,314**	-
Total financial liabilities carried at amortised cost	**273,921,700**	81,361,858	**243,096,921**	2,215,287

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

(b) Amount due to a subsidiary

The amount due to a subsidiary is unsecured, interest-free and repayable on demand.

23. LOANS AND BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Secured:				
Revolving credits	**-**	19,910,989	**-**	-
Bank overdrafts	**-**	14,308,240	**-**	-
Term loans	**99,320,598**	13,240,925	**99,320,598**	-
	99,320,598	47,460,154	**99,320,598**	-
Non-current				
Secured:				
Term loans	**141,353,716**	4,687,500	**141,353,716**	-
Total loans and borrowings (Note 22)	**240,674,314**	52,147,654	**240,674,314**	-

The remaining maturities of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
On demand or within 1 year	**99,320,598**	47,460,154	**99,320,598**	-
More than 1 year and less than 5 years	**141,353,716**	4,687,500	**141,353,716**	-
	240,674,314	52,147,654	**240,674,314**	-

The loans and borrowings are secured by:

(i) Legal charge over all the land held for development and property development costs of certain subsidiary companies as disclosed in Note 15; and
(ii) Assignment of certain proceeds from proposed rights issue to be undertaken by the Company as disclosed in Note 35(b).

The weighted average effective interest rates for borrowings at the reporting date were as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Bank overdrafts	**-**	7.10	**-**	-
Revolving credits	**-**	7.13	**-**	-
Term loans	**5.29**	7.27	**5.29**	-

24. OTHER LIABILITIES

	Group	
	2014 RM	2013 RM
Non-current		
Provision for foreseeable losses for affordable housing	**16,658,875**	15,330,425
Current		
Progress billings in respect of property development cost	**15,696,579**	10,730,704
	32,355,454	26,061,129

Provision for foreseeable losses for affordable housing

The provision for foreseeable losses represent the present obligation for construction of low and low-medium cost houses that are required by Pejabat Tanah dan Galian Negeri Johor. The construction is not expected to be launched within the next twelve months.

The provision for foreseeable losses for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the master and building plans approved.

Movement in provision for foreseeable losses for affordable housing:

	Group	
	2014 RM	2013 RM
At beginning of period/year	**15,330,425**	14,313,050
Recognised during the period/year	**1,328,450**	1,017,375
At end of period/year	**16,658,875**	15,330,425

25. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised:				
At beginning/end of period/year	**300,000,000**	300,000,000	**300,000,000**	300,000,000
Issued and fully paid:				
At beginning/end of period/year	**253,317,000**	253,317,000	**253,317,000**	253,317,000

25. SHARE CAPITAL (CONT'D.)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. SHARE PREMIUM AND FOREIGN CURRENCY TRANSLATION RESERVE

(a) Share premium

Share premium of the Group and of the Company represents the premium arising from the issuance of shares.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of its foreign operation whose functional currency is different from that of the Group's presentation currency.

27. NON-CONTROLLING INTERESTS

Non-controlling interests in prior year of RM2,500,000 represented preference shares of a subsidiary not held by the Group. The preference shares has been transferred to a subsidiary during the financial period.

The holders of preference shares are not entitled to dividend. The repayment of capital on preference shares rank in priority to all classes of ordinary shares of the subsidiary but the premium will only be paid after the repayment of capital on all classes of ordinary shares of the subsidiary. Other than the above, holders of preference shares are not entitled to further participation in the surplus assets and profits of the subsidiary.

28. DEFERRED TAXATION

	Group	
	2014 RM	**2013 RM**
At beginning of period/year	**56,885,014**	60,038,286
Recognised in profit or loss (Note 11)	**(2,313,736)**	(3,153,272)
At end of period/year	**54,571,278**	56,885,014
Presented after appropriate offsetting as follows:		
Deferred tax asset	**(146,979)**	-
Deferred tax liabilities	**54,718,257**	56,885,014
	54,571,278	56,885,014

28. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial period/year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unused tax losses and unabsorbed capital allowances RM	Provision for foreseeable losses RM	Others RM	Total RM
At 1 October 2013	**-**	**(1,860,000)**	**-**	**(1,860,000)**
Recognised in profit or loss	**(233,561)**	**(235,645)**	**(858,429)**	**(1,327,635)**
At 31 October 2014	**(233,561)**	**(2,095,645)**	**(858,429)**	**(3,187,635)**
At 1 October 2012	-	-	-	-
Recognised in profit or loss	-	(1,860,000)	-	(1,860,000)
At 30 September 2013	-	(1,860,000)	-	(1,860,000)

Deferred tax liabilities of the Group:

	Land for development RM	Accelerated capital allowances RM	Total RM
At 1 October 2013	**58,674,014**	**71,000**	**58,745,014**
Recognised in profit or loss	**(1,226,547)**	**240,446**	**(986,101)**
At 31 October 2014	**57,447,467**	**311,446**	**57,758,913**
At 1 October 2012	60,038,286	-	60,038,286
Recognised in profit or loss	(1,364,272)	71,000	(1,293,272)
At 30 September 2013	58,674,014	71,000	58,745,014

Deferred tax assets have not been recognised in respect of the following items due to uncertainty of its recoverability:

	Group	
	2014 RM	**2013 RM**
Unutilised tax losses	**(61,140)**	-
Other	**(1,701)**	-
	(62,841)	-

29. COMMITMENTS

(a) Capital commitments

Capital expenditures as at the reporting date are as follows:

	Group	
	2014 RM	2013 RM
Approved and contracted for:		
Acquisition of development lands:		
- Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor	**423,607,061**	-
- Mukim Beranang, Daerah Ulu Langat, Negeri Sembilan	**202,798,395**	-
Acquisition of plant and equipment	**3,138,181**	-
Net contractual commitment for acquisition of development rights *	**1,687,367,278**	-
Acquisition of subsidiaries	**4**	-
	2,316,910,919	-

* The gross contractual commitment for the acquisition of development rights is RM3,785.8 million as stated in the Note 35(b)(iii). After taking into consideration the deposits paid and the Group's obligation to repay existing land loans and unpaid land costs of RM88.8 million and RM2,009.6 million respectively, the net contractual commitment is RM1,687.4 million.

The Group is also required to reimburse certain expenses and shareholders' advances in the manner set out in the various agreements relating to the acquisition of development rights, the amounts of which can only be determined nearer to the date of completion of the acquisitions.

(b) Operating lease commitments - as lessee

The Group has entered into non-cancellable operating lease arrangement with a third party. The lease has a tenure of 3 years, with option to renew upon expiry.

Future minimum rental payables under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2014 RM	2013 RM
Not late than 1 year	**2,100,384**	115,140
Later than 1 year but not later than 3 years	**1,925,352**	-
	4,025,736	115,140

30. RELATED PARTY DISCLOSURES

(a) Related party transcations

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Deposit paid for the acquisition of development rights *	**88,808,804**	-	**-**	-
Interest receivable from subsidiaries	**-**	-	**(6,347,134)**	-
Dividends from subsidiaries	**-**	-	**(8,600,000)**	(2,000,000)

* Deemed related by virtue of the directorship and shareholdings of Tan Sri Abdul Rashid Bin Abdul Manaf and Dato' Leong Kok Wah in Eco World Development Holdings Sdn. Bhd..

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial period/year is as follows:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Short term employee benefits	**1,507,549**	3,233,168	**648,500**	95,300
Post-employment benefits:				
Defined contribution plan	**31,898**	374,112	**-**	-
Fees	**770,000**	185,000	**770,000**	255,000
	2,309,447	3,792,280	**1,418,500**	350,300

Included in the total remuneration of key management personnel is:

	Group		Company	
	1.10.2013 to 31.10.2014 RM	**1.10.2012 to 30.9.2013 RM**	**1.10.2013 to 31.10.2014 RM**	**1.10.2012 to 30.9.2013 RM**
Directors' remuneration (Note 10)	**1,887,224**	2,778,860	**1,418,500**	350,300

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, foreign currency exchange risk, liquidity and cash flow risks. 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 the Company.

Financial risk management is carried out through risk review, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group and the Company do not trade in derivative instruments.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables.

The Group and the Company minimise and monitor its credit risk by dealing with creditworthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group and the Company may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

In respect of trade receivables arising from the sale of development properties, the Group mitigate its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

At the reporting date, the Group did not have any significant concentration of credit risk that may arise from exposure to a single debtor or group of debtors.

Exposure to credit risk

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position.
- nominal amount of RM86,000,000 (2013: RM52,147,654) relating to corporate guarantees provided by the Company to a licensed financial institutions on credit facilities of the subsidiaries.

The value of corporate guarantees provided by the Company to its subsidiaries are determined by reference to the interest rates differential had these guarantees not been available. The directors have assessed that the fair values of these corporate guarantees are not material.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with licensed banks that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Information regarding financial assets that are past due but not impaired is disclosed in Note 19.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements and to maintain available banking facilities at a reasonable level to its overall debt position.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
2014			
Group			
Financial liabilities:			
Trade and other payables	**33,247,386**	**-**	**33,247,386**
Loans and borrowings	**102,850,411**	**166,991,411**	**269,841,822**
Total undiscounted financial liabilities	**136,097,797**	**166,991,411**	**303,089,208**
Company			
Financial liabilities:			
Trade and other payables	**2,422,607**	**-**	**2,422,607**
Loans and borrowings	**102,850,411**	**166,991,411**	**269,841,822**
Total undiscounted financial liabilities	**105,273,018**	**166,991,411**	**272,264,429**
2013			
Group			
Financial liabilities:			
Trade and other payables	29,214,204	-	29,214,204
Loans and borrowings	53,746,265	4,799,682	58,545,947
Total undiscounted financial liabilities	82,960,469	4,799,682	87,760,151
Company			
Financial liabilities:			
Trade and other payables, representing total undiscounted financial liabilities	2,215,287	-	2,215,287

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from floating rate loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been approximately RM182,000 (2013: RM39,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than Ringgit Malaysia. The Group does not hedge against foreign currencies exchange risk based on its current level of operations.

The Group is exposed to currency translation risk arising from its net investment in foreign operation in Singapore. The Group's net investment in Singapore is not hedged as currency position in Singapore Dollar is considered to be long-term in nature.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's and Company's financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

33. SEGMENT INFORMATION

No segmental reporting is presented as the Group is primarily engaged in the business of property development and the operations and customers of the Group are primarily in Malaysia.

34. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management are to ensure that it maintains healthy capital ratio in order to support its business and maximise shareholder value and enable future development of the businesses as well as maximise shareholders' value.

Management reviews and manages the capital structure regularly and makes adjustment to address changes in the economic environment and risk characteristic inherent in its business operation. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders. During the financial period, the management has evaluated the objective, policies and processes to align to current business operation.

34. CAPITAL MANAGEMENT (CONT'D.)

The Group and the Company monitor capital using the net gearing ratio, which is net debt divided by equity attributable to owners of the Company. Net debt comprises loans and borrowings less cash and bank balances. This ratio is used to assess the appropriateness of the Group's and the Company's debt level.

In prior year, the Group monitors capital using a net gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, trade and other payables, less cash and bank balances whereas total capital comprises total equity.

		Group		Company	
		2014	**2013**	**2014**	**2013**
	Note	**RM**	**RM**	**RM**	**RM**
Loans and borrowings	23	**240,674,314**	52,147,654	**240,674,314**	-
Less: Cash and bank balances	21	**(43,422,787)**	(25,243,908)	**(15,871,364)**	(22,380)
Net debt		**197,251,527**	26,903,746	**224,802,950**	(22,380)
Equity attributable to owners of the Company		**325,863,729**	318,721,994	**222,754,316**	223,673,490
Net gearing ratio		**0.61**	0.08	**1.01**	N/A

The gearing ratio is not governed by the Financial Reporting Standards and its definition and calculation may vary from one group/company to another.

35. SIGNIFICANT EVENTS

The following are the status of corporate proposals that have been announced by the Group and the Company but not completed as at 31 October 2014.

(a) On 19 March 2014, Eco Sanctuary Sdn. Bhd. *(formerly known as Prominent Stream Sdn. Bhd.)*, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with Sapphire Index Sdn. Bhd., a wholly-owned subsidiary of Tropicana Corporation Berhad, for the proposed acquisition of parcels of leasehold land measuring approximately 308.72 acres in Mukim of Tanjong Duabelas, District of Kuala Langat, State of Selangor for a purchase consideration of RM470,674,512 ("the Proposed Eco Sanctuary Land Acquisition").

The Proposed Eco Sanctuary Land Acquisition is pending fulfilment of conditions precedent within three months from the date of the SPA with an automatic extension of three months thereafter expiring on 19 September 2014 ("Initial Cut-off Date"). As announced on 29 August 2014, the parties have mutually extended the approval period for a period of six months from the Initial Cut-off Date, to expire on 19 March 2015 for the fulfilment of the conditions precedent.

The Proposed Eco Sanctuary Land Acquisition was approved by shareholders at the Company's Extraordinary General Meeting ("EGM") which was held on 19 September 2014 and was rendered unconditional on 5 December 2014.

35. SIGNIFICANT EVENTS (CONT'D.)

(b) On 25 April 2014, the Company announced the following:

(i) proposed acquisition of Eco Macalister Development Sdn. Bhd. *(formerly known as Bintang Dedikasi Sdn. Bhd.)*, a wholly-owned subsidiary of Eco World Development Sdn. Bhd. ("EW Sdn. Bhd."), for a cash consideration of RM2 ("the Proposed Eco Macalister Acquisition");

(ii) proposed acquisition of Eco World Project Management Sdn. Bhd., a wholly-owned subsidiary of EW Sdn. Bhd., for a cash consideration of RM2 ("the Proposed EW Project Management Acquisition");

(iii) proposed acquisition of development rights from certain subsidiaries of EW Sdn. Bhd. for an aggregate net consideration of RM1,776.2 million after taking into consideration the Group's obligation to repay existing land loans and unpaid land costs totalling RM2,009.6 million ("the Proposed Development Rights Acquisition");

The Proposed Eco Macalister Acquisition, the Proposed EW Project Management Acquisition and the Proposed Development Rights Acquisition are collectively referred to as "the Proposed Acquisitions".

(iv) proposed share subscription by Eco World Development Holdings Sdn. Bhd. ("EW Holdings") and Sinarmas Harta Sdn. Bhd. of an aggregate of 806,846,852 new ordinary shares in the Company ("Company Shares"), for an aggregate cash consideration of RM1,371.6 million ("the Proposed Share Subscription");

(v) proposed share split involving the subdivision of each of the existing ordinary shares of RM1 each into two (2) ordinary shares of RM0.50 each in the Company ("the Proposed Share Split");

(vi) proposed renounceable rights issue of new Company Shares together with free detachable warrants ("Warrants") ("the Proposed Rights Issue with Warrants");

(vii) proposed placement of new Company Shares, representing up to 20% of the then existing issued and paid-up share capital of the Company to investors to be identified ("the Proposed Placement"); and

(viii) proposed amendments to the Memorandum and Articles of Association of the Company to amend the par value of the existing ordinary shares in the Company and to increase the authorised share capital of the Company ("the Proposed Amendments").

Upon completion of the Proposed Share Subscription, EW Holdings will be obliged to undertake a mandatory general offer for the remaining Company Shares not already held by EW Holdings and persons acting in concert in accordance with Section 9, Part III of the Malaysian Code on Take-overs and Mergers, 2010 ("Code") ("Share Subscription MGO Obligation"). EW Holdings intends to seek an exemption from the Securities Commission Malaysia from having to undertake the Share Subscription MGO Obligation in accordance with Paragraph 16.1(b) of Practice Note 9 of the Code ("the Proposed Exemption").

The Proposed Eco Macalister Acquisition, the Proposed EW Project Management Acquisition, the Proposed Development Rights Acquisition, the Proposed Share Subscription, the Proposed Share Split, the Proposed Rights Issue with Warrants, the Proposed Placement, the Proposed Amendments and the Proposed Exemption are collectively referred to as "the Proposals".

The Proposals are inter-conditional upon each other.

The Proposed Acquisitions and the Proposed Share Subscription are pending fulfilment of conditions precedent within six months from the date of the various agreements which expired on 25 October 2014. As announced on 23 October 2014, the parties have mutually extended the approval period for a period of four months until 25 February 2015 for the fulfilment of the conditions precedent.

35. SIGNIFICANT EVENTS (CONT'D.)

(b) On 25 April 2014, the Company announced the following (cont'd.):

The Proposed Share Subscription, the Proposed Share Split, the Proposed Rights Issue with Warrants, the Proposed Placement have been approved by Bursa Malaysia Securities Berhad via its letter dated 7 November 2014 subject to certain conditions.

On 19 November 2014, the Company announced that the EGM to seek shareholders' approval on the Proposals will be held on 12 December 2014.

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposals (save for the Proposed Placement) are now expected to be completed by the first quarter of calendar year 2015. The Proposed Placement is now expected to be completed by the second quarter of calendar year 2015.

(c) On 2 July 2014, Majestic Blossom Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement ("SPA") with Univas (Far East) Sdn. Bhd., for the proposed acquisition of freehold land measuring approximately 492.66 acres in Mukim Beranang, Daerah Ulu Langat, Negeri Selangor for a purchase consideration of RM225,331,550 ("the Proposed Semenyih Land Acquisition").

The completion of the Proposed Semenyih Land Acquisition is subject to, among others, the fulfilment of conditions precedent and the performance by the Parties of their respective obligations including the removal of caveat and/or disposal of litigation (as the case maybe) as set out in the SPA.

In the event the removal of caveat and/or the disposal of litigation are not achieved on or before the unconditional date, the completion of the Proposed Semenyih Land Acquisition may be extended in the manner set out in SPA. Further details on the Proposed Semenyih Land Acquisition are set out in the circular to shareholders dated 20 November 2014 and the EGM to seek shareholders' approval will be held on 12 December 2014.

(d) On 16 October 2014, the Company has expressed its interest to subscribe for 1,125,000,000 ordinary shares of RM0.01 each in Eco World International Berhad ("EWI") ("EWI Shares") together with 1,125,000,000 free detachable warrants at an indicative issue price of RM0.50 per EWI Share for an indicative aggregate consideration of RM562.5 million ("the Proposed EWI Subscription").

36. SUBSEQUENT EVENTS

(a) On 4 November 2014, the Company acquired 2 ordinary shares of RM1 each in Matlamat Bakat Sdn. Bhd. and Meridian Insight Sdn. Bhd. respectively, resulting in these two companies becoming wholly-owned subsidiaries of the Company.

(b) The Proposed Eco Sanctuary Land Acquisition as disclosed in Note 35(a) was rendered unconditional on 5 December 2014.

37. COMPARATIVES

The financial year end of the Company was changed from 30 September to 31 October so as to be coterminous with the financial year end of Eco World Development Holdings Sdn. Bhd., being the major shareholder of the Company. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable.

The following comparatives of the Group for the financial year ended 30 September 2013 have been reclassified to conform with current period's presentation:

Statements of cash flows

	As previously reported RM	Re-classifications RM	As restated RM
Group			
Operating activities			
Dividend paid	(1,899,878)	1,899,878	-
Property development expenditure	25,483,323	5,703,487	31,186,810
Investing activities			
Additions to land held for property development	-	(5,703,487)	(5,703,487)
Financing activities			
Dividend paid	-	(1,899,878)	(1,899,878)
Company			
Operating activities			
Dividend paid	(1,899,878)	1,899,878	-
Financing activities			
Dividend paid	-	(1,899,878)	(1,899,878)

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the period ended 31 October 2014 were authorised for issue in accordance with a resolution of the directors on 10 December 2014.

39. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 31 October 2014 and 30 September 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:				
- Realised	**61,344,909**	54,334,007	**(30,585,027)**	(29,665,853)
- Unrealised	**2,876,189**	1,763,000	**-**	-
	64,221,098	56,097,007	**(30,585,027)**	(29,665,853)
Add: Consolidation adjustments	**8,309,255**	9,285,644	**-**	-
Retained earnings/(accumulated losses) as per financial statements	**72,530,353**	65,382,651	**(30,585,027)**	(29,665,853)

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 OCTOBER 2014

Location	Description	Land Area (acres)	Tenure	Net Book Value(RM)
PTD 144145 to 144150, 144156,144157,131870 to 132178 and 166311, Mukim Plentong, Daerah Johor Bahru	Vacant land Proposed golf resort, residential, commercial and industrial development	991.63	Freehold	303,051,882

The freehold land held under PTD 144145 to 144150, 144156, 144157, 131870 to 132178 and 166311 at Mukim Plentong, Daerah Johor Bahru was acquired in the year 1994.

STATISTICS ON SHAREHOLDINGS

SHARE CAPITAL AS AT 22 JANUARY 2015

Authorised	:	RM2,000,000,000
Issued share capital	:	506,634,000
Paid up share capital	:	RM253,317,000
Class of share	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share

Distribution of shareholders as at 22 January 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	16	0.27	386	0.00
100 - 1,000	297	4.91	184,470	0.04
1,001 - 10,000	4,355	72.03	19,071,098	3.76
10,001 - 100,000	1,150	19.02	32,942,344	6.50
100,001 to less than 5% of issued shares	226	3.74	174,854,300	34.51
5% and above of issued shares	2	0.03	279,581,402	55.18
Total	6,046	100.00	506,634,000	100.00

STATISTICS ON SHAREHOLDINGS

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 22 JANUARY 2015

	Name of Shareholders	No. of Shares	%
1	Liew Tian Xiong	177,561,202	35.05
2	CIMSEC Nominees (Tempatan) Sdn Bhd - Eco World Development Holdings Sdn Bhd	102,020,200	20.14
3	ABB Nominee (Tempatan) Sdn Bhd - Pledged Securities Account For Tun Dato' Seri Zaki Bin Tun Azmi	19,125,000	3.77
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AM INV)	8,818,800	1.74
5	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AMUNDI)	6,484,000	1.28
6	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Choong Yee How	6,300,000	1.24
7	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LPF)	5,070,200	1.00
8	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (RHB INV)	3,457,400	0.68
9	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	3,456,800	0.68
10	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - AmBank (M) Berhad for Voon Tin Yow	3,340,000	0.66
11	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yap Kok Weng	3,151,000	0.62
12	ABB Nominee (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Chang Khim Wah	3,060,000	0.60
13	Tokio Marine Life Insurance Malaysia Bhd - As Beneficial Owner	3,000,000	0.59
14	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR3)	2,760,000	0.54
15	Citigroup Nominees (Tempatan) Sdn Bhd - Allianz Life Insurance Malaysia Berhad	2,759,800	0.54

STATISTICS ON SHAREHOLDINGS

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 22 JANUARY 2015

	Name of Shareholders	No. of Shares	%
16	RHB Investment Bank Berhad - CLR (G) for Etiqa Insurance Berhad	2,697,800	0.53
17	HSBC Nominees (Asing) Sdn Bhd - BNYM SA/NV for Invesco Asean Equity Fund	2,560,600	0.51
18	CIMB Commerce Trustee Berhad - Public Focus Select Fund	2,358,000	0.47
19	Khor Chap Jen	2,295,000	0.45
20	Tay Koo Hui	2,256,000	0.45
21	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan)	2,155,200	0.43
22	Citigroup Nominees (Tempatan) Sdn Bhd - Manulife Insurance Berhad	1,761,800	0.35
23	HSBC Nominees (Asing) Sdn Bhd	1,755,400	0.35
24	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	1,713,600	0.34
25	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Al-Faid	1,678,800	0.33
26	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LSF)	1,619,000	0.32
27	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for RHB-OSK Equity Trust	1,542,000	0.30
28	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Tuck Wai	1,530,000	0.30
29	Tan Cheng Yong	1,530,000	0.30
30	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chew Han Ngin	1,360,000	0.27
		379,177,602	74.83

STATISTICS ON SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS AS AT 22 JANUARY 2015

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Liew Tian Xiong	177,561,202	35.05	-	-
Eco World Development Holdings Sdn. Bhd.	102,020,200	20.14	-	-
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	102,020,200*	20.14
Dato' Leong Kok Wah	-	-	102,020,200*	20.14

* Deemed interested by virtue of their interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

STATISTICS ON SHAREHOLDINGS

DIRECTORS' SHAREHOLDINGS AS AT 22 JANUARY 2015

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	102,020,200*	20.14
Dato' Leong Kok Wah	-	-	102,020,200*	20.14
Dato' Chang Khim Wah	3,060,000	0.60	-	-
Datuk Heah Kok Boon	382,500	0.08	-	-
Mr Liew Tian Xiong	177,561,202	35.05	-	-
Tan Sri Dato' Sri Liew Kee Sin	-	-	-	-
Tan Sri Lee Lam Thye	-	-	-	-
Mr Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-

* Deemed interested by virtue of their interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-First Annual General Meeting ("**41st AGM**") of Eco World Development Group Berhad will be held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, No. 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 19 March 2015 at 11.30 a.m. for the following purposes:-

AGENDA

1.	To receive the Directors' Report and Audited Financial Statements for the financial period ended 31 October 2014 together with the Auditors' Report thereon.	Please refer to Explanatory Note
2.	To approve the payment of Directors' Fees for the financial period ended 31 October 2014.	(Resolution 1)
3.	To re-elect the following Directors who are retiring by rotation in accordance with Article 80 of the Articles of Association of the Company:-	
	(a) Tan Sri Abdul Rashid Bin Abdul Manaf	(Resolution 2)
	(b) Dato' Chang Khim Wah	(Resolution 3)
	(c) Datuk Heah Kok Boon	(Resolution 4)
4.	To re-elect the following Directors who are retiring in accordance with Article 87 of the Articles of Association of the Company:-	
	(a) Tan Sri Dato' Sri Liew Kee Sin	(Resolution 5)
	(b) Dato' Haji Obet Bin Tawil	(Resolution 6)
5.	To appoint Auditors and to authorise the Directors to fix their remuneration.	
	Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Appendix A", has been received by the Company for the nomination of Messrs Baker Tilly Monteiro Heng who have given their consent to act, for appointment as Auditors and of the intention to propose the following Ordinary Resolution:-	
	"THAT Messrs Baker Tilly Monteiro Heng having given their consent in writing to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young at the forthcoming Forty-First Annual General Meeting of the Company, and to hold office until the conclusion of the next Annual General Meeting of the Company and that authority be and is hereby given for the Directors of the Company to fix their remuneration."	(Resolution 7)

AS SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

6. **Ordinary Resolution 1**
- Authority to issue and allot shares

THAT subject always to the Companies Act, 1965, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company to such persons, at any time, 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 10% of the issued share capital of the Company for the time being AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. (Resolution 8)

7. **Ordinary Resolution 2**
- Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**EW Group**") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature of the EW Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Company's Circular dated 25 February 2015) 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 EW 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:

(a) the conclusion of the next Annual General Meeting of the Company ("**AGM**") at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier,

AND THAT the Board of Directors of the Company be and is 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 power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution. (Resolution 9)

8. To transact any other business of which due notice has been given.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
25 February 2015

Explanatory Note to Item 1 of the Agenda:-

The agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes to Special Businesses:-

1. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

*The above Resolution 8, if passed, will empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued share capital of the Company for the time being (hereinafter referred to as the "**General Mandate**"). The General Mandate, unless revoked or varied at general meeting, will expire at the next Annual General Meeting of the Company.*

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

The General Mandate is a renewal of the mandate that was granted by the shareholders at the Fortieth Annual General Meeting held on 27 February 2014. The Company did not implement its proposal for new allotment of shares under the General Mandate.

2. *Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature*

The proposed adoption of Resolution 9 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Extraordinary General Meeting held on 12 December 2014. The proposed renewal of the Shareholders' Mandate will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature to facilitate transactions in the normal course of business of the Company and/or its subsidiary companies which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on normal commercial terms and not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the proposed Resolution 9 is set out in the Circular to Shareholders dated 25 February 2015.

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 March 2015 shall be eligible to attend, speak and vote at the 41st AGM.*

2. *A member entitled to attend and vote at the 41st AGM is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1)(b) of the Act need not be complied with. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the 41st AGM shall have the same rights as the member to speak at the 41st AGM. Notwithstanding this, a member entitled to attend and vote at the 41st AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 41st AGM. There shall be no restriction as to the qualifications of the proxy.*

3. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

5. *The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time for holding the 41st AGM or any adjournment thereof.*

ECOWORLD
CREATING TOMORROW & BEYOND

13 February 2015 **APPENDIX A**

The Board of Directors
Eco World Development Group Berhad
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Wilayah Persekutuan

Dear Sirs,

Notice of Nomination of Auditors Pursuant to Section 172(11) of the Companies Act, 1965

We, being the registered holder of 505,443,626 ordinary shares of RM0.50 each fully paid-up in the capital of Eco World Development Group Berhad ("**the Company**"), hereby give notice pursuant to Section 172(11) of the Companies Act, 1965 of our nomination of Messrs Baker Tilly Monteiro Heng for appointment as new Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young, at the forthcoming Forty-First Annual General Meeting of the Company.

Therefore, we propose that the following resolution be considered at the forthcoming Forty-First Annual General Meeting of the Company:-

"THAT Messrs Baker Tilly Monteiro Heng having given their consent in writing to act, be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young at the forthcoming Forty-First Annual General Meeting of the Company, and to hold office until the conclusion of the next Annual General Meeting of the Company and that authority be and is hereby given for the Directors of the Company to fix their remuneration."

Yours faithfully,
ECO WORLD DEVELOPMENT HOLDINGS SDN BHD

(Signed)

TAN SRI ABDUL RASHID BIN ABDUL MANAF
Director

Eco World Development Holdings Sdn. Bhd. (989986-X)
No. 60, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia.
T +603 3344 2552 **F** +603 3345 2552 **E** corp@ecoworld.my **W** www.ecoworld.my

ECOWORLD
CREATING TOMORROW & BEYOND

ECO WORLD DEVELOPMENT GROUP BERHAD (Company No. 17777-V)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

CDS Account No.	No. of Shares Held

I/We, ______________________________ NRIC / Co. No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member/members of ECO WORLD DEVELOPMENT GROUP BERHAD ("**Company**"), hereby appoint ______________________

______________________________ NRIC / Co. No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, ______________________________ NRIC / Co. No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Forty-First Annual General Meeting ("**41st AGM**") of the Company to be held at Ballroom A, Level 2, Aloft Kuala Lumpur Sentral, No. 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 19 March 2015 at 11.30 a.m. or at any adjournment thereof for/against the resolutions to be proposed thereat.

No.	Ordinary Resolutions	For	Against
1.	Approval of Directors' Fees		
2.	Re-election of Tan Sri Abdul Rashid Bin Abdul Manaf		
3.	Re-election of Dato' Chang Khim Wah		
4.	Re-election of Datuk Heah Kok Boon		
5.	Re-election of Tan Sri Dato' Sri Liew Kee Sin		
6.	Re-election of Dato' Haji Obet Bin Tawil		
7.	Appointment of Messrs Baker Tilly Monteiro Heng as new Auditors in place of the retiring Auditors, Messrs. Ernst & Young		
8.	Authority to issue and allot shares		
9.	Proposed Shareholders' Mandate		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

As witness my/our hand(s) this ____________ day of ____________________ , 2015

....
Signature of Member/Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 March 2015 shall be eligible to attend, speak and vote at the 41st AGM.
2. A member entitled to attend and vote at the 41st AGM is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the 41st AGM shall have the same rights as the member to speak at the 41st AGM. Notwithstanding this, a member entitled to attend and vote at the 41st AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 41st AGM. There shall be no restriction as to the qualifications of the proxy.
3. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time for holding the 41st AGM or any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix Stamp

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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ECO WORLD DEVELOPMENT GROUP BERHAD (17777-V)

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