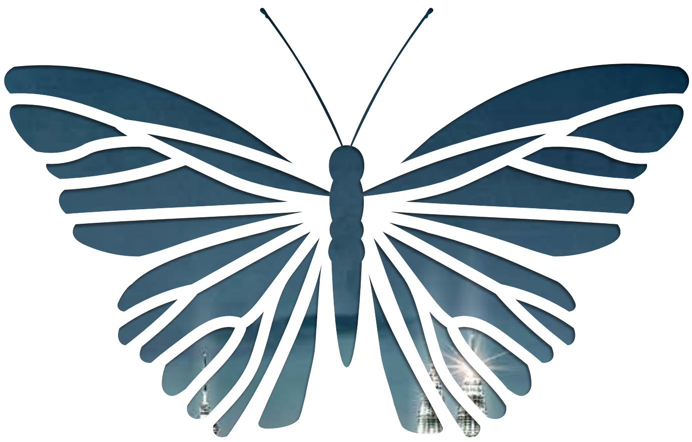
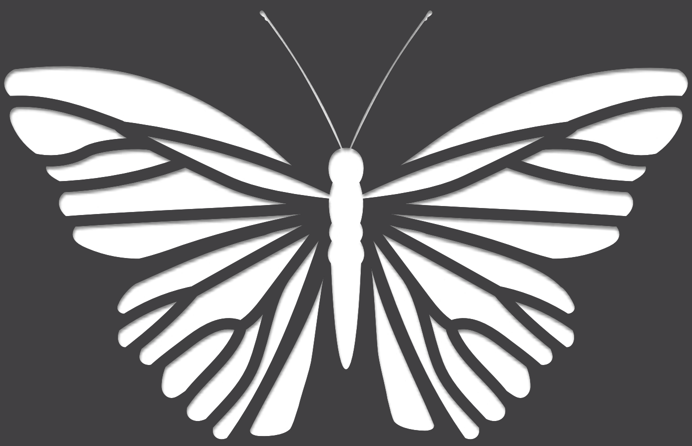
EcoWorld

CREATING TOMORROW & BEYOND



Annual Report 2017



BUKIT BINTANG CITY CENTRE, KUALA LUMPUR

VISION

Creating Tomorrow & Beyond

MISSION

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

Creating world-class eco-living in all our developments

Being a caring and responsible organisation which actively contributes back to society

Having a reputation for providing unmatched product and service quality to our customers at all times

Leading with passion in the pursuit of innovation and sustainability to create enduring value

Delivering exciting and consistent growth to our stakeholders and shareholders


Eco Majestic, Klang Valley

Contents

Printed on environmentally friendly paper

Corporate Information

BOARD OF DIRECTORS

Founder & Non-Independent Non-Executive Director
Tan Sri Abdul Rashid Bin Abdul Manaf

Non-Independent Non-Executive Chairman
Tan Sri Dato' Sri Liew Kee Sin

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 Directors
Dato' Voon Tin Yow
Liew Tian Xiong

Non-Independent Non-Executive Director
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
Dato' Noor Farida Binti Mohd Ariffin

Audit Committee

Tang Kin Kheong (Chairman)
Dato' Idrose Bin Mohamed
Dato' Haji Obet Bin Tawil
Dato' Noor Farida Binti Mohd Ariffin

Remuneration Committee

Dato' Voon Tin Yow (Chairman)
Dato' Idrose Bin Mohamed
Tang Kin Kheong
Dato' Noor Farida Binti Mohd Ariffin

Nomination Committee

Dato' Idrose Bin Mohamed (Chairman)
Tan Sri Lee Lam Thye
Tang Kin Kheong
Dato' Noor Farida Binti Mohd Ariffin

Risk Management Committee

Dato' Voon Tin Yow (Chairman)
Dato' Sundarajoo A/L Somu
Datuk Hoe Mee Ling
Dato' Soo Chan Fai
Lim Eng Tiong
Ong Yew Leng

Whistleblowing Committee

Dato' Idrose Bin Mohamed
Dato' Noor Farida Binti Mohd Ariffin
Dato' Voon Tin Yow

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.
Tel: 03-20849000
Fax: 03-20949940, 20950292

Registrar

Securities Services (Holdings) Sdn. Bhd.
(36869-T)
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Tel: 03-20849000
Fax: 03-20949940, 20950292

Auditors

Baker Tilly Monteiro Heng (AF 0117)
Chartered Accountants
Baker Tilly MH Tower,
Level 10, Tower 1,
Avenue 5, Bangsar South City,
59200 Kuala Lumpur.

Stock Exchange Listing

Bursa Malaysia Securities Berhad
(Main Market)

Website

www.ecoworld.my

ECOWORLD
CREATING TOMORROW & BEYOND

Eco World Development Group Berhad (17777-V)

- **100%**
  - **Eco Botanic Sdn. Bhd.** (1066879-M)
  - **Eco Business Park 1 Sdn. Bhd.** (1088039-M)
  - **Eco Business Park 2 Sdn. Bhd.** (1078581-H)
  - **Eco Grandeur Sdn. Bhd.** (1146818-W)
    - **50%** → **Eco Ardence Sdn. Bhd.** (427912-X)
  - **Eco Macalister Development Sdn. Bhd.** (1064369-M)
  - **Eco Meadows Sdn. Bhd.** (1088028-X)
  - **Eco Sanctuary Sdn. Bhd.** (1076483-V)
  - **Eco Sky Sdn. Bhd.** (1079085-X)
  - **Eco Summer Sdn. Bhd.** (1076385-V)
  - **Eco Terraces Sdn. Bhd.** (1076231-P)
  - **Eco World Capital (International) Sdn. Bhd.** (1174692-P)
    - **27%** → **Eco World International Berhad** (1059850-A)
  - **Eco World Capital (L) Ltd** (LL12390)
  - **Eco World Capital Assets Berhad** (formerly known as Inspirasi Innovasi Sdn. Bhd.) (1189799-V)
  - **Eco World Development (S) Pte. Ltd.** (201417197R)
  - **Eco World Development Management (BBCC) Sdn. Bhd.** (1096633-W)
  - **Eco World IBS Sdn. Bhd.** (1087059-U)
  - **Eco World Project Management Sdn. Bhd.** (978603-W)
  - **Eco World Property Services (Eco Central) Sdn. Bhd.** (1152652-W)
  - **Eco World Property Services (Eco North) Sdn. Bhd.** (1097775-M)
  - **Eco World Property Services (Eco South) Sdn. Bhd.** (1088018-V)
  - **Eco World Trading Sdn. Bhd.** (1086148-X)
  - **Eco World Ukay Sdn. Bhd.** (1076389-M)
  - **Arah Selasih Sdn. Bhd.** (1096068-V)
  - **EF Development Sdn. Bhd.** (formerly known as Matlamat Bakat Sdn. Bhd.) (1088019-D)
  - **Focal Aims Land Sdn. Bhd.** (319435-X)
  - **Focal Aims Properties Sdn. Bhd.** (471101-H)
    - **100%** → **Eco Tropics Development Sdn. Bhd.** (316524-U)
      - **100%**
        - **Focal Aims Realty Sdn. Bhd.** (203016-P)
        - **Focal Aims Resort (M) Sdn. Bhd.** (473536-V)
        - **Focal Aims Development Sdn. Bhd.** (417670-H)
  - **Hara Kecil Sdn. Bhd.** (1135594-U)
  - **Jasa Hektar Sdn. Bhd.** (1098120-M)
  - **Melia Spring Sdn. Bhd.** (1095333-H)
  - **Meridian Insight Sdn. Bhd.** (1091013-W)
  - **Pingat Stabil Sdn. Bhd.** (1089333-D)
  - **Rentas Prestasi Sdn. Bhd.** (1097165-X)
    - **98%** → **Eco Majestic Development Sdn. Bhd.** (1079086-W)
- **2%** → **Eco Majestic Development Sdn. Bhd.** (1079086-W)
- **60%**
  - **Paragon Pinnacle Sdn. Bhd.** (1098122-T)
  - **Eco Horizon Sdn. Bhd.** (1082988-W)
- **40%** → **BBCC Development Sdn. Bhd.** (1129028-T)
- **12%** → **MFBBCC Retail Mall Sdn. Bhd.** (1189832-W)

Financial Highlights

Period/Year Ended	31 October 2017	31 October 2016	31 October 2015	31 October 2014 restated	30 September 2013 restated
Financial Results (RM'000)					
Revenue	**2,924,665**	2,546,437	1,712,061	148,395	156,326
Profit before taxation	**282,613**	193,182	73,918	12,092	29,603
Profit attributable to owners of the Company	**209,650**	129,281	43,952	7,181	24,268
Financial Position (RM'000)					
Total cash and bank balances	**433,824**	573,467	517,176	43,423	25,244
Total assets	**9,850,261**	8,841,977	6,936,803	678,732#	481,501#
Total borrowings	**3,479,571**	2,861,903	1,700,345	240,675	52,148
Total net tangible assets	**4,264,034**	3,786,702	3,156,875	325,861	321,222
Share capital	**3,614,865^**	1,374,846	1,182,132	253,317	253,317
Equity attributable to owners of the Company	**4,264,034**	3,786,702	3,156,875	325,864	318,722
Financial Ratios					
Basic earnings per share (sen)	**7.25**	5.43	2.64	1.42*	4.79*
Net assets per share attributable to owners of the Company (RM)	**1.45**	1.38	1.34	0.64*	0.63*
Return on equity (%)	**4.92**	3.41	1.39	2.20	7.61
Net gearing ratio (times)	**0.71**	0.60	0.37	0.61	0.08
Share price - High (RM)	**1.72**	1.51	2.09	2.70*	1.13*
- Low (RM)	**1.30**	1.20	1.20	1.00*	0.13*

Restated following the departure from FRSIC 17 - Development of Affordable Housing in the financial year ended 31 October 2015

* Restated for the effects of subdivision of 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each pursuant to the share split exercise which was completed on 23 January 2015

^ Effects from adoption of Companies Act 2016 - transition to no-par value regime

Group 2017 Summary

	3 months ended 31 October 2017	3 months ended 31 July 2017	3 months ended 30 April 2017	3 months ended 31 January 2017
(RM'000)				
Revenue	**899,015**	762,918	670,018	592,714
Profit before tax	**57,623**	43,401	49,977	131,612
Profit attributable to owners of the Company	**33,712**	26,092	33,681	116,165
Paid-Up Capital^	**3,614,865**	3,614,865	3,614,875	3,406,956
Equity attributable to owners of the Company	**4,264,034**	4,231,807	4,205,676	3,964,091
Total Assets	**9,850,261**	9,359,234	9,183,732	8,512,938
Total net tangible assets	**4,264,034**	4,231,807	4,205,676	3,964,091
Basic earnings per share (sen)	**1.14**	0.89	1.16	4.17
Net assets per share attributable to owners of the Company (RM)	**1.45**	1.44	1.43	1.42

^ Effects from adoption of Companies Act 2016 - transition to no-par value regime

TAN SRI DATO' SRI LIEW KEE SIN

Non-Independent Non-Executive Chairman

Dear Valued Shareholders,

2017 has been an exceptional year for Eco World Development Group Berhad **("EcoWorld Malaysia")** or **("the Group")** despite challenging market conditions in Malaysia and overseas.

Our Eco Majestic community

This is the third consecutive year that sales under the EcoWorld Brand has crossed the RM6 billion mark. EcoWorld Malaysia met its sales target of RM4 billion in FY2017 while Eco World International Berhad's **("EcoWorld International")** projects in the United Kingdom **("UK")** and Australia recorded sales of RM2 billion (based on exchange rates as at 31 October 2017). Over the last four years total cumulative sales under the EcoWorld brand in Malaysia and abroad has exceeded RM21 billion.

This tremendous feat is a testament to the strong brand positioning built over the last four years with the aim of achieving market leadership through our ongoing efforts to provide unmatched product and service quality to our customers. It also demonstrates Team EcoWorld's sound execution capabilities, tenacity in the face of adversity, and drive to consistently create value for our customers, shareholders and stakeholders.

Welcoming Our First Residents

In late 2016, we embarked on the first handovers of our properties in Eco Business Park **("EBP")** I and Eco Botanic, both located in Iskandar Malaysia. The EcoWorld Residence Club was on hand to ensure handover and moving-in process was hassle-free, as well as to help nurture these nascent communities.

This year, Team EcoWorld handed over close to 4,000 units across the Klang Valley and Iskandar Malaysia. We welcomed our first residents to Eco Majestic, our flagship township in the Klang Valley in May. Eco Spring and Eco Summer in Iskandar Malaysia also handed over the first phase of terraced, cluster and semi-detached homes in the same month.

Our first high-rise integrated development in Taman Wahyu, Kuala Lumpur called Eco Sky reached a significant milestone in August with the construction of its first residential tower Aurora reaching the top floor followed shortly by its second tower, Basalta. The third and final tower, Clarita, will be completed in early 2018. Meanwhile, the commercial pod at Eco Sky has been up and running since early this year with tenants moving in and we are well on our way to making Eco Sky a lively and vibrant hive of activities not only for its future residents but for the surrounding community.

Expanding Our Network of Partnerships

EcoWorld Malaysia acquired a 27% stake in EcoWorld International following its successful listing on Bursa Malaysia Securities Berhad **("Bursa Malaysia")** on 3 April 2017. Since the listing, EcoWorld International has announced the acquisitions of two new development sites in Australia and an exciting new joint-venture in the UK with Be Living Holdings Limited **("Be Living")** which will significantly increase its development presence in Greater London and the South East of England.

More importantly, the joint-venture with Be Living will enable EcoWorld International to gain substantial local market share in the UK due to the location of the projects within the London commuter belt in areas where the local population live and commute to the capital for work. This will greatly broaden the spectrum of price points currently offered by its existing portfolio of projects within Central London thereby enabling EcoWorld International to tap into the large pool of domestic buyers and foreign investors in the mid-mainstream market. It also opens up more opportunities for EcoWorld Malaysia to collaborate closely with EcoWorld International to further strengthen the brand's international profile and market reach even as we work individually to broaden and deepen our respective share of the domestic markets where our projects are located.

In early 2017, we announced a new partnership with the Employees Provident Fund **("EPF")** to jointly develop Eco Horizon and Eco Sun, totalling 374.6 acres of prime land in Batu Kawan, Penang. We are extremely delighted with this new opportunity to work with the EPF yet again to take on the challenge of transforming the development landscape of the Penang Mainland. This is our third collaboration after two successful joint-ventures in the Klang Valley, namely Bukit Bintang City Centre **("BBCC")** in Kuala Lumpur, Eco Grandeur and EBP V in Ijok.

2017 also saw BBCC joining hands with more local and international players.

At the start of the year BBCC formalised its partnership with Sony Music Japan's Zepp Hall Network Inc. **("Zepp Hall")** to operate a Zepp-branded concert hall at BBCC's Entertainment Hub. Zepp Hall's arrival is poised to be a game-changer for the local live entertainment and music scene supported by their state-of-the-art visual and acoustic technology and drawing power to attract top performers from around the globe.

Thereafter in October, BBCC welcomed Canopy by Hilton, the hotelier's youthful, experiential and lifestyle-centric brand, to be a part of its journey. This will be the first Canopy by Hilton hotel in Southeast Asia.

With quality partners anchoring each key component, BBCC is well on its way towards realising its vision of becoming Kuala Lumpur's most exciting lifestyle destination offering the best retail, entertainment and hospitality brands all under one roof.

BBCC, Kuala Lumpur

Connecting with Our Communities

We began the year on a happy note with the launch of "My Happy Place" campaign. This theme, which carried on the entire year through festive family-centric celebrations, is built on the sheer liveability of our developments for people of all ages and walks of life.

The various campaigns held throughout 2017 at our project sites in the Northern, Central and Southern regions attracted families to come in droves to our galleries and show villages to experience not only cultural celebrations and culinary carnivals, but the feel of joyful community living within an EcoWorld development.

Following last year's hugely popular Season's Flower Show that attracted more than 200,000 visitors to Eco Majestic, we organised the EcoWorld Illuminations Flower Show this year with a spectacular array of flowers and lights surrounding the Swan Lake. Down south, the annual Bon Odori Festival was held at Eco Botanic for the third year in a row with an extensive cultural display of Japanese decorations, food and lively performances.

#AnakAnakMalaysia Walk in Iskandar Malaysia

In May 2017, we partnered The New Straits Times Press (M) Berhad to organise the inaugural New Straits Times C-Cycle Challenge 2017 at Eco Grandeur. Aimed at promoting healthy lifestyles and to raise interest in cycling both as a sport and low-carbon mode of transportation, the event was attended by more than 1,000 local and international participants. This ties in with EcoWorld's efforts to promote sustainable living in our townships, where we have built dedicated bicycle lanes to encourage our communities to live in an environmentally friendly manner.

In conjunction with our nation's 60th year of independence, we joined forces again with Star Media Group Berhad for the third consecutive year to organise the #AnakAnakMalaysia campaign. This year's campaign was scaled up significantly - more than 6,000 participants gathered for the official event in Shah Alam which was graced by His Royal Highness Sultan Sharafuddin Idris Shah, the Sultan of Selangor. Similarly thousands of hopeful Malaysians joined the #AnakAnakMalaysia walks for unity held at our Eco Spring project in Iskandar Malaysia and Eco Horizon in Penang. The #AnakAnakMalaysia festivities also took place in London, Sydney and Melbourne bringing together Malaysians living abroad for a heart-warming reminder of home.

To add to the festivities and promote the message that Malaysians have much to celebrate and be happy about, EcoWorld commissioned an original anthem and music video entitled #AnakAnakMalaysia, #AnakAnakGembira. More than 1 million #AnakAnakMalaysia wristbands were also distributed far and wide. The response was tremendous - photos of ordinary Malaysians in creative poses, proudly wearing their wristbands as an expression of their love for our country, were splashed all over traditional and social media during the campaign period which ran from July to September 2017.

Inculcating a Culture of Excellence

We believe that a highly engaged and motivated team is the single most important asset for a company. Equipping Team EcoWorld with the mindset, skills and capabilities to succeed and thrive in a highly competitive environment is and has always been our priority. Backed by strong leadership and guided by our core values, we have created a unique EcoWorld culture that allows our people to get involved, be empowered and embrace their work with passion.

For our efforts in building a conducive work environment, EcoWorld Malaysia brought home the Aon "Best of the Best Employers in Malaysia" Award for the second year running. We are truly honoured to be recognised in this manner and will work hard to set new benchmarks of excellence as we grow as a property group in the years ahead.

EcoWorld Malaysia also improved its rankings to break into the Top 5 list of Property Developers in The Edge Malaysia's highly sought-after Top Property Developers Awards 2017 – this is a commendable achievement for a relatively new brand and young company.

The Group as a whole also did well at the StarProperty.my Awards and Putra Brand Awards. We emerged as a Top 3 Developer in the Reader's & Voter's Choice Award by the StarProperty.my and won Gold in the Property Development Category at the Putra Brand Awards.


Artist's impression of the EcoWorld Labs Series

Our projects in the Klang Valley and Iskandar Malaysia, namely BBCC, Eco Grandeur, Eco Botanic, Eco Spring, Eco Summer and EBP I were also honoured with six individual awards at the main StarProperty.my Awards 2017 and we won another four awards at the StarProperty.my – Jewels of Johor Awards 2017.

EBP I went on to win the International Real Estate Federation **("FIABCI")** Malaysia Property Awards 2017 in the industrial category, with positive reviews for its unique development concept designed with the needs of modern businesses in mind.

Team EcoWorld's commitment to excellence and capacity to continually innovate has changed the development landscape in many ways. From how we conceptualise our masterplans, the attention to detail paid when crafting each component of the development, to the way in which we reach out to and engage with our customers, we are determined to raise the bar for ourselves every year.

In 2017, this determination to go beyond traditional boundaries inspired us to form a new division called EcoWorld X. Led by a young team comprising largely Gen-Y members, the first innovation introduced by EcoWorld X has been the EcoWorld Labs Series which represents a totally new take on how the commercial component of a township can be designed and activated.

EcoWorld X will also be spearheading our efforts to harness the power of digital solutions to better serve our customers and further extend our market reach. As the world becomes increasingly inter-connected and more inter-dependent, we need to look beyond brick and mortar and embrace the challenges and opportunities of the 4th Industrial Age. This will enable us to stay ahead of the curve and ensure that we not only meet but are able to continually anticipate the changing needs of our customers and that of the world they interact with.

I would like to conclude by acknowledging the immense contributions of Tan Sri Lee Lam Thye who will be retiring as a director at the upcoming Annual General Meeting and will not be seeking re-election. We are delighted however that he has agreed to stay on as the Chairman of Eco World Foundation **("EWF")** to lead the social responsibility efforts of EcoWorld and continue his excellent work on the EWF's Students Aid Programme **("SAP")**.

On behalf of the Board, I also wish to express our heartfelt gratitude and appreciation to our customers, business associates and shareholders for your continuous support. As we strive to grow our brand in Malaysia and abroad, we will do our utmost to continue delivering enduring value for all stakeholders while pursuing innovation and sustainability as we move forward in Creating Tomorrow & Beyond.

Tan Sri Dato' Sri Liew Kee Sin
Non-Independent Non-Executive Chairman

THE GROUP ACHIEVED PROFIT BEFORE TAX OF RM282.6 MILLION ON THE BACK OF REVENUE TOTALLING RM2.92 BILLION.

Eco Forest, Klang Valley

DATO' CHANG KHIM WAH

President & Chief Executive Officer

Highlights of 2017

EcoWorld Malaysia had a challenging year in 2017 but despite unfavourable market conditions, we successfully established new partnerships, handed over close to 4,000 new homes and commercial units, launched three new projects and achieved our RM4 billion sales target for the financial year ended 31 October 2017. The Group now has 18 ongoing projects in Malaysia with a total landbank of 8,126.4 acres bearing a total gross development value **("GDV")** of RM87.529 billion. As at 31 October, the remaining landbank for development stands at approximately 5,100 acres with a GDV of RM73.577 billion.

Our sales target was met largely due to the RM1 billion gross sales resulting from the resounding success of the EcoWorld DNA Campaign launched on 30 September 2017. The campaign showcased our efforts to embed and weave elements of Design, Nature and Art intrinsically into our developments to create holistic living environments that will stay relevant for generations to come.

Two new projects in the Klang Valley and one new project in Penang were featured, namely:

- Eco Forest, a 492.7-acre township in Semenyih, close to Broga Hill and Nottingham University. This is our second project in this rapidly growing development corridor and builds upon the success of our established Eco Majestic township. The launch of Eco Forest, with unique A-framed terrace and garden homes set within a forest-themed landscaped environment was very warmly received by first-time homeowners and upgraders seeking a nature-inspired lifestyle;

- EBP V, a 518.6-acre modern gated and guarded green business park located in Ijok, close to our Eco Grandeur township. The first of its kind in the Klang Valley, EBP V offers well-designed industrial and commercial units with an innovative 4-in-1 and customisable flexi-space concept suitable for a wide range of businesses; and

- Eco Horizon, a 300-acre development which is our first full-scale EcoWorld signature township up north. The project is situated on a prime piece of land in Batu Kawan on the Penang mainland, right opposite the new IKEA store and strategically located off the primary interchange linking the Second Penang Bridge to the North-South Highway.

Eco Botanic, Iskandar Malaysia

The campaign also included the launch of Dremien, Eco Ardence's second landed residential phase comprising garden homes, semi-detached and bungalows, as well as The Whitten, 2-storey shop offices located in Eco Majestic City.

The outstanding sales of RM1.83 billion recorded in the final quarter was contributed by the above new launches as well as steady sales recorded by our ongoing projects. This remarkable result was made possible only through the unwavering support and loyalty of our customers. In this regard, we are gratified that our efforts to build the EcoWorld brand through a culture of innovation, service excellence and commitment to create lasting value for our customers have continued to gain us a wide and appreciative audience.

2017 has also been a year in which we achieved several milestones that mark the beginning of our shift from the infancy to growth stage in our journey as a property developer. As at 31 October 2017, seven of our projects have completed their first handovers of properties – this will be followed by more projects in the upcoming year. By the end of FY2018, we would have handed over close to 10,000 units at our various projects in the Southern, Central and Northern regions. With the bulk of primary infrastructure works at these projects completed, going forward, the Group will be able to put in place new initiatives to further unlock the value of our landbank as the number of physical communities working and living within each development grows.

On 30 March 2017, EcoWorld Malaysia acquired a 27% stake in EcoWorld International in conjunction with its 3 April 2017 initial public offering and listing on Bursa Malaysia. This paves the way for the internationalisation of the EcoWorld brand as both companies collaborate closely to gain market share in their respective local markets.

As at 31 October 2017, EcoWorld International has raked in total cumulative sales of RM7.71 billion, and its share of future progress billings, based on its effective stake in five ongoing projects in the UK and Australia, is worth RM5.85 billion. EcoWorld Malaysia's share of EcoWorld International's future progress billings is approximately RM1.58 billion. Along with the RM4.82 billion representing our share of future progress billings from our Malaysian projects, this gives the Group substantial earnings visibility over the next two years, underpinned by a total of RM6.4 billion future progress billings from locked-in sales alone.

Financial Review

EcoWorld Malaysia saw an increase of 62% in its net profit from RM129.3 million in FY2016 to RM209.6 million in FY2017. For the year ended 31 October 2017, the Group achieved revenue of RM2.9 billion, up 15% from FY2016, and profit before tax **("PBT")** of RM282.6 million, which was up 46% from last year.

The projects which contributed to revenue and gross profit include Eco Majestic, Eco Sanctuary and Eco Sky in the Klang Valley, Eco Botanic, Eco Spring, Eco Summer, EBP I, Eco Tropics and EBP III in Iskandar Malaysia as well as Eco Meadows and Eco Terraces in Penang.

The higher revenue in FY2017 is due to a higher percentage and relatively more advanced stage of completion achieved by the above projects as compared to the preceding financial year. Gross profit margin is lower, however, due to the commencement of income recognition from lower margin products (Rumah Mampu Milik and Rumah Selangorku) launched last year in compliance with the government's regulations on affordable housing.

Other operating income was substantially higher due to the inclusion of a gain of RM96.6 million which arose from the application of FRS 10 – Consolidated Financial Statements, mainly to recognise the impact of a change in the Group's interest in Paragon Pinnacle from a 100% subsidiary to a 60% joint-venture. This came about following the subscription by the EPF for a 40% stake in Paragon Pinnacle Sdn Bhd and Eco Horizon Sdn Bhd, pursuant to the terms of the subscription and shareholders' agreements between the parties.

Excluding the above mentioned gain, the PBT for FY2017 would have been RM186.0 million, which is RM7.2 million lower than the RM193.2 million reported in FY2016. The lower PBT was mainly due to higher losses incurred by joint-venture companies, (namely EcoWorld International, Eco Grandeur, Eco Ardence and Eco Horizon) which are pending commencement of property development profit recognition and additional finance costs incurred to fund the Group's acquisition of shares in EcoWorld International and Eco Ardence.

The Group recorded an increase in its total assets of circa RM1 billion largely due to the increase in its investment in joint-ventures (mainly attributable to EcoWorld International and Paragon Pinnacle) as well as advances made to its Malaysian joint-ventures (namely Paragon Pinnacle, Eco Horizon and BBCC) to fund the development activities undertaken by these entities.

Total liabilities increased by close to RM531 million mainly due to additional borrowings taken to partially fund the increase in investments in joint-ventures as well as to meet operational and working capital requirements of the Group's various projects undertaken by its subsidiaries and joint-ventures.

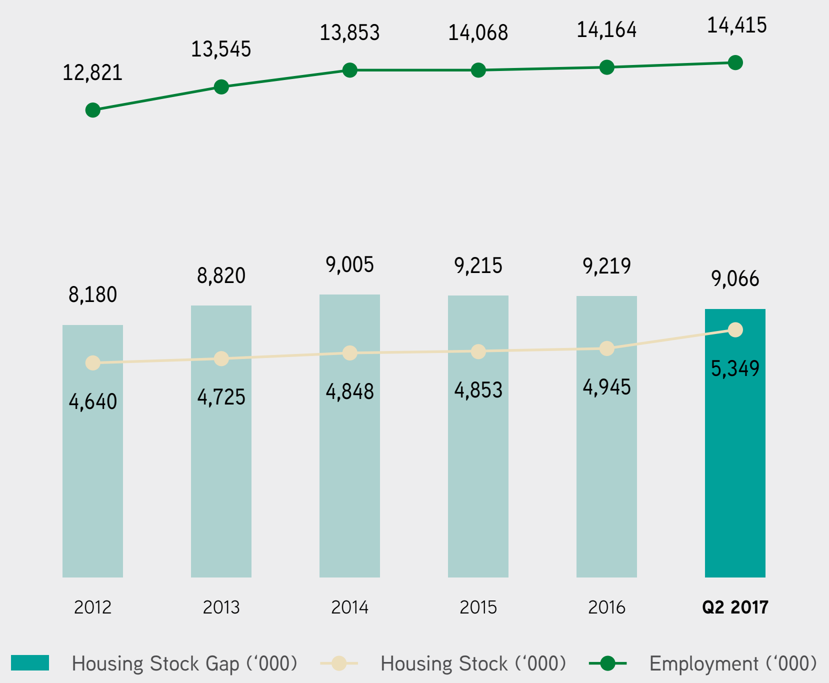
Shareholders' funds similarly went up by approximately RM477 million arising from the growth in profit after tax as well as proceeds from the issue of new ordinary shares to complete the private placement exercise which began in the previous financial year.

No dividends were declared or paid in FY2017 given that the bulk of our projects are still in the investment phase. However, the Group's core development earnings are expected to grow in FY2018 once projects undertaken by its joint-ventures in Malaysia and abroad reach a higher stage of completion or attain the criteria for profit recognition.

Market Backdrop

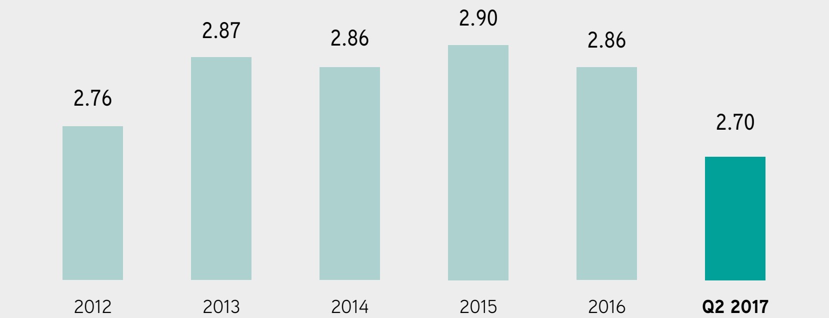
Bank Negara Malaysia **("BNM")** reported that the country's economy recorded strong growth of 6.2% in Q3 2017. The economy is poised to register a strong growth that is close to the upper end of the official forecast range of between 5.2% to 5.7% in 2017. Looking ahead, Malaysia's gross domestic product growth is tipped to remain above 5% in 2018. Malaysia is also experiencing consistently low unemployment rates and an increasing working-age population, signalling the potential for a sustained healthy growth of the property market. The large gap between the number of employees vs housing stock further suggest a sizeable underlying need for housing in Malaysia.

EMPLOYMENT VS HOUSING STOCK GAP



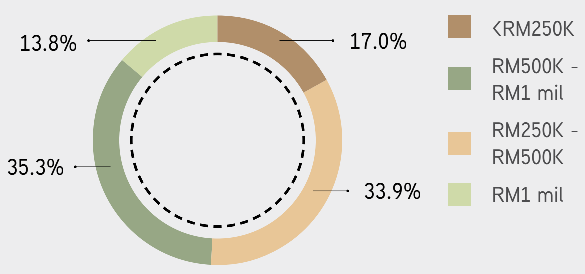
Sources: Department of Statistics, Malaysia; National Property Information Centre

NO. OF EMPLOYEES PER HOUSING STOCK



Sources: Department of Statistics, Malaysia; National Property Information Centre

UNSOLD* RESIDENTIAL PROPERTIES BY PRICE CATEGORIES



Note: *Includes overhang and unsold properties under construction, as well as small office/home office and serviced apartments.

Source: National Property Information Centre

Despite the promising long-term outlook for the residential property market, supply-demand imbalances have increased in 2017 with total unsold residential properties at its highest in 10 years. Based on data compiled by the National Property Information Centre, approximately 50% of unsold stock is priced below RM500,000, widely considered to be in the affordable range. Among the reasons cited for the low take-up rates are unattractive locations of some affordable housing projects due to factors such as distance from work places and low transport connectivity. 61% of total unsold units were high-rise apartments – this may reflect households' continued preference for landed over high-rise properties. In addition, the target market for affordable homes may comprise many non-creditworthy applicants, resulting in inability or delays in securing loans – this in turn will adversely impact the allocation and take-up rates of such properties.

At EcoWorld, our ability to outperform the market consistently over the last four years, lies in the differentiation of our product and service quality, which have enabled us to deliver the value creation promised to our customers. We work hard to enhance the accessibility of our developments with interchanges and connections to major highways constructed upfront, in some cases even before first handovers take place. Our commercial offerings in the vicinity are customised to provide conveniences and amenities that suit the needs of specific communities.

To help young and growing families that move into our townships, we have reached out to local and international schools to bring them closer to home. In addition, we invest substantially in building recreational facilities for residents and visitors, such as sports complexes, parks and club houses to enable them to live healthy urban lifestyles. In short, we are committed to enhancing the value of our developments for the benefit of not just our customers but also for the local communities and other stakeholders.

Challenges and Opportunities of the 4th Industrial Age

The Age of the Customer is upon us. More than ever, we acknowledge the need to interact with our customers using tools of the new digital age to effectively connect with an increasingly internet-savvy and empowered generation. We have a formed a dedicated team known as EcoWorld X to look into the current and future needs of our customers to produce solutions aimed at building smart communities.

As more people move into their new EcoWorld properties, we aim to deepen our understanding of our customers' lifestyle preferences. This will enable us to design and build better homes and business premises as well as provide more conveniences via digital platforms to enhance the overall liveability and commercial appeal of our developments.

Our EcoWorld Labs Series, an innovative retro-modern concept of retail targeting working professionals, young families as well as new start-ups, is one of the first fruits of our efforts to offer a carefully curated and customisable space to jumpstart commercial activity in our developments. The first Labs targeted to be launched in 2018 are Ardence Labs at Eco Ardence and Grandeur Labs at Eco Grandeur in the Klang Valley along with Spring Labs at Eco Spring in Iskandar Malaysia.

Our People, Our Strength

Keeping our team of approximately 1,300 people engaged is the key to EcoWorld's growth. While experienced talent is important for the advancement of our organisation, it is the energy and drive of our young team that keep the EcoWorld wheels in motion. With 70% of our staff from Gen-Y and below, we recognise the importance of grooming our young to lead, providing them with meaningful work opportunities and developing them to their maximum potential.

Our Group Talent Management constantly engages management to cater to the needs and concerns of staff as well as to improve camaraderie and reinforce a sense of unity among employees across all levels. Our endeavours to bridge the gap between our business needs and the needs of our employees have enabled corporate and personal goals to be aligned to arrive at a shared vision of a sustainable future.

Outlook for 2018

Whilst we recognise that property market challenges will continue to persist, we enter 2018 with optimism, thanks to the strong foundation for growth established over the last several years.

The upcoming year will see more of our projects achieve their first handovers, namely Eco Sanctuary in the Klang Valley, EBP III in Iskandar Malaysia and Eco Meadows in Penang – in total, EcoWorld Malaysia expects to deliver close to 5,000 units across all three regions in 2018. We also look forward to income contribution from EcoWorld International which is expected to commence in 2018 with two blocks at London City Island Phase 2 and one block at Embassy Gardens Phase 2 to be handed over.

For FY2018 we have set a sales target of RM3.5 billion to be achieved by our Malaysian projects. Along with the high level of unbilled sales as at 31 October 2017 of RM6.4 billion attributable to the Group, this provides good future earnings visibility and sets us on a steady growth path going forward.

Accordingly, EcoWorld Malaysia is targeting to be in a position to commence payment of dividends to our shareholders by FY2019, once the majority of our current projects have entered the growth and matured phases of the development life cycle.

BUSINESS REVIEW BY PROJECTS

EcoWorld Malaysia's RM4 billion sales is mainly attributable to its eight projects in the Greater Klang Valley which contributed approximately RM3 billion with the remaining RM1 billion coming from seven projects in the Southern Region and three projects in the Northern Region.

ECO CENTRAL

ECO SKY | **DATE LAUNCHED: DECEMBER 2013**

The 9.6-acre Eco Sky in Taman Wahyu, off Jalan Ipoh in Kuala Lumpur is EcoWorld Malaysia's maiden project in the Klang Valley. This ground-breaking project, which comprises three residential towers, 35 retail and office lots as well as a commercial pod, represents EcoWorld Malaysia's commitment to sustainable development and redefines city living with its concept of "360˚ Living".

Eco Sky had in December 2016, handed over keys to 144 retail and commercial units and in January 2017, the Group unveiled the EcoWorld BizHub to offer better service to owners and help activate the commercial zone. Thereafter the EcoWorld Residence Club worked closely with owners to identify suitable tenants for the properties and to-date this new development has attracted over 30 tenants with many more unique brands expected to open for business in 2018.

Eco Sky also achieved a new milestone in August with the topping out ceremony of its first residential tower, Aurora. The 39-storey Aurora will be the first residential tower to be handed over followed by the second 39-storey tower Basalta. Meanwhile, the third and final tower, Clarita which was launched in August 2014, is expected to reach the top at 41 storeys in 2018.

Since its launch in December 2013, Eco Sky has recorded cumulative sales of RM729.7 million.

BREAKDOWN OF SALES ACHIEVED IN FY2014 - FY2017

Total Sales Value (RM'000)
729,654

2017 — **27,853**
2014 - 2016 — 701,801

Total Units Sold
889

2017 — **26**
2014 - 2016 — 863

ECO CENTRAL

ECO MAJESTIC | **DATE LAUNCHED: MAY 2014**

Spanning 1,073.1 acres of prime freehold land at the heart of fast-growing Semenyih, Selangor, Eco Majestic is EcoWorld Malaysia's flagship eco township in the Klang Valley. Inspired by our country's rich heritage, homes within the development combine the grace and beauty of colonial straits-era architecture with over 100 acres of green and open space along with a sizeable 150-acre commercial precinct called Eco Majestic City.

In 2016, accessibility to the township was greatly enhanced with the official opening of the dedicated and elevated LEKAS-Eco Majestic Interchange (Exit 2102A) which acts as a third major entry and exit point for the development.

2017 was an especially busy and fruitful year for Eco Majestic with the township welcoming its first residents in May following the handover of its first landed home series – the Cradleton precinct, which comprises 612 units of 2-storey terraced homes. Thereafter in June, the Tenderfields precinct consisting of 588 cluster and semi-detached homes was also successfully handed over.

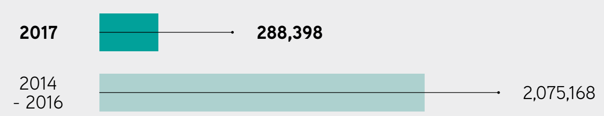
On the sales front, The Whitten 2-storey shop offices in Eco Majestic City was launched in September 2017 as part of the EcoWorld DNA Campaign.

Cumulative sales for Eco Majestic since its launch in 2014 amounts to RM2.36 billion with 4,070 units sold.

BREAKDOWN OF SALES ACHIEVED IN FY2014 - FY2017

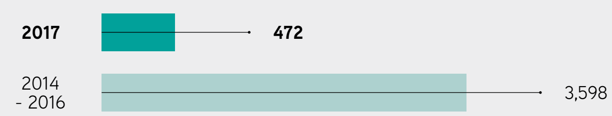
Total Sales Value (RM'000)

2,363,566



Total Units Sold

4,070



ECO CENTRAL

ECO SANCTUARY — **DATE LAUNCHED: JUNE 2015**

EcoWorld Malaysia's first high-end luxury township in Selangor was launched in June 2015. Capitalising on the mature Kota Kemuning population catchment, Eco Sanctuary features contemporary homes designed to appeal to upgraders. The township enjoys great accessibility via the South Klang Valley Expressway, KESAS Highway, LKSA Highway, Elite Highway and in the near future, the West Coast Expressway.

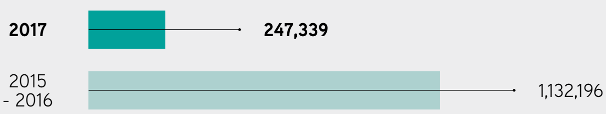
For the year under review, Eco Sanctuary unveiled an all new show village featuring four show units, two bungalows and two semi-dees to showcase its most recent offering – Grandezza which is the final landed, gated and guarded precinct for the project. This luxurious precinct includes resort-style facilities such as a 22,000 sq ft private clubhouse within two acres of lush greenery for the exclusive enjoyment of its residents.

In 2018, Eco Sanctuary will be welcoming its first residents with the expected completion and handover of the Monterey and Terraza collections, which comprises bungalows, semi-dees and terraced villas.

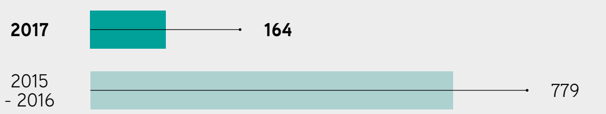
For the financial year under review, Eco Sanctuary sold 164 units with a sales value of RM247.3 million.

BREAKDOWN OF SALES ACHIEVED IN FY2015 - FY2017

Total Sales Value (RM'000)
1,379,535



Total Units Sold
943



ECO CENTRAL

ECO GRANDEUR | **DATE LAUNCHED: SEPTEMBER 2016**

Eco Grandeur, a 1,400-acre mass residential township situated within the North-Western Klang Valley emerging corridor is designed with first-time homeowners and young families in mind. The project is strategically located near the rapidly-growing areas of Sungai Buloh and Kota Damansara with easy access to Kuala Lumpur City Centre and the rest of the Klang Valley via a good and improving network of major roads and highways. This development is EcoWorld Malaysia's largest township to date and it is jointly developed with the EPF.

Following the highly successful launch of its first phase in September 2016, Eco Grandeur unveiled its show village in March 2017. The show village features 12 units of Graham Garden terraced homes and the Avenham Garden homes. In line with the Group's commitment to expedite value creation, efforts to improve accessibility to the township have also commenced with the upgrading of the main access road of Persiaran Mokhtar Dahari.

In April, a Memorandum of Understanding with Brainy Bunch International Islamic Montessori **("Brainy Bunch")** was signed with a view towards having Brainy Bunch eventually develop and operate a montessori and international school within the township.

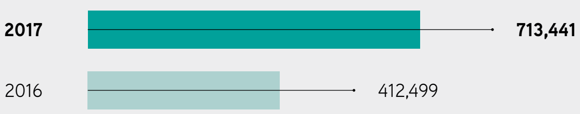
July saw the opening of Grandeur Labs' first tenant, INK Library Café – featuring a well-stocked library, café cum coffee bar and ample space for community activities. Grandeur Labs is part of the 200-acre Eco Grandeur City, the township's commercial component. Eco Grandeur will also be the first EcoWorld project to kick start the Group's venture with o-Bike Malaysia Sdn Bhd, a company providing station-less smart bike-sharing systems.

Total sales recorded for FY2017 stood at RM713.4 million with 1,105 units sold.

BREAKDOWN OF SALES ACHIEVED IN FY2016 - FY2017

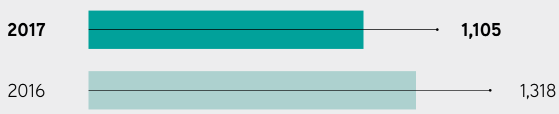
Total Sales Value (RM'000)

1,125,940



Total Units Sold

2,423



ECO CENTRAL

ECO ARDENCE — **DATE LAUNCHED: SEPTEMBER 2016**

The 533.9-acre freehold Eco Ardence is an exciting joint-venture between EcoWorld Malaysia and Cascara Sdn Bhd to develop an eco-township inspired by modern tropical design elements with a GDV of RM8.6 billion.

During the year under review, Eco Ardence introduced its first commercial precinct – Ardence Crest in May. Comprising 160 lifestyle shop offices, Ardence Crest received a solid take-up within its launch weekend.

September proved to be a busy month for Eco Ardence when its pop-up lifestyle hub – Ardence Labs unveiled 18 of its tenants. These include anchor tenant Jaya Grocer, a pet hotel – Cocomomo Pets Hotel, a football academy – Ardence Arena, an education and enrichment centre – Plant Cartridge, as well as F&B outlets such as Tealive, Llao-Llao, Hinata Café, Aroi Mak, Laughing Monkey, Bamboo Biryani and Chaiwalla & Co to name a few. Phase One of Ardence Labs is slated to open for business in Q1 2018.

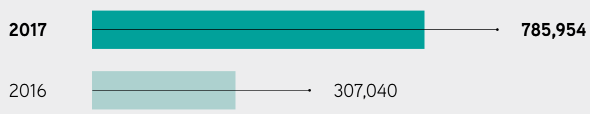
In September, Eco Ardence launched its eagerly awaited second phase as part of the EcoWorld DNA Campaign. Known as Dremien, this latest launch which offers a fresh new iteration of the Group's elegantly designed garden homes, semi-dees and bungalows was very well received by purchasers.

This enabled Eco Ardence to record total sales of RM786.0 million in FY2017.

BREAKDOWN OF SALES ACHIEVED IN FY2016 - FY2017

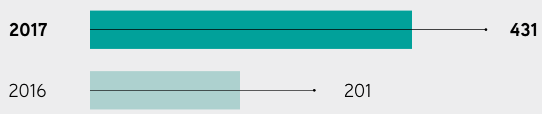
Total Sales Value (RM'000)

1,092,994



Total Units Sold

632



ECO CENTRAL

BUKIT BINTANG CITY CENTRE | **DATE LAUNCHED: OCTOBER 2016**

BBCC, which is undertaken by the consortium of UDA Holdings Berhad, EcoWorld Malaysia and the EPF sits on 19.4 acres of prime land at the heart of Kuala Lumpur's shopping and tourism district. The project's total GDV is estimated at RM8.8 billion and the entire project is slated to be developed over a period of eight to 10 years.

The year kicked off with a bang for BBCC with the signing of an Agreement to Lease with Zepp Hall in February. Zepp Hall, a subsidiary of Sony Music, Japan will operate its state-of-the-art branded concert hall at BBCC on a long-term lease. The concert hall will span over 70,000 sq ft, making it the anchor operator in the Entertainment Hub at BBCC.

In March, BBCC moved into its new 10,700 sq ft sales gallery and in June, BBCC and Mitsui Shopping Park LaLaport KL officially entered the construction stage with the ground-breaking ceremony officiated by Prime Minister of Malaysia Dato' Sri Mohd Najib Tun Haji Abdul Razak. The retail mall will be the first LaLaport branded shopping mall in Southeast Asia and is positioned to be BBCC and Mitsui Fudosan Asia's flagship project in the region scheduled to open in 2021.

BBCC also welcomed Canopy by Hilton in October following the sale of its 28-storey hotel tower block for RM289.9 million to Hass Holdings Sdn Bhd. The hotel will be managed by Hilton and branded as the first Canopy by Hilton hotel in Southeast Asia.

Since its launch, BBCC has achieved cumulative sales of RM1.29 billion.

BREAKDOWN OF SALES ACHIEVED IN FY2016 - FY2017

	Total Sales Value (RM'000)	Total Units Sold
Total	**1,288,711**	**385**
2017	**592,263**	**212**
2016	696,448	173

ECO CENTRAL

ECO FOREST | **DATE LAUNCHED: SEPTEMBER 2017**

EcoWorld Malaysia's position in the up and coming Semenyih corridor was strengthened further in FY2017 with the debut of Eco Forest as part of the EcoWorld DNA Campaign in September. This 492.7-acre freehold project builds on the success of the flagship Eco Majestic situated 5km away.

Eco Forest features classic colonial portico architecture with unique A-framed homes nestled amidst lush tropical greens. In the build-up for its debut, a beautiful sales gallery and show village was opened in September.

Inspired by the rainforests surrounding Broga Hill located nearby, this latest township truly embodies the Group's efforts to weave elements of Design, Nature and Art holistically into the built environment. From the majestic latticed entrance gateway through to individual details of each home and the landscaping of the entire project, nature and forest-themed elements have been seamlessly weaved into the design of the township which succeeded in capturing the imagination of its target customer group from around the vicinity and farther afield.

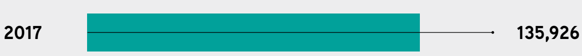
This is evidenced by the thousands who thronged the show village during the opening weekend and in the weeks that followed to view the eight show units showcasing 2-storey artisan and garden homes for the maiden launch of Ebonylane.

In FY2017, Eco Forest garnered RM135.9 million sales.

BREAKDOWN OF SALES ACHIEVED IN FY2017

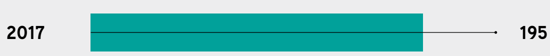
Total Sales Value (RM'000)

135,926



Total Units Sold

195



ECO SOUTH

ECO BOTANIC — **DATE LAUNCHED: SEPTEMBER 2013**

Launched in September 2013, Eco Botanic is the Group's very first township project. In the year under review, 200 units of premium 3-storey shop offices were handed over in March at Eco Boulevard, the township's lifestyle and business enclave to complement the 624 units of residential homes handed over in FY2016.

A first-of-its-kind in Iskandar Puteri, Eco Boulevard boasts an optimal retail mix with interesting shops and good selection of cuisines offering an impressive array of international and local flavours to help establish Eco Botanic as a go-to destination for leisure and entertainment. Over 50 tenants have set up shop in Eco Boulevard with the EcoWorld Residence Club assisting owners to secure more exciting outlets to come on stream in 2018.

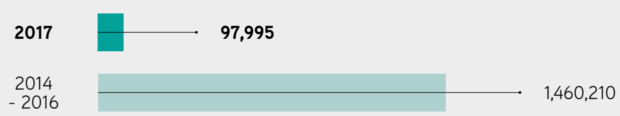
The township's vibrancy will be further enhanced with the completion of Eco Nest, the 472-unit Green Mark certified serviced apartments which is scheduled to be handed over by Q1 2018.

Since its launch, Eco Botanic has sold 1,648 units with a cumulative total sales value of RM1.56 billion.

BREAKDOWN OF SALES ACHIEVED IN FY2014 - FY2017

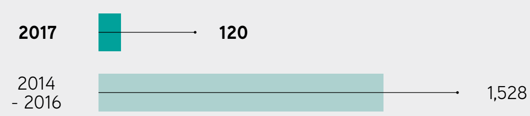
Total Sales Value (RM'000)

1,558,205



Total Units Sold

1,648



ECO SOUTH

ECO SPRING & ECO SUMMER | **DATE LAUNCHED: MAY 2014**

Located at the heart of the busy Tebrau corridor are the twin-eco townships of Eco Spring and Eco Summer. Both projects continued to perform solidly with 438 units sold in FY2017. Eco Spring offers cluster and semi-detached residences inspired by timeless Tudor architecture, whereas Eco Summer's park home series feature a unique front garden concept that connects the living hall with the garden.

The first homes in Eco Spring (460 units) and Eco Summer (459 units) were handed over to residents in May. The community also got a taste of celebrating the #AnakAnakMalaysia campaign 2017 at Eco Spring which organised a 5km walk that drew over 5,000 participants. The walk was made even more fun with interesting mini obstacles placed along the route. Residents and visitors alike were also delighted by the photo backdrops put up at the show village which featured the unique artworks of famous Malaysian cartoonist Reggie Lee, depicting Malaysia's diverse culture and lifestyle.

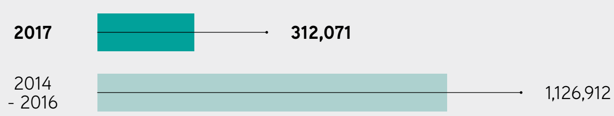
In 2018, residents can look forward to the opening of Spring Labs which is part of EcoWorld's innovative Lab Series offering customised retail & office spaces for new-to-market brands and start-ups – this will further boost commercial activity within the matured Tebrau corridor.

Total sales recorded by the twin townships for FY2017 stood at RM312.1 million.

BREAKDOWN OF SALES ACHIEVED IN FY2014 - FY2017

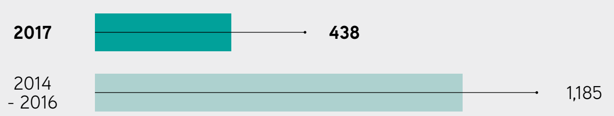
Total Sales Value (RM'000)

1,438,983



Total Units Sold

1,623



ECO SOUTH

ECO TROPICS — **DATE LAUNCHED: JUNE 2015**

Eco Tropics in Pasir Gudang is a mixed township known for homes inspired by the elegant Hamptons resort on Long Island, New York. It is also the first gated and guarded development in the area.

In January, Eco Tropics celebrated the opening of West Lake Gardens, the township's 33-acre town park, which is one of the largest in the state. The townpark is part of the Group's continuous efforts to elevate the image of Pasir Gudang as a desirable residential and business address by improving accessibility and introducing amenities and facilities. The Eco Tropics connection to the Senai-Desaru Expressway has also been approved with construction well underway. This link will tremendously improve connectivity to the township.

In April, a Memorandum of Understanding with Brainy Bunch was signed for the purchase of land in Eco Tropics to develop and operate a Montessori kindergarten.

For the year under review, Eco Tropics recorded RM111.7 million in sales.

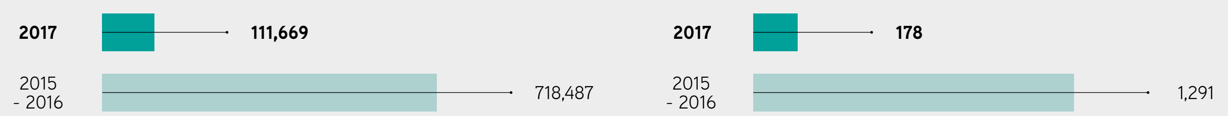
BREAKDOWN OF SALES ACHIEVED IN FY2015 - FY2017

Total Sales Value (RM'000)

830,156

Total Units Sold

1,469



ECO NORTH

ECO TERRACES | **DATE LAUNCHED: JUNE 2015**

The 12.79-acre freehold development located in Paya Terubong is EcoWorld Malaysia’s maiden project in Penang. Eco Terraces sets a new benchmark in the state for condominium living with 70% of its land area dedicated to undulating green terraces. This low-density project offers only 333 units within a 33-storey condominium block.

Since its launch, Eco Terraces has garnered RM108.7 million in cumulative sales for the Group.

BREAKDOWN OF SALES ACHIEVED IN FY2015 - FY2017

Total Sales Value (RM’000)

108,698

2017	**22,167**
2015 - 2016	86,531

Total Units Sold

100

2017	**22**
2015 - 2016	78

ECO SOUTH

ECO MEADOWS | **DATE LAUNCHED: SEPTEMBER 2015**

The freehold 76.5-acre eco township in the scenic Simpang Ampat locale in Penang is EcoWorld Malaysia's first township development in mainland Penang. Eco Meadows offers low-density fully gated and guarded strata homes with clubhouse facilities and 29 acres of commercial precinct.

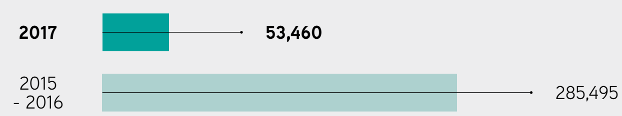
Its 4.86-acre mixed development of Eco Bloom continues to be a popular product. It comprises a single tower project with 490 residential units split into two wings and 23 units of 2-storey shop lots situated below the residential tower.

In mid-2018, Eco Meadows will be handing over its landed residential precinct consisting of terraced homes. Cumulative sales value for Eco Meadows is RM339 million with 515 units sold.

BREAKDOWN OF SALES ACHIEVED IN FY2015 - FY2017

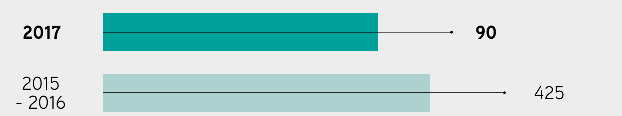
Total Sales Value (RM'000)

338,955



Total Units Sold

515



ECO NORTH

ECO HORIZON | **DATE LAUNCHED: SEPTEMBER 2017**

EcoWorld Malaysia's first joint-venture with the EPF in the Northern Region, the 300-acre Eco Horizon is strategically situated just off the primary interchange linking the Second Penang Bridge to the North-South Highway. The site is located right opposite the new IKEA flagship store in Batu Kawan and is within walking distance to the Penang Design Village. Other prominent landmarks within its vicinity include the Batu Kawan Stadium, Batu Kawan Industrial Park and several well-known educational institutions.

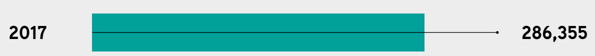
During the year under review, Eco Horizon opened its sales gallery and show village with six well-appointed show units showcasing variations of the Colonial Portico inspired 2-storey homes from its maiden launch during the EcoWorld DNA Campaign.

Eco Horizon's first phase called Ashton is a gated and guarded landed residential parcel comprising 2-storey terraced, super-link and garden homes. Following an encouraging response during its launch, Eco Horizon recorded total sales of RM286.4 million for FY2017.

BREAKDOWN OF SALES ACHIEVED IN FY2017

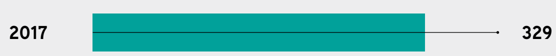
Total Sales Value (RM'000)

286,355



Total Units Sold

329



ECO BUSINESS PARK

ECO BUSINESS PARK I, II, III & V

The successful EBP series continues to perform well for the Group. Earlier launches of EBP I (May 2014), EBP II (September 2016) and EBP III (June 2015) have been warmly received by industrialists, business owners and the small and medium enterprises community due to the good location and accessibility of the projects as well as the innovative flexi-space concept developed by the Group.

All the EBPs boast innovative and highly functional designs that offer EcoWord's one-stop industrial solutions that not only ensures a hassle-free purchase but long-term business sustainability. In addition to that, maintenance and leasing services are also provided to help kickstart businesses.

To date, EBP I in Tebrau has handed over a total of 312 units of cluster and semi-detached factories. Over 150 units have been occupied by a range of businesses with many choosing to house their manufacturing and warehousing facilities, showrooms and offices there.

In Senai, EBP II saw a good take-up during its maiden launch in September 2016 and is scheduled for Phase 1 completion in 2019.

EBP III in Pasir Gudang is scheduled for Phase 1 completion and handing over in 2018, in tandem with the opening of the 5-acre Tesco hypermarket, which will bring about greater convenience to the neighbouring Eco Tropics and the surrounding communities.

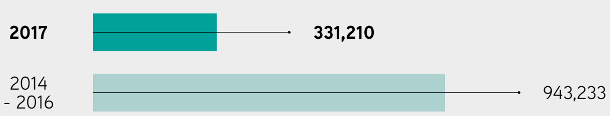
EBP V, the 518.6-acre industrial hub located next to Eco Grandeur was launched during the EcoWorld DNA Campaign in September. This project introduces the concept of gated and guarded green industrial parks to the Klang Valley and emulates the success of the Group's EBP located in Iskandar Malaysia.

For the year under review, the four EBP sold a total of 177 units with a combined sales value of RM331.2 million.

BREAKDOWN OF SALES ACHIEVED IN FY2014 - FY2017

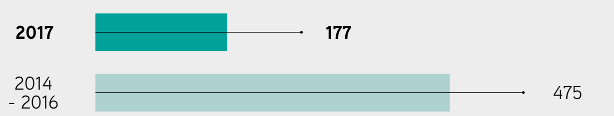
Total Sales Value (RM'000)

1,274,443



Total Units Sold

652



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

OUR SUSTAINABILITY STATEMENT

In line with the amendments to the Main Market Listing Requirements on sustainability reporting, issued by Bursa Malaysia in October 2015, EcoWorld Malaysia is proud to present our inaugural Sustainability Statement. The statement covers the activities carried out during the period 1 November 2016 to 31 October 2017 unless specified otherwise.

The boundary of this statement includes the Group's operations at its headquarters in Setia Alam, Selangor and its development projects and sales galleries throughout Malaysia, namely, Eco Central, Eco South and Eco North in the Klang Valley, Iskandar Malaysia and Penang respectively. Eco Central includes projects such as Eco Ardence, Eco Grandeur, Eco Sanctuary, Eco Majestic, Eco Sky, Eco Forest, EBP V and BBCC. Eco South includes Eco Botanic, Eco Spring & Eco Summer, Eco Tropics and EBP I, II and III. Eco North comprises Eco Terraces, Eco Meadows, Eco Horizon, Eco Sun and Eco Macalister.

Throughout this statement which has been prepared in accordance with the G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative, we have provided insights on the strategies and initiatives that we have undertaken to integrate sustainability across our operations. We at EcoWorld Malaysia are committed to developing high quality mixed-use developments in growing markets and our push for excellence is guided by the need to strike a balance between our business objectives and the sustainability of our community and environment.

OUR SUSTAINABILITY VISION AND MISSION

Building A Sustainable Value Chain

EcoWorld Malaysia's vision and mission (on Page 2), on which the Group has built its business ethos, work towards creating opportunities to further sustainability throughout our value chain.

In September 2015, the United Nation's **("UN")** 17 Sustainable Development Goals **("SDGs")** were unveiled and affirmed by 193 member states including Malaysia. The 17 SDGs, as listed below and illustrated in Figure 1, lay the foundation for the achievement of the targets presented in the 2030 Agenda for Sustainable Development.

FIGURE 1: AN ILLUSTRATION OF THE 17 SDGs

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

As a leading property developer with a DNA for sustainable development, EcoWorld Malaysia supports the aspirations of the UN and the Government of Malaysia and has endeavoured to embed the SDGs into the Group's business practices.

This report demonstrates EcoWorld Malaysia's sustainability journey for the reporting period which focuses on six SDGs, namely, Sustainable Cities and Communities (SDG 11); Decent Work and Economic Growth (SDG8); Industry, Innovation and Infrastructure (SDG9); Gender Equality (SDG5); Good Health and Well-Being (SDG3); and Quality Education (SDG4) (refer Figure 2).

FIGURE 2: ECOWORLD MALAYSIA'S 6 FOCUS AREAS

Our business practices, policies and developments are built on a robust framework that is aligned to these six SDGs; where we invest in developing our surrounding communities and providing opportunities for quality education and well-being.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Building Governance to Champion Sustainability

EcoWorld Malaysia's sustainability leadership is led by our Board of Directors **("Board")** that oversees the integration of sustainability initiatives across the Company.

EcoWorld Malaysia's Green Council was formed in 2015 to provide direction towards the company's sustainability goals with a focus on the environment. The Council established the Green Realisation Plan as the blueprint to embed initiatives that are in harmony with the environment.

Currently, the General Manager of Group Quality Management is the Chairman of the Green Council and EcoWorld Malaysia's Chief Operating Officer **("COO")** is the Advisor. The remaining members of the Council are made up of Divisional General Managers and General Managers of every Property Business Unit **("BU")** within EcoWorld Malaysia. Group Branding, Group Corporate Services, Group Contracts and Group Landscape are also represented in the Green Council. However, in view that participation of the different divisions within EcoWorld Malaysia as well as the Board is crucial to embrace the vision of sustainability in its entirety, EcoWorld Malaysia will transition from the Green Council to a wider sustainability governance structure (as shown in Figure 3).

Positioned at the highest level, our Board will provide direction on our Group's sustainability strategy and oversee the integration of sustainability initiatives across the Group.

The Sustainability Committee, chaired by our Chief Executive Officer **("CEO")** comprises senior management from key BUs or support units across the organisation and is responsible for the formulation of sustainability policies and overseeing the implementation of sustainability-related strategies and initiatives. The Sustainability Committee will report our plans and progress to the Board on a half-yearly basis. Relevant proposals on our Group's sustainability strategy will also be tabled for our Board's review and approval.

The Sustainability Committee will be assisted by the Economic Council, Green Council and Social Council which comprise representatives from the relevant departments. The respective councils will develop and implement action plans. They will report to the Sustainability Committee on a quarterly basis.

SUSTAINABILITY GOVERNANCE STRUCTURE

FIGURE 3: ECOWORLD MALAYSIA SUSTAINABILITY COMMITTEE STRUCTURE

AT ECOWORLD MALAYSIA, WE PLACE OUR CUSTOMERS AND THEIR INTERESTS AT THE HEART OF OUR BUSINESS AND IN BUILDING OUR SUSTAINABILITY STRATEGY ON THE THREE PILLARS OF PROTECTING AND PRESERVING THE ENVIRONMENT BY INCORPORATING ELEMENTS OF GREEN DESIGN AND INNOVATION IN OUR DEVELOPMENT PROJECTS; ENSURING A SAFE WORKPLACE FOR OUR EMPLOYEES AND CONTRIBUTING TO THE WELL-BEING OF THE COMMUNITY AROUND US

OUR SUSTAINABILITY STRATEGY

Building A Comprehensive Approach Towards Sustainability

As one of the leading players in the real estate sector, we aim to deliver financial value and societal benefits by balancing the commercial objectives with the environment and social needs of our stakeholders, underpinned by solid governance and ethical business practices.

Building the ethos of sustainability in our organisation is motivated by our internal and external drivers. Internal drivers include employee attraction and retention, business practice ethics and responsibility, operational efficiency, cost savings and leadership; external drivers are legal and regulatory compliance, managing risks to our reputation, achieving competitive advantage, market positioning, and long-term profitability. These drivers motivate EcoWorld Malaysia towards preparing the organisation for future challenges and mitigating negative impacts brought on by its operations.

In gearing up towards a stronger and more comprehensive sustainability approach, we have developed an overarching sustainability commitment statement.

ENGAGING OUR STAKEHOLDERS

Building Meaningful Relationships

At EcoWorld Malaysia, engaging with our stakeholders is a priority. By understanding their expectations and responding to their concerns, we aim to strengthen our stakeholders' confidence in us. Stakeholder engagement is also integral to how we assess most material issues we encounter in our businesses. Over the years, we have forged strong relationships with different stakeholders through various communication platforms such as meetings, interviews, forums and other channels (Table 1).

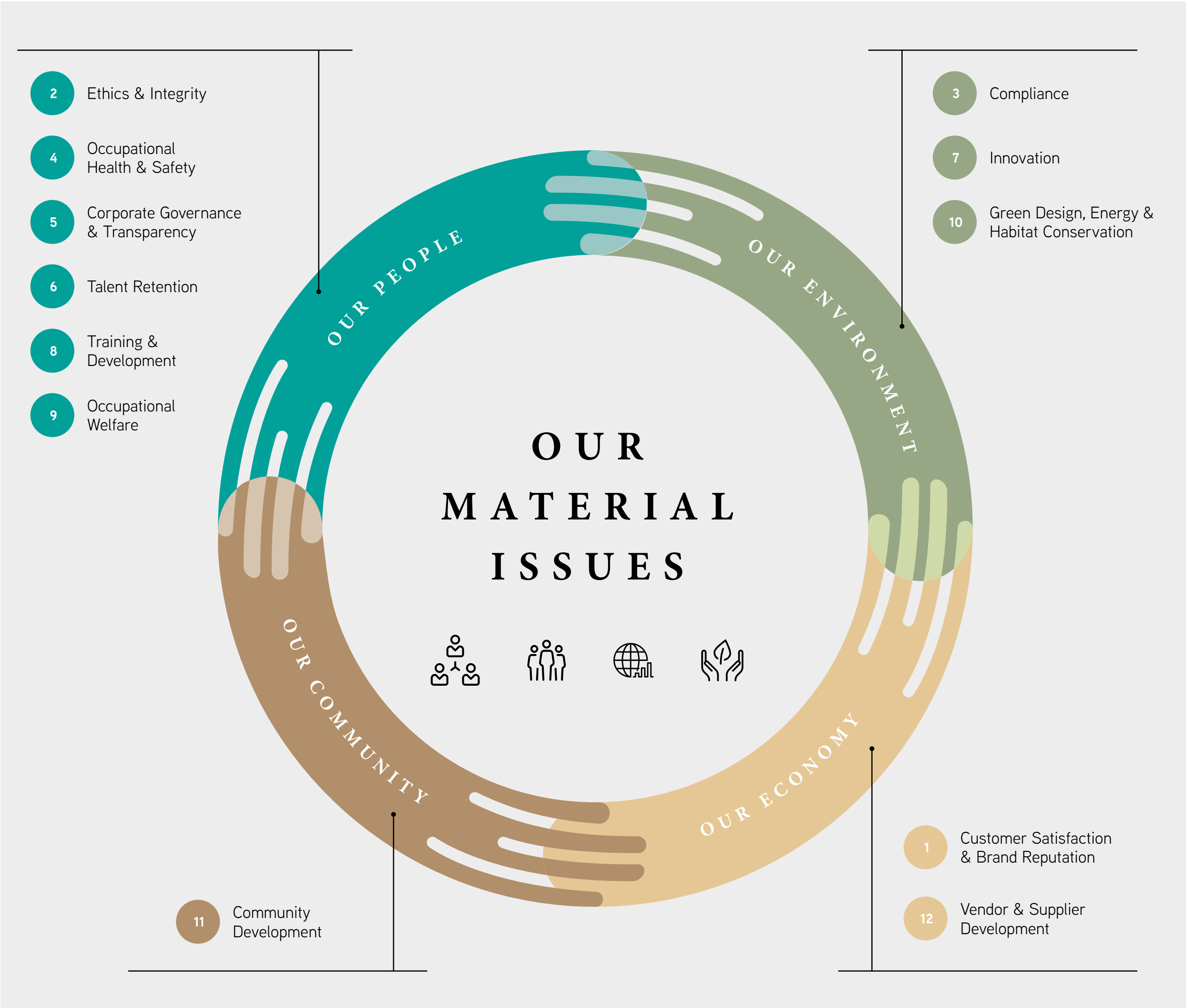
TABLE 1: STAKEHOLDER GROUPS, METHODS OF ENGAGEMENT AND STAKEHOLDER CONCERNS

Stakeholders	Issues of Concern	Material Sustainability Matters	Methods of Engagement
Employees (Critical)	• Corporate direction and growth plans • Job security • Remuneration and benefits • Career development and training opportunities • Workplace health and safety • Labour and human rights • Work-life balance • Employee volunteerism	• Employee Welfare • Training & Development • Occupational Health & Safety • Talent Retention • Ethics & Integrity	• Annual Salary Benchmark Survey • People Pulse Heartbeat • Internal Service Survey • Leadership, soft skills, technical and non-technical training programmes • Pink Possible Initiatives • Chairman 360° • CEO Town hall Meeting
Investors (Critical)	• Acquisitions and expansion • Growth trajectory • Market diversification • Risk management • Corporate governance • EES indicators • Climate change and carbon pricing strategies • Sustainability performance and tracking • Reporting standards	• Ethics & Integrity • Corporate Governance and Transparency • Green Design, Energy & Habitat Conservation	• Annual general meeting • Quarterly results announcement • Press conferences • Targeted briefings • Meetings
Customers (Critical)	• Pricing • Quality and workmanship • Energy conservation • Design and features • Product safety • Defects rectification • Customer service and experience • Resource efficiency and utility savings • Service quality	• Customer Satisfaction & Brand Reputation • Green Design, Energy & Habitat Conservation • Innovation	• Customer Satisfaction Survey • Green & Sustainability Survey
Regulators (High)	• Compliance • Security issues • Waste management • Public nuisance issues • Labour practices	• Legal Compliance	• Compliance with regulatory requirements • Site inspections
Vendors / Suppliers (High)	• Legal compliance • Payment schedule • Pricing of services • Product quality and inventory/ supply commitment	• Legal Compliance • Vendor & Supplier Development	• Contract negotiation • Supplier audit and evaluation • Vendor registration
Media (Moderate)	• Reputation of company • Advocating green consumerism and lifestyles	• Green Design, Energy & Habitat Conservation • Community Development • Innovation	• Ongoing engagement sessions • Press releases
NGOs (Moderate)	• Environment and Social issues in relation to business operations	• Green Design, Energy & Habitat Conservation • Community Development	• Donations and Financial Aid • Contribution to environmental and social enhancement • Sustainability related programmes

OUR MATERIAL SUSTAINABILITY MATTERS

Building Our Priority of Material Sustainability Matters

Material sustainability matters are EES risks and opportunities that affect our stakeholders and our business. EcoWorld Malaysia identified the key material sustainable matters by taking internal and external stakeholder's expectations into consideration.



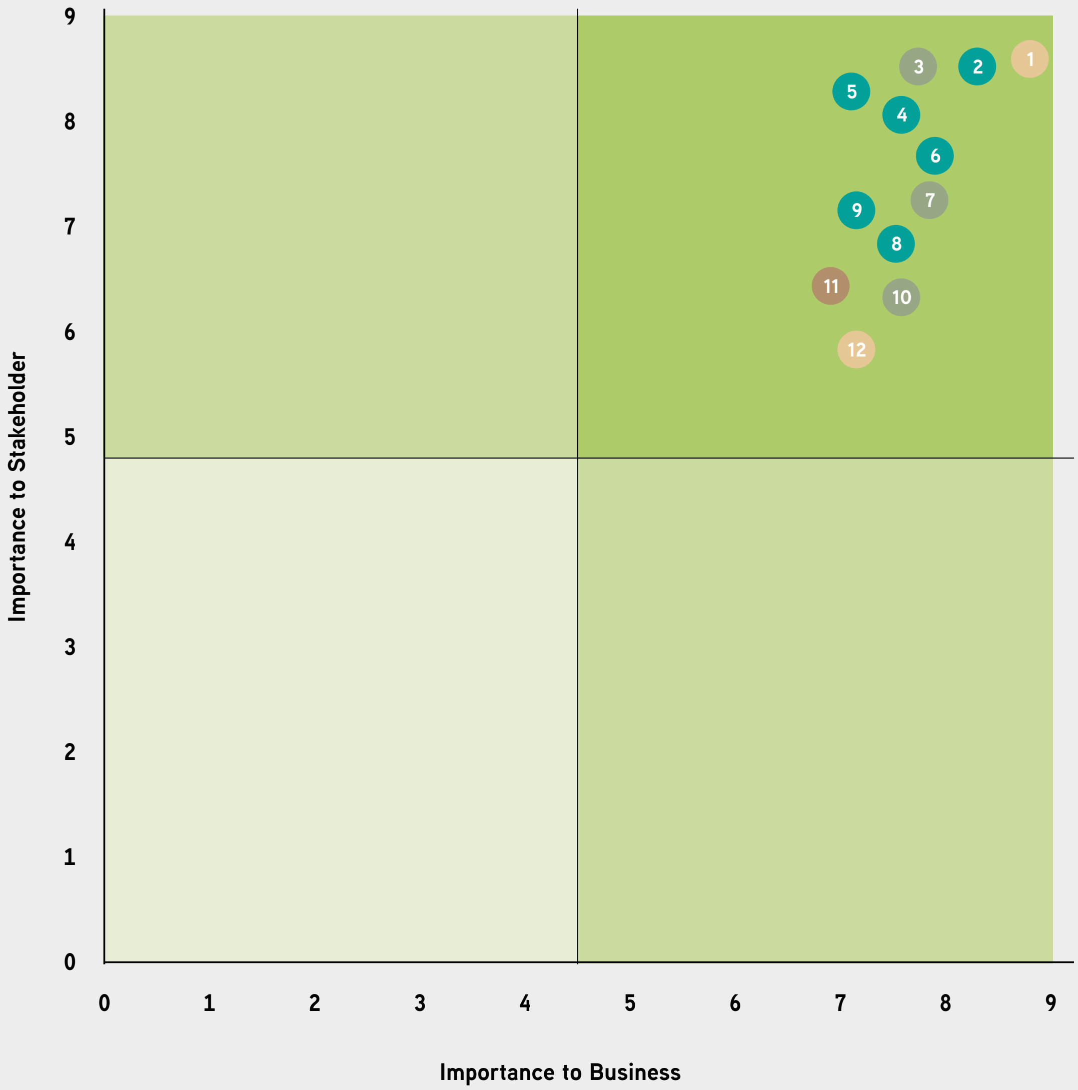
As part of our effort to build capacity on sustainability, we conducted a joint training and workshop for our middle, senior and top management from EcoWorld Malaysia's corporate headquarters and all BUs in Malaysia. The workshop served to increase their knowledge on sustainability issues pertinent to the property sector and how these issues will need to be addressed. The outcome of the workshop was a list of our sustainability material matters as presented in Table 2.

TABLE 2: KEY MATERIAL ISSUES AND INDICATORS FOR ECOWORLD MALAYSIA

Sustainability Material Matters	Key Indicators	Relevant SDGs
Customer satisfaction and brand reputation	• Customer Satisfaction Survey • Green & Sustainability Survey	8 DECENT WORK AND ECONOMIC GROWTH
Ethics and integrity	• Whistleblowing Policy • Code of Conduct and Business Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Compliance	• ISO 9001 • ISO 14001 • Compliance to legislation on welfare and rights of employees • Green Building Index **("GBI")** • Leadership in Energy and Environmental Design **("LEED")** • Singapore BCA Green Mark	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Occupational Health & Safety	• Compliance to OSHA 1996 • Lost-Time Injury **("LTI")**, Lost-Time Accident **("LTA")**	8 DECENT WORK AND ECONOMIC GROWTH 3 GOOD HEALTH AND WELL-BEING
Corporate Governance and Transparency	• Whistleblowing Policy	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Talent Retention	• Employee benefits	8 DECENT WORK AND ECONOMIC GROWTH
Innovation	• Improvement Ideas Programme and Campaign • Digital EcoWorld gallery • Installing compost bins • Bike sharing	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Training and Development	• Training Need Analysis • Eco World Talent Mobility Programme • Eco World Leadership Development Programme **("EWLDP")** • Talent development and employee skill enhancement training	8 DECENT WORK AND ECONOMIC GROWTH
Occupational Welfare	• Equal pay regardless of gender • Employee diversity • Health and well-being programmes • Virgin Pulse Global Challenge	8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY
Green Design, Energy & Habitat Conservation	• GBI certified • LEED certified • Singapore BCA Green Mark • Energy Conservation Initiatives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Community Development	• EWF • Donations and financial aid • Corporate social responsibility activities contributing to environmental and social development	4 QUALITY EDUCATION 3 GOOD HEALTH AND WELL-BEING
Vendor & Supplier Development	• Ethics and integrity of supplier • Procurement from local supplier	8 DECENT WORK AND ECONOMIC GROWTH

These material matters were then deliberated and prioritised using the weighted ranking method by the working group with contribution from EcoWorld Malaysia's Board of Directors. The final outcome, approved by management, was used to develop the materiality matrix illustrated in Figure 4.

FIGURE 4: MATERIALITY MATRIX FOR ECOWORLD MALAYSIA



1	Customer satisfaction and brand reputation	5	Corporate governance and transparency	9	Occupational Welfare
2	Ethics and integrity	6	Talent Retention	10	Green Design, Energy & Habitat Conservation
3	Compliance	7	Innovation	11	Community Development
4	Occupational Health & Safety	8	Training and Development	12	Vendor & Supplier Development

Building Our Economy

Building opportunities for our people, our leaders and the local economy

IN 2017, WE CONTINUED TO GENERATE ECONOMIC WEALTH FOR OUR SHAREHOLDERS. OUR STRONG ECONOMIC PERFORMANCE AS EVIDENCED IN THE FINANCIAL HIGHLIGHTS PRESENTED IN OUR 2017 ANNUAL REPORT, HAS CONTRIBUTED TO DIRECT AND INDIRECT ECONOMIC GAINS TO OUR INTERNAL AND EXTERNAL STAKEHOLDERS.

Ethical Business Conduct

EcoWorld Malaysia conducts its business based on the principles of fairness, honesty, openness, decency, integrity and respect. EcoWorld Malaysia's Code of Conduct and Business Ethics describes the principles by which business should be executed and the conduct that is expected of our employees at the workplace. We treat everyone with respect and dignity, valuing individual and collective differences. The Code is reviewed periodically by Group Talent Management and evaluated by the Risk Management Committee for CEO's approval. It is updated as and when necessary to ensure that it remains relevant and addresses any ethical issues that may arise within the company.

Standard Entry Level Wage

At EcoWorld Malaysia, we are committed to providing a fair and equitable workplace where all individuals are treated equally in every aspect of their work, including remuneration; to attract and retain talent. EcoWorld Malaysia complies strictly to Malaysia's Minimum Wages Order 2016 to provide minimum wages to its employees regardless of gender.

Hiring of Senior Management from Local Community

All of our senior managers and leaders of our Group are hired from the local community. The leaders in our company include the CEO, Chief Financial Officer **("CFO")** and COO who are responsible for updates to the Board, the day-to-day management decisions and for implementing the Company's long and short-term plans. We have a preferential policy in place to hire our senior management from Malaysia. This is to provide opportunities for suitably qualified and experienced Malaysians in senior leadership positions to gain experience and benchmark their performance with world-class leaders. As Malaysians, they understand the needs of the local property market and the local house-buyers' sentiments taking into account the diversity of culture, values, traditions and religions that exist within the multi-racial population of Malaysia. Their excellent understanding of the regulatory requirements governing the property sector further strengthens their decision-making capabilities which is essential to compete in the property arena in Malaysia.

Engaging Our Customers

Our customers are one of our key stakeholders and to gauge if their requirements are met we undertake Customer Satisfaction Surveys twice a year.

The survey essentially assesses if customers are satisfied with our services. It also consists of the Green & Sustainability Survey to gauge whether they perceive our development to be green and sustainable.

The customer satisfaction scores and the Green & Sustainability Scores of February 2017 are displayed in Figure 5. The results of the Green & Sustainability Survey in February 2017 showed that 89.3% of our customers agreed with the statement 'EcoWorld builds green and sustainable developments', which is a testament to the efforts that EcoWorld Malaysia has taken towards our Green Realisation Plan.

FIGURE 5: CUSTOMER SATISFACTION SCORES (FEBRUARY 2017)

Procurement Practice

Although there are no formalised procurement policies for the preferential selection of local suppliers, it is our practice to procure from local suppliers to support the local community while meeting EcoWorld Malaysia's business needs which includes lowering operating costs and reducing our carbon footprint. Our preferred suppliers are those who are ethical and committed to sustainable development, and have an established track record on Health, Safety & Environmental competence.

Building Environmental Sustainability

Building energy and water efficiency, biodiversity and sustainable living environments

THE UN ENVIRONMENT PROGRAMME SUSTAINABLE BUILDINGS & CLIMATE INITIATIVE ESTIMATES THAT THE BUILT ENVIRONMENT IS RESPONSIBLE FOR 30% OF RAW MATERIAL USE AND 25% OF WATER USE GLOBALLY.

At EcoWorld Malaysia, we have introduced and incorporated design elements within our properties to reduce water consumption and conserve electricity; reducing our raw material consumption by reusing building materials as much as possible; preserving selected species of flora; and undertaking reforestation and transplanting projects.

Managing Environmental Risks

In working towards mitigating climate change and to build and strengthen Malaysia's resilience against this environmental phenomenon, stringent regulations will be introduced with increased expectations from stakeholders.

EcoWorld Malaysia is positioned to face these challenges. We are ISO 14001-certified and recognise the importance of innovation in managing our environmental footprint. This is evident in our projects where green features have been incorporated in the design and infrastructure.

Compliance

Complying with standards is crucial in ensuring that all necessary processes and systems are in place in running our day-to-day operations and in creating quality developments.

Our tender process with contractors clearly states the need for compliance to Malaysia's environmental protection, safety-at-work and immigration legislations. The regulations that we comply with, in reducing our EES impacts are listed:

Compliance
Environmental Quality Act 1974 (and its Amendments)
Environmental Quality (Scheduled Wastes) Regulations 2005
Environmental Quality (Industrial Effluent) Regulations 2009
Environmental Quality (Sewage) Regulations 2009
Environmental Quality (Clean Air) Regulations 2014
Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015
Protection of Wildlife Act 1972 (Act 1976)
Land Conservation Act 1960
Street, Drainage and Building Act, 1974
Water Services Industry Act, 2006
Explosives Act 1957 (Revised 1978)
Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970
Factories and Machinery (Safety, Health and Welfare) Regulations 1970
Construction Industry Development Board Malaysia Act 1994
Internal Security (Registration of Labour) Regulations 1960
Occupational Safety and Health (Safety and Health Committee) Regulations 1996
Minimum Wages Order 2016
Employment Act 1955
Employees Provident Fund Act 1991

A key component of our projects is the mandatory Environmental Impact Assessment **("EIA")** to be submitted to the Department of Environment for our projects that fall within the list of Prescribed Activities under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015. An EIA is carried out during the planning stage of any development project to identify environmental threats and opportunities, covering areas such as soil erosion, water quality, biodiversity, air quality, noise, connectivity and sustainable resources. The significant findings of the EIA and their cost implications, if any, are incorporated in the investment paper submitted to the Board for approval.

As required by the Department of Environment, we have developed and implemented Environmental Management Plans and Environmental Monitoring programmes. To reduce erosion impacts as a result of land clearing activities, we have prepared Erosion Control and Sedimentation Plans for submission to the Department of Irrigation and Drainage.

Energy Conservation

Research has shown that since 1984 primary energy has grown by 49% and carbon emissions by 43%, with an average annual increase of 2% and 1.8% respectively. It is predicted this growth will continue (Pérez-Lombard, Ortiz and Pout, 2008)[1]. As high energy consumption is directly correlated to increasing greenhouse gas emissions, EcoWorld Malaysia has constantly been introducing initiatives to reduce energy consumption and generate savings on operating costs in our property developments, sales galleries and offices. We are conscious of our carbon footprint and through our efforts to reduce it we aspire to be an example to other real estate companies in Malaysia.

TABLE 3: ENERGY CONSERVATION INITIATIVES BY ECOWORLD MALAYSIA

FOCUS	INITIATIVES	LOCATION
CONSUMPTION REDUCTION	• Staff are required to turn off the lights, desktops, laptops and air-conditioners of their departments before going out for lunch • Signage placed at the pantry and toilet areas to remind the staff to switch off the lights after using them • Use of daylight and windows to reduce the need for artificial lighting • Natural ventilation to reduce air-conditioning demand	Corporate Building and sales galleries
RENEWABLE ENERGY	• Solar powered heater installed in property developments • Solar compound lighting	Eco Tropics, Eco Spring, Eco Majestic, Eco Sanctuary
ENERGY EFFICIENCY	• Installed energy efficient lighting, LED lights and lights controlled by motion sensor • Chlorofluorocarbon-free refrigerant used for air-conditioner	Corporate Building and sales galleries
CONTROL AND MONITORING	• Monitor real-time energy consumption which will help identify the locations and appliances that have higher energy consumption and check their efficiency and operating condition. Maintenance or repair works are carried out if necessary • Dimmer / occupancy sensors / daylight sensor	Corporate Building

Sustainable Design for Energy Conservation

BBCC is a visionary, state-of-the-art integrated mixed-use development designed to complement and enhance the city's cosmopolitan vibe. Strategically situated within the Golden Triangle, BBCC offers a complete cosmopolitan lifestyle that encompasses modern residential suites, hotel, retail, an entertainment hub and a transit hub. The development is currently in its construction phase and is expected to be completed in phases over the course of 8 to 10 years.

It is important to note that elements of sustainability have been embedded early in the design and planning phase. Currently, only the sales gallery is open and in operation. BBCC's sales gallery and Retail Mall & Lifestyle Street (currently under construction) are designed with skylight roofs to capture natural light. The new innovative design minimises the use of artificial lighting, thereby reducing our electricity consumption. BBCC is building green rooftops[2] that act as a good solar insulation by minimising surface exposure to the sun, thus reducing energy consumption needed to cool internal spaces. By studying and researching the wind movement using engineering software such as Computational Fluid Dynamics, the buildings are built orientated along the spine of the Lifestyle Street to create wind tunnel effects that funnel air circulation into the internal spaces thereby promoting natural ventilation. The Serviced Suites podium levels also act as a means of channelling cool air to the Lifestyle Street, thus reducing the energy consumption when implementing mechanical ventilation systems.

1 *Source: Pérez-Lombard, L., Ortiz, J. and Pout, C. (2008). A review on buildings energy consumption information. Energy and Buildings, 40(3), pp.394-398*

2 *A green rooftop is a roof of a building that is partially or completely covered with vegetation with root barrier, drainage and irrigation system*

Habitat Conservation

EcoWorld Malaysia is committed to preserving the biodiversity of our project sites as well as the surrounding environment.

We collaborate with external experts and address any distinctive ecological features of the site, taking into consideration nature reserves on or near the site, protecting plant and animal species and transplanting selected species of flora for conservation purposes.

We endeavour to reduce our development footprint in areas of high biodiversity or protected areas. Our project sites are not located within protected areas and no material biodiversity risks have been identified.

We strive to protect and restore habitats during project development whenever possible.

We aim to create a greener environment within our development as habitat conservation not only provides greenery, but maintains the natural ecosystem within the neighbourhood.

We create a sustainable environment for the residents and improve the vitality of surrounding communities by restoring greenery. Our projects are designed with a series of gardens including urban, edible and rooftop gardens.

We have been transplanting native trees within our development areas. We engaged Forest Research Institute Malaysia to conduct a survey of trees at our Eco Sanctuary project site. Out of 1,067 trees surveyed, the study identified 52 trees that could be transplanted. To date, across our various projects at EcoWorld Malaysia, we have transplanted 3,100 trees to suitable areas to create a matured boulevard or park. The highlight of our transplanting initiative was the identification of two endangered flora species of which one species *Shorea platycarpa* (Meranti Paya) was successfully replanted at Eco Sanctuary.

Eco-Living in Our Developments

We also place a strong emphasis in building a sustainable environment and promoting community living in our developments. We encourage residents to bond together at community events in activities that promote a healthy lifestyle and encourage carbon offsetting practices amongst the residents.

Eco-Living Features	Development Projects
Rain Water Harvesting Tanks	Eco Majestic, Eco Sky, Eco Botanic, Eco Spring, EBP I and BBCC
Green Amphitheatres	Eco Majestic, Eco Sanctuary, Eco South, Eco Terraces, BBCC and Eco Meadows
Edible Gardens	Eco Sanctuary, Eco Botanic, Eco Spring & Eco Summer
Urban Vegetable & Fruit Gardens	Setia Alam Corporate Office & Eco South galleries
Electric vehicle charging stations	All sales galleries
Station-less smart bike-sharing systems	Eco Grandeur

At BBCC, we have adopted elements of sustainable transportation by providing visitors to the sales gallery as well as our employees a complete connectivity framework which includes covered walkways, a transit hub with three modes of public transport, bus stops, and a dedicated bicycle route. This also encourages our staff to commute via public transportation to reduce their carbon footprint.

In conserving natural resources, EcoWorld Malaysia also consciously selects sustainable materials over non-sustainable materials whenever it is economically viable and practical. This includes the use of green-labelled concrete/cement, green-labelled roof, composite wood, and laminated timber flooring over conventional materials. Our properties employ lead-free paint with low volatile organic compound **("VOC")** content. VOCs include a variety of chemicals, some of which may have short and long-term adverse health effects.

Waste Management

Management of Construction Waste: The collection, storage and disposal of scheduled waste during construction are undertaken in accordance with the requirements of the Environmental Quality (Scheduled Waste) Regulations 2005. We monitor and track the movement of our scheduled waste from the point of generation, through transportation and finally to the licensed recycling or disposal site. Dedicated storage areas have been provided for the interim storage of these wastes pending collection by the licensed transportation contractors.

The main types of scheduled waste generated include contaminated sand/soil, spent lubricating, hydraulic and mineral oil and contaminated containers & drums. Separate waste management plans have been developed for each of these waste types.

For non-scheduled construction debris generated at our project sites, we segregate and recycle them as much as possible to reduce the cost of raw materials procurement, conserve the use of natural resources and to minimise the waste quantity to be disposed in landfills.

Management of Operational Waste: For the buildings that we occupy, waste reduction and recycling initiatives have been introduced. Centralised compost bins have been installed in Eco South, Eco North and Eco Sanctuary to collect and compost landscape waste into fertiliser. At our Corporate Building, we have installed a 30-litre food waste compost bin to convert food scraps from our pantry into garden fertiliser. The fertiliser is then used for our landscape gardening purposes and given to our staff and customers for free. Recyclable wastes are segregated at centralized recycling bins and are either donated or forwarded to responsible waste collectors during the monthly recycle collection day.

At Eco Botanic, the 200-litre food waste compost machine installed is able to effectively process food waste into organic fertiliser within 24 hours. The fertiliser is used for landscape gardening purposes within the Eco Botanic township area. The machine is able to produce 600 bags of fertiliser each week. With the market price of fertiliser estimated to be between RM6 to RM8 per kg, an estimated RM 2,880 is saved each month. Not only does this initiative save money but it reduces the quantity of food waste disposed at landfills.

OUR CONSTRUCTION WASTE RECYCLING EFFORTS

- Construction materials comprising waste concrete, reinforcement bars and metalwork are recycled for future construction use. For example, the left-over cut piles that are collected are crushed and used for road construction.
- Safety netting from other completed projects are also reused for the subsequent new projects.
- Premix from existing car parks is scraped off and reused to build temporary construction access to new sales galleries.
- Furniture & window glass from demolished pantry areas have been re-used in the new EWRC in Eco Majestic.
- Parts of the recreational area are also made from recycled material. For example, blasted boulders from the project sites are used as cladding for benches in the park and recycled materials are used to build the playgrounds.
- Shipping containers have been modified and reused into show gallery spaces, sales marquee, cabin offices, retail space & box cafés. The shipping containers can be dismantled, rearranged and reconstructed to suit the changing needs of the project.

Green Certification

GBI is a certification by the Malaysian Institute of Architects and the Association of Consulting Engineers Malaysia. GBI focuses on increasing the efficiency of resource use, namely, energy, water, and materials, while reducing building impact on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance, and removal. Under the assessment framework for BCA Green Mark Certification by Singapore, developers and design teams are encouraged to design and construct green, sustainable buildings which are more climate responsive, energy effective, resource efficient, smarter and have healthier indoor environments. Besides buildings, the assessment criteria evaluate energy efficiency, water efficiency, environment protection, indoor environmental quality and other green/innovative features of districts, parks, infrastructure and building interiors. LEED Certification by US Green Building Council **("USGBC")** and LEED-certified buildings are resource efficient. They use less water and energy and reduce greenhouse gas emissions.

Our developments at BBCC, Eco Meadows, Eco Terraces, Eco Sky and Eco Majestic have obtained the GBI Certification, while Eco Sanctuary, Eco Sky and Eco Botanic have acquired BCA Green Mark Certification. BBCC and Eco Sky have obtained the USGBC LEED Certification.

Building Our People

Building organisational strength, talent, health and well-being of employees, gender empowerment and workplace safety

WE PLACE A HIGH VALUE ON THE CONTRIBUTION OF EACH OF OUR CURRENT EMPLOYEES AND WE CONTINUOUSLY WORK TO MEET THEIR NEEDS AND CONCERNS AT THE WORKPLACE.

This includes engaging our employees so that they feel a sense of belonging to the company, motivating them to take ownership of their roles and responsibilities, respecting the need for work-life integration, and paying attention to their well-being.

Fostering a Conducive Work Environment

EcoWorld Malaysia is committed to the well-being of our people by providing a conducive environment that is free from discrimination or harassment.

Our Whistleblowing Policy strives to foster and maintain an environment where whistle-blowers (employees or members of the public) who have concerns about any suspected misconduct including fraud, bribery, theft, abuse of power, corrupt practice, violation of laws and regulations or any intentional act deliberately designed to damage EcoWorld Malaysia's reputation, can come forward and disclose these concerns in good faith without fear of punishment or unfair treatment. EcoWorld Malaysia also seeks to address any alleged or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against the whistle-blowers and to protect the whistle-blowers to the extent that is practicable.

We have a Whistleblowing Committee that handles the reports and ensures they are treated confidentially, save for disclosures on a "need to know" basis to facilitate investigations and/or to apply the appropriate actions following such investigations.

Workforce Distribution

While sourcing experienced talent is important for the advancement of our organisation, recruiting and grooming young talent to shape them in the Eco World way is our strategy of choice. At EcoWorld Malaysia, we constantly engage our management to cater to the employees' needs and concerns, as well as to improve camaraderie and reinforce a sense of unity among employees across all levels.

Figures 6 and 7 display EcoWorld Malaysia's age based distribution of employees and the employee distribution across three employment levels: Management, Executive and Non-Executive, respectively. At EcoWorld Malaysia, we look to hire young talent to build an energetic team that is passionate and creative, and equipped with new ideas and modern thinking, who can prepare the organisation for future challenges and opportunities. This trend is captured in Figure 6, which shows that the percentage of employees below the age of 30 years (41%) is nearly on par with the percentage of middle aged employees (54%), and the percentage of employees above 50 years is only 5%. Figure 7 displays the EcoWorld Malaysia structure, with 45% of its employees at Executive level, 34% at Management level and 21% at Non-Executive level.

FIGURE 6: AGE BASED EMPLOYEE DISTRIBUTION

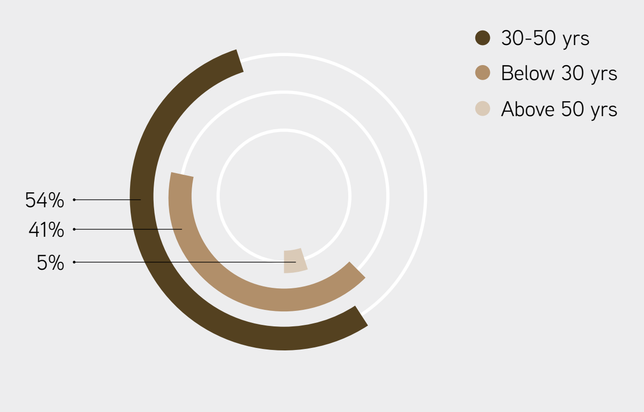
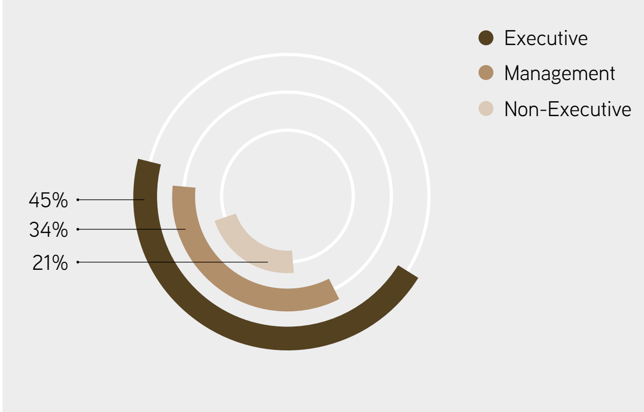


FIGURE 7: EMPLOYEE DISTRIBUTION ACROSS THREE EMPLOYMENT LEVELS



Fair Compensation

We comply with the requirements of the Employment Act 1955 and strictly prohibit child labour and forced labour. In a competitive marketplace, we offer a higher standard entry level wage than what is stipulated as the minimum national entry level wage of RM1,000 per month.

This demonstrates our contribution towards our employees' financial well-being and our commitment to attract and retain the best talents. Apart from a set of standard and compulsory benefits including base salary, bonus, medical coverage, insurance benefits and contribution to the employees' provident fund scheme under the Employees Provident Fund Act 1991, we also provide a range of financial assistance and subsidies for eligible employees. No gender-specific criteria are taken into account when assessing remuneration and work activities.

Employee Development Programmes

The environment at EcoWorld Malaysia's workplace ensures a strong sense of job satisfaction amongst its employees and provides great opportunities for employees to achieve their full potential. We practice open and honest two-way communication between supervisors and employees. Our performance review process takes place every 6 months wherein the employees initially perform a self-assessment on their performance using a set of key performance indicators based on the core and functional competencies. Then, they have a face-to-face discussion on their assessments with the Performance Manager, after which a fitting rating is agreed upon. Finally, the General Manager reviews and approves all the employees' performance ratings.

The EcoWorld Talent Mobility Programme **("EWTMP")** aims to build a healthy talent pipeline in preparing for EcoWorld Malaysia's continuous business expansion. With EWTMP, employees attend soft-skills training (e.g. *7 Habits of Highly Effective People, Leading at the Speed of Trust*) and cross-train in a BU other than their base for one month, where they have specific learning objectives that have been communicated to the Head of Department **("HOD")** of the BU to which the employee has been cross-posted.

During the cross training, the employee is required to write a weekly learning report, attend relevant meetings and receive mentorship from the HOD of that BU. Upon the completion of the cross training, written feedback will be given by the mentor with a 360-degree assessment and the employee is required to make a presentation on the key learning points from their experience of the programme.

EWTMP is open to staff that show potential, with a special focus on the younger generation. The goal is to train and prepare those selected for higher positions with greater responsibilities and require strong leadership skills. Currently, 18 of our employees are enrolled in EWTMP. This programme motivates the staff and inspires them to give their best at work.

We also have the EWLDP for identified high-potential candidates. EWLDP aims to develop these high-potential employees and position them to lead others. We provide them with opportunities like group workshops, peer learning sessions, guided academic readings and action learning projects that strengthen leadership skills.

The three tiers of EWLDP intervention are:

TIER 1	TIER 2	TIER 3
Mentors from senior team members	High potentials ranging from middle to senior management	High potentials ranging from junior to middle management

EcoWorld Women's Summit 2017

In Tier 1, senior leaders are selected to mentor, lead and share their experiences with those in Tier 2 through our *'Corporate Responsibility and Business Action Learning'* projects. These projects allow candidates to reap knowledge, wisdom and experience from their mentors and to be guided by their mentors on how best to put classroom knowledge into practice.

In preparing for Tier 2 and 3 programmes, all participants are required to go through pre-assessment course work such as *'360 Degree Feedback'* and *'Personality Profile Assessment'*. Participants for Tier 2 are required to take the *'Leading Self'*, *'Leading Others'*, *'Leading Business'* and *'Leading Change'* modules and participants for Tier 3 are required to take the *'Leading Self'* and *'Leading Others'* module.

Post-course work involving a *'Personality Profile Debrief'* and *'Group Peer Coaching'* has also been incorporated into the programme, providing participants a continuous learning journey, and the necessary skills required to manage others and apply the Group's strategy in their everyday work. Currently, approximately 25 of our employees have been chosen to participate in the EWLDP.

The combination of programmes like EWTMP and EWLDP, as well as regular performance appraisal processes ensure that our employees are provided with opportunities to develop their skills and performance.

Employee Health and Well-Being

We strive to create a working environment that is free from occupational illness or injury as we consider the health, safety and well-being of our people very important to the organisation. The health and well-being of all our employees, regardless of where they are located or the type of work they undertake matters greatly to us. Our management approach involves identifying and managing material risks so we provide greater protection for our people, communities and assets.

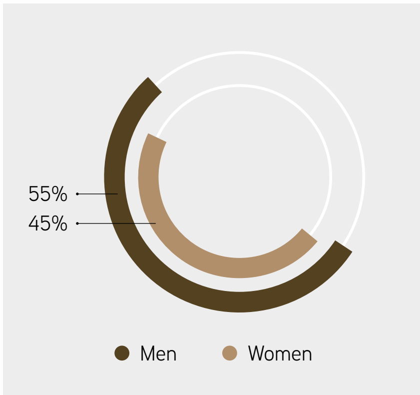
We have introduced health and well-being programmes to increase health awareness and promote physical activity amongst our employees. With the objective of cultivating a highly engaged culture and encouraging a healthy lifestyle among our employees, in 2017, EcoWorld joined the Virgin Pulse Global Challenge which has employees from all over the world, in teams of seven, competing and tracking their daily activity and working towards a daily target of 10,000 steps per individual.

On an annual basis during Breast Cancer Awareness month, we offer a series of health talks, subsidised mammogram check-ups and self-examination information kits to our employees. Such programmes support employees in leading a healthier lifestyle and create a healthier workplace as it enhances cross functional working relationships and social interaction among colleagues.

Women at the Workplace

At EcoWorld Malaysia, we believe in the valuable work and contribution of women at the workplace. 46% of our senior management positions are held by women, especially in the fields of sales, marketing, customer care, finance, talent management, auditing and IT. Figure 9 displays the gender profile of EcoWorld Malaysia, where the percentage of women is 45% and that of men is 55%.

FIGURE 9: GENDER BASED EMPLOYEE DISTRIBUTION



Figures 10 & 11 display the gender based percentage distribution of EcoWorld Malaysia's employee intake and employee turnover, respectively. Figure 10 shows the employee intake of women to be 35% and that of men to be 65%, whilst Figure 11 shows the employee turnover rate for women to be 39% and that of men to be 61%.

FIGURE 10: GENDER BASED EMPLOYEE INTAKE

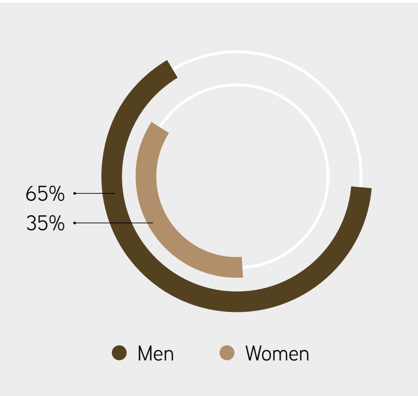
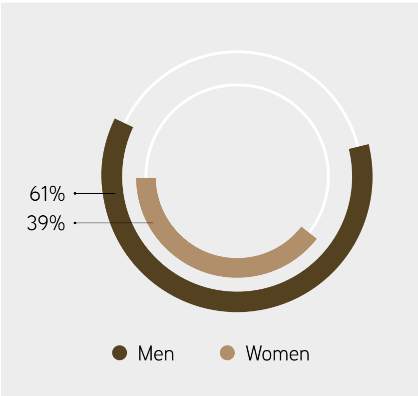


FIGURE 11: GENDER BASED TURNOVER RATE



To further support women within the organisation, we set up the Eco World Professional Women's Network (PWN). PWN includes all female employees in the company and seeks to expose them to structured career development and training programmes that empower them and help realise their potential. These enrichment programmes are vital for career women to develop their leadership acumen and skills to enable them to attain great heights in their career. For example, the EcoWorld Women's Summit which is held annually, involves a series of engagement workshops, and career development talks specifically designed by women for women to motivate our female employees.

EcoWorld Malaysia also has a host of initiatives and policies to ensure the workplace is conducive for our female employees. We practice flexible working arrangement and provide childcare leave for our working mothers.

Occupational Health, Safety and Environment ("OHSE") & Security

We consistently promote a safe and healthy work culture for a more conducive work environment. We strive for excellence in all aspects of our operations. This includes consistently delivering unmatched service and product quality to our customers, and taking a proactive approach to managing environment, health and safety practices.

We manage Quality, Environment, Safety and Health effectively by establishing, implementing and maintaining a best practice and process oriented integrated management system.

EcoWorld Malaysia HSE Policy
To continuously improve our product and service quality: and our environmental, health and safety performance and processes.
To provide a safe and healthy work environment for our employees and business partners.
To comply with all applicable legal, environmental, health and safety legislation and requirements.
To continuously engage, communicate and provide relevant training to our employees and business partners to promote and improve the Quality, Environment, Health and Safety Management System.
To adopt an environmentally responsible approach to prevent, minimise and mitigate environmental, health and safety impact of our activities.
To continuously improve our product and service quality; and our environmental, health and safety performance and processes.

This policy along with our OHSE management system are periodically reviewed to ensure their relevance, adequacy and effectiveness.

Each of our OHS Committees, established for each BU, comprises a Chairman, Secretary, representatives of the employer and representatives of the employees. As per the regulations, training on *'Understanding Health, Safety and Environment Requirements and Practices'* are made available to OHS Committee members.

To ensure construction safety at the project sites, we have engaged dedicated Safety Officers and their main responsibility is to check on the enforcement of construction safety requirements. We have a procedure in place to keep record of accidents and incidents. For the period of November 2016-October 2017, both the LTI and LTA at Group level were zero.

Our tender process with contractors insists on compliance to Malaysia's safety-at-work legislation which include the Factories and Machinery (Fencing of Machinery and Safety) Regulations 1970 and Factories and Machinery (Safety, Health and Welfare) Regulations 1970. With regard to workers employed at the construction sites, the contractors are required to comply with all safety, health and welfare regulations pertaining to them.

Security

For the security of foreign workers working at the construction sites, our contractors are required to conform to the requirements of Malaysia's Immigration Law and the responsibility of obtaining all the necessary work permits lies with the contractor. Furthermore, contractors are required to comply with the Internal Security (Registration of Labour) Regulations 1960 and register all the workers employed on the site, including those employed by their sub-contractors.

Building Our Community

Building resilient communities with quality education and contributing towards community health and well-being

BEYOND BUILDING SUSTAINABILITY IN OUR PROJECTS AND OUR ORGANISATION, WE BELIEVE IN PROVIDING OPPORTUNITIES TO ENGAGE OUR SURROUNDING COMMUNITIES, AND WHERE NEEDED, IMPROVING THE QUALITY OF EDUCATION, AND COMMUNITY HEALTH AND WELL-BEING.

Fostering unity

Since 2015, EcoWorld Malaysia has partnered with Star Media Group Berhad to commemorate the nation's independence and our cultural diversity with the #AnakAnakMalaysia campaign. We embarked on this campaign to honour the sacrifices of our forefathers and the spirit of unity that they worked so hard to establish. Specially designed #AnakAnakMalaysia wristbands were distributed nationwide and Malaysians from all walks of life were encouraged to show their support by uploading a photograph on social media wearing the bands.

In 2016, we took the #AnakAnakMalaysia campaign a step further by organising the #AnakAnakMalaysia Walk 2016, calling for active participation of walking together in celebration of our country's diversity, and in promotion of unity, harmony and tolerance.

The walk was flagged off by Kuala Lumpur mayor Datuk Seri Mohd Amin Nordin Abd Aziz, accompanied by Tan Sri Liew Kee Sin, Chairman of EcoWorld Malaysia and Datuk Fu Ah Kiow, Chairman of Star Media Group berhad. More than 5,000 participants turned up for the 3.4km walk, starting at Bukit Bintang City Centre Sales Gallery.

This year, in conjunction with Malaysia's 60th year of independence, multiple events and festivities were held throughout the country and abroad - for more information on the #AnakAnakMalaysia 2017 campaign, please refer to the Chairman's Statement.

Quality Education

Education is an area that EcoWorld Malaysia strongly contributes towards as we believe this will enhance community well-being and help eradicate poverty in the long-term. The EWF was established in 2014 under the auspices of EcoWorld Malaysia to serve as a platform for the Group in its social responsibility efforts. The Foundation's aims are aligned with the humanitarian SDG goals in that it strives to mitigate the effects of ill health, poverty and provide community support services regardless of race, religion, gender, ethnicity or locality.

The SAP is one of EWF's core focus areas. With a budget of RM5 million per year, the SAP practices a holistic approach by addressing every aspect of a student's educational requirements, from equipping them for the new school year and arranging meals in school, to paying their school and tuition fees.

EWF's educational activities

SAP provides financial assistance to a total of 3,000 underprivileged primary, secondary and tertiary students yearly. SAP reaches out to students in Kuala Lumpur, Selangor, Penang, Johor, Sabah, Perlis, Kedah and Pahang. The Foundation also extended the SAP to Sarawak to help poor students in three schools. 270 students from these schools; SK Temong, SK Sejijag and SK Sunga have received basic education assistance from EWF where the workbooks for each subject for all students from Year 1 to Year 6 are sponsored by the Foundation. This programme is a 3-year pilot project which started in 2016 with an annual allocation of RM40,000. If the programme meets its objectives the Foundation will continue to sponsor the students in the long term.

A total of 13 students under the SAP graduated from higher institutions in 2016. The Trustees and CEO of the Foundation together with the staff attended five convocations at various universities in Malaysia. Currently, there are 33 more SAP students studying in undergraduate programmes at higher learning institutions. The UPSR PT3 Excellence Awards Ceremonies were held in January and February 2017 to give recognition to SAP students who did well in their PT3 and UPSR in 2016. A total of 31 students received PT3 awards and 133 students received UPSR awards. 27 teachers were presented with the Teachers Award, recognising them for their commitment and dedication to the SAP programme and involvement in its activities. Four schools won the Best School award with the prize of RM10,000 for their support towards SAP.

To further provide a conducive environment for students to learn, EWF donated furniture to SJK (C) Chung Ching in Pahang and to SJK (C) Serdang Baru in Selangor. The latter school received 230 sets of desks and chairs from EWF worth RM25,000 at the beginning of the new school term in 2017. The Foundation also donated 15 units of laptops to SMK Seri Permata in Selangor to encourage smart learning amongst the students.

EWF launched the Eco World Foundation Volunteers Club **("EWFVC")** in 2015 within Klang Valley, Johor Bahru and Penang, and all EcoWorld employees contribute towards the Club's efforts as volunteers. The volunteers conduct home visits for selected students to learn more about their financial background and to ascertain whether they are genuinely in need of help. During these home visits, the volunteers also give the parents support through Parents' Dialogue sessions and encourage the students to focus on their studies.

As part of the EWFVC effort, Motivational Camps are organised every year to prepare Standard 6 students for UPSR exams. These camps over a period of three days, are meant to boost the confidence level of students by inviting experienced teachers to conduct talks and provide them with guidance. The UPSR Excellence Awards are held annually to reward and recognise the students for their commendable efforts in overcoming all odds and excelling in their UPSR exams. This event serves to motivate the students to redouble their efforts to achieve their ambition and chart a brighter future for themselves and their families.

Community Health and Well-Being

In line with the Foundation's aim of easing the suffering of underprivileged members of society stricken by ill-health, EWF actively provides financial assistance to medical centres and similar institutions. In May 2017, in its latest effort to assist the needy, EWF donated RM 90,000 to Pusat Hemodialisis Mawar to replace two dialysis machines. Pusat Hemodialisis Mawar is an NGO formed in 1998 that provides subsidised dialysis treatment to end-stage renal failure patients. EWF also donated a haemodialysis machine costing RM42,000 to MAA Medicare Jalan Sungai Besi Centre.

EWF is committed to using its resources productively to positively impact society and will continue to engage with its community of supporters comprising business associates of the EcoWorld Group to ensure the sustainability of its charitable endeavours.

Board of Directors

Board Committee membership key

A Audit Committee

N Nomination Committee

R Remuneration Committee

Chairman of a Board Committee

1

Dato' Voon Tin Yow
Executive Director

2

Tan Sri Lee Lam Thye
Non-Independent
Non-Executive Director

3

Dato' Noor Farida Binti Mohd Ariffin
Independent
Non-Executive Director

4

Dato' Haji Obet Bin Tawil
Independent
Non-Executive Director

5

Tan Sri Dato' Sri Liew Kee Sin
Non-Independent
Non-Executive Chairman

6

Dato' Idrose Bin Mohamed
Independent
Non-Executive Director

7
Tan Sri Abdul Rashid Bin Abdul Manaf
Founder & Non-Independent Non-Executive Director

8
Dato' Leong Kok Wah
Non-Independent Non-Executive Deputy Chairman

9
Dato' Chang Khim Wah
President & Chief Executive Officer

10
Liew Tian Xiong
Executive Director

11
Datuk Heah Kok Boon
Executive Director & Chief Financial Officer

12
Tang Kin Kheong
Senior Independent Non-Executive Director

TAN SRI ABDUL RASHID BIN ABDUL MANAF

Founder & Non-Independent Non-Executive Director

71 years old / Male / Malaysian

Barrister-at-Law (Middle Temple London)

TAN SRI ABDUL RASHID BIN ABDUL MANAF WAS APPOINTED TO THE BOARD OF ECOWORLD MALAYSIA ON 29 NOVEMBER 2013. HE WAS PREVIOUSLY THE CHAIRMAN OF THE COMPANY AND WAS RE-DESIGNATED AS THE FOUNDER ON 20 MARCH 2015.

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 qualified as 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 the Chairman of the Board of S P Setia Berhad **("S P Setia")** from 1997 until 2012.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

TAN SRI DATO' SRI LIEW KEE SIN

Non-Independent Non-Executive Chairman

59 years old / Male / Malaysian

Bachelor of Economics Degree (Business Administration) from University of Malaya

TAN SRI DATO' SRI LIEW KEE SIN WAS APPOINTED AS A NON-INDEPENDENT NON-EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA ON 5 MAY 2014. HE WAS RE-DESIGNATED AS THE CHAIRMAN OF THE BOARD ON 20 MARCH 2015.

Tan Sri Liew started his career as a banker in a local merchant bank in 1981. After gaining 5 years of experience in the banking industry, he ventured into property development. Following a reverse takeover of S P Setia, he was appointed as its Group Managing Director in May 1996 and continued to helm S P Setia as its President and CEO for the next 18 years until 30 April 2014.

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

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

He is a director of Eco World Development Holdings Sdn. Bhd. which is a substantial shareholder of the Company. He is also a Vice Chairman of EcoWorld International. Tan Sri Liew is 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 within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' LEONG KOK WAH

Non-Independent Non-Executive Deputy Chairman

64 years old / Male / Malaysian

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

DATO' LEONG KOK WAH, THE NON-INDEPENDENT NON-EXECUTIVE DEPUTY CHAIRMAN OF ECOWORLD MALAYSIA, WAS APPOINTED ON 29 NOVEMBER 2013.

Dato' Leong has an extensive career and held senior positions in the financial 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 including MUI Continental Berhad. He was formerly a Director of S P Setia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' CHANG KHIM WAH

President & CEO

53 years old / Male / Malaysian

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, THE PRESIDENT AND CEO OF ECOWORLD MALAYSIA, WAS APPOINTED AS AN EXECUTIVE DIRECTOR OF THE GROUP ON 7 OCTOBER 2013 AND WAS RE-DESIGNATED TO HIS CURRENT POSITION ON 12 DECEMBER 2013.

Dato' Chang has 28 years of experience in the property development industry, starting as a consultant engineer in Australia in 1989. In 1991, he returned to Malaysia and 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 and the Executive Vice President in charge of the southern and northern property divisions of S P Setia group of companies, including its offices in Singapore and Indonesia. He left S P Setia to join Eco World Development Sdn. Bhd. on 1 May 2013.

Dato' Chang holds the honour of being the recipient of The Edge Malaysia's inaugural Outstanding Property CEO Award 2015. This award was conceptualised for The Edge Top Property Excellence Awards and was first awarded in 2015 in recognition of CEOs or professionals who have successfully taken their company to an exceptional level under his/her leadership.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' VOON TIN YOW

Executive Director

60 years old / Male / Malaysian

Bachelor of Science in Civil Engineering
(University of Texas at Austin, USA)
Master of Science in Engineering
(University of Texas, Austin, USA)

DATO' VOON TIN YOW WAS APPOINTED AS AN EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA ON 20 MARCH 2015.

R

He has 33 years of working experience in the construction and property development industry, which includes 3 years in construction site management and 30 years in management of property development. He began his career in 1984 in Kimali Construction Sdn. Bhd. as a site engineer and went on to become the development engineer in Juru Bena Tenaga Sdn. Bhd. in 1986. In 1990, he joined Syarikat Kemajuan Jerai Sdn. Bhd. as project manager and was subsequently appointed as the general manager in 1994. He was previously an Executive Director at S P Setia and held the post of COO from 1996 to 2014. He was also previously the Acting President and CEO of S P Setia from 1 May 2014 until 31 December 2014. During his tenure in S P Setia, he oversaw the development of the entire eco-system to establish the company's policies and procedures.

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

He was appointed as a Non-Independent Non-Executive Director of EcoWorld International on 14 September 2017. He is also a director of Eco World Development Holdings Sdn. Bhd., a substantial shareholder of the Company.

Dato' Voon was appointed as the Chairman of the Remuneration Committee on 21 May 2015 and Chairman of the Risk Management Committee on 17 June 2015.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATUK HEAH KOK BOON

Executive Director and CFO

50 years old / Male / Malaysian

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

DATUK HEAH KOK BOON HAS BEEN AN EXECUTIVE DIRECTOR AND CFO OF ECOWORLD MALAYSIA SINCE 28 NOVEMBER 2013.

Datuk Heah has garnered more than 28 years' experience in audit, corporate finance and corporate investment. He started his career in the audit department of international accounting firm KPMG. After 4 years of various audit exposures, he joined 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 in multiple industries, he left as Aseambankers Executive Vice President in 2007.

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

Datuk Heah has been involved in the various corporate exercises to grow EcoWorld Malaysia from a property company with GDV of RM1 billion to the present GDV of over RM8 billion. In year 2017, he had successfully completed the listing of EcoWorld International on the Main Market of Bursa Malaysia.

Datuk Heah was appointed as Non-Independent Non-Executive Director of EcoWorld International on 27 April 2017. To focus on his executive role in the Company, he has resigned as the Non-Independent Non-Executive Director of EcoWorld International on 14 September 2017.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

LIEW TIAN XIONG
Executive Director

26 years old / Male / Malaysian

Bachelor of Commerce, University of Melbourne, Australia

MR. LIEW TIAN XIONG HAS BEEN AN EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA SINCE 29 NOVEMBER 2013.

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

He is a director of Eco World Development Holdings Sdn. Bhd., a substantial shareholder of the Company. He is also a substantial shareholder of the Company and the son of Tan Sri Dato' Sri Liew Kee Sin, who is the Non-Independent Non-Executive Chairman 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 within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

TAN SRI LEE LAM THYE

Non-Independent Non-Executive Director

71 years old / Male / Malaysian

TAN SRI LEE LAM THYE WAS APPOINTED TO THE BOARD OF ECOWORLD MALAYSIA AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR ON 29 NOVEMBER 2013. HE WAS SUBSEQUENTLY RE-DESIGNATED AS A NON-INDEPENDENT NON-EXECUTIVE DIRECTOR ON 21 AUGUST 2014.

N

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. He continued to serve the public even after his retirement from politics in 1990, working and contributing actively in the social arena.

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

Tan Sri Lee also sits on the Boards of Amcorp Properties Berhad and The New Straits Times Press (Malaysia) Berhad. He was formerly a director of Media Prima Berhad and S P Setia.

Tan Sri Lee was appointed as a member of the Nomination Committee of the Company 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 within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

TANG KIN KHEONG

Senior Independent Non-Executive Director

62 years old / Male / Malaysian

Certified Public Accountant
Member of the Malaysian Institute of Accountants

MR. TANG KIN KHEONG WAS APPOINTED TO THE BOARD OF ECOWORLD MALAYSIA ON 29 NOVEMBER 2013 AND SERVES AS THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR.

A N R

Mr. Tang qualified as a Certified Public Accountant, Malaysia with Turquand Youngs & Co, an antecedent firm of Ernst & Young. From 1983 to 1984, he was seconded to work in the firm's office in New Haven, Connecticut, USA where he gained exposure 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 practitioner.

Mr. Tang has been a practicing accountant for 26 years. He is a member of the Malaysian Institute of Accountants and a licensed auditor. He works with public listed companies and owner managed businesses, in the areas of auditing, accounting, litigation support and business advisory services.

Mr. Tang was appointed Chairman of the Audit Committee of the Company on 29 November 2013. He is also a member of the Remuneration Committee as well as the Nomination Committee.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' IDROSE BIN MOHAMED

Independent Non-Executive Director

61 years old / Male / Malaysian

Bachelor Degree in Civil Engineering, UITM

DATO' IDROSE BIN MOHAMED WAS APPOINTED AS THE INDEPENDENT NON-EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA ON 29 NOVEMBER 2013.

A N R

Dato' Idrose is a civil engineer who has served both the government as well as 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 to work on the construction of another major expressway with the private sector.

From October 1996 until his retirement at the end of September 2010, he held the reins of several public listed and government linked companies as their Managing Director or CEO, 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 as Chairman of the Nomination Committee of the Company on 12 December 2013. He is also a member of the Audit Committee as well as the Remuneration Committee.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' HAJI OBET BIN TAWIL

Independent Non-Executive Director

63 years old / Male / Malaysian

Bachelor of Economics Degree (Analytical Economics), Universiti Kebangsaan Malaysia

DATO' HAJI OBET BIN TAWIL WAS APPOINTED AS THE INDEPENDENT NON-EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA ON 21 AUGUST 2014.

A

Dato' Haji Obet was 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 the Land Offices 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 Iskandar Regional Development Authority. Currently he is a director of SHH Resources Holdings Berhad.

Dato' Haji Obet is a member of the Audit Committee of the Company.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATO' NOOR FARIDA BINTI MOHD ARIFFIN

Independent Non-Executive Director

71 years old / Female / Malaysian

Barrister-at-Law (Gray's Inn), United Kingdom

DATO' NOOR FARIDA BINTI MOHD ARIFFIN WAS APPOINTED AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF ECOWORLD MALAYSIA ON 20 MARCH 2015.

A N R

Dato' Noor Farida completed her legal studies at the Inns of Court in London. She joined the Malaysian judicial and legal service in February 1971 where she served in various capacities including as a magistrate, senior assistant registrar in the High Courts of Kuala Lumpur and Penang, Sessions Court judge, legal officer with the Economic Planning Unit of the Prime Minister's Department and Director of the Legal Aid Bureau.

Dato' Noor Farida, has had a long and distinguished career spanning more than 40 years holding a number of key positions in the public service before her retirement. These included Special Adviser on Maritime Issues to the Minister of Foreign Affairs Malaysia, an Alternate Director at the Maritime Institute of Malaysia (MIMA), Director-General of the Research, Treaties and International Law Department of the Ministry of Foreign Affairs, Ambassador-At-Large for the High-Level Group on Follow-up to the ASEAN Charter (HLEG) and Director of the Women and Development Programme, Human Resource and Development Group at the Commonwealth Secretariat in London. She also headed the newly established Legal Division of the Ministry in 1993, and in 1996 was appointed the Under-Secretary of the newly formed Territorial and Maritime Division of the Foreign Ministry.

Between 2000 and 2007, she was the Ambassador of Malaysia to the Kingdom of the Netherlands and was concurrently appointed the Malaysian Co-Agent to the International Court of Justice **("ICJ")** for the Pulau Ligitan and Pulau Sipadan Case against Indonesia, and was the Malaysian Permanent Representative to the Organisation for the Prohibition of Chemical Weapons (OPCW) which is based in the Hague. She was subsequently elected to the Chair of the 8th Conference of States Parties of the Chemical Weapons Convention in October 2003. Prior to this at the First Review Conference of the above Convention (April/May 2003), she was elected to chair the Drafting Group on the Political Declaration.

Dato' Noor re-appointed as the Malaysian Co-Agent by the Government when Malaysia and Singapore agreed to submit the Pulau Batu Puteh dispute to the ICJ. She was a director of S P Setia from 18 June 2009 until 26 March 2015.

Dato' Noor is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Profile of Key Senior Management






DATO' SUNDARAJOO A/L SOMU

Chief Operating Officer
Malaysian, 55 years of age, Male
Master of Business Administration from Nottingham Trent University, United Kingdom

Dato' Sundarajoo A/L Somu was appointed as Chief Operating Officer **("COO")** of Eco World Development Sdn. Bhd. **("EWD")** on 1 August 2012. Following the completion of a corporate exercise undertaken between EWD and EcoWorld Malaysia, he became the COO of EcoWorld Malaysia in February 2015.

Prior to joining EcoWorld Malaysia, Dato' Rajoo was a Divisional General Manager of S P Setia Group's Property Division (North). In this capacity, he pioneered S P Setia's business in Penang and spearheaded numerous projects, beginning with the launch of its maiden project – the 112.6 acre Setia Pearl Island in Bayan Lepas. He has been actively involved in the Malaysian property industry for 27 years and has seen more than 10,000 homes successfully delivered throughout his career.

Dato' Rajoo does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

DATUK HOE MEE LING

Divisional General Manager
Malaysian, 47 years of age, Female
Master of Business Administration (Distinction) from Heriot Watt University, Edinburgh, United Kingdom

Datuk Hoe Mee Ling was appointed as a Divisional General Manager on 10 May 2014, in charge of the development of Eco Botanic, Iskandar Malaysia and the Eco Business Park projects of EcoWorld Malaysia.

Datuk Hoe has 22 years of experience in the property industry. She started her career with IOI Properties Berhad where she was involved in sales, marketing and branding for township and golf course developments in Johor. Prior to joining EcoWorld Malaysia, she was the Divisional General Manager for the Southern Property Division of S P Setia, in charge of the development of residential, commercial and business park projects. She was also responsible for overseeing S P Setia's offices in both Singapore and Jakarta.

Datuk Hoe spearheaded the eco development and business park concept in Iskandar Malaysia and one of her previous projects, Setia Eco Gardens, was conferred the FIABCI Prix d' Excellence Award in 2009 and 2012. Her current project, Eco Business Park 1 also won a FIABCI Malaysia Property Award in 2017.

She was formerly the Chairman of the Real Estate & Housing Developers' Association Malaysia (REHDA) for the state of Johor and a National Council Member of the Real Estate & Housing Developers' Association Malaysia for year 2014-2016. Datuk Hoe has been actively involved in community work to aid the needy beginning with the S P Setia Foundation and now with the Eco World Foundation for more than 10 years.

Datuk Hoe does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

LOW THIAM CHIN

Divisional General Manager
Malaysian, 49 years of age, Male
Chartered Accountant of Malaysian Institute of Accountants
Chartered Management Accountant of Chartered Institute of Management Accountants, United Kingdom

Mr. Low Thiam Chin was designated as the Chief Executive Officer **("CEO")** of Bukit Bintang City Centre **("BBCC")** project on 1 August 2017.

Mr. Low has 22 years of experience in accounting and finance of property development industry with the first 9 years attached to the property division of IJM Corporation Berhad, before joining S P Setia in year 2000 as a Group Accountant. He was then involved in numerous prominent projects under S P Setia, namely Setia Alam (Shah Alam), Setia Eco Lakes (Vietnam), SetiaWalk (Puchong) and KL Eco City (next to Mid Valley). In year 2010, he took up a new challenge in business development, responsible for expanding the land bank as well as potential business ventures of S P Setia. Prior to joining EcoWorld Malaysia, he was the General Manager of S P Setia in charge of business development.

In 2012, he joined EWD to head the Finance, Business Development and Management Information System departments. He was then appointed as a Divisional General Manager of EcoWorld Malaysia on 1 July 2014. Following the completion of a corporate exercise undertaken between EWD and EcoWorld Malaysia in February 2015, Mr. Low was transferred to be the General Manager in charge of one of the group's projects in the Klang Valley. Mr. Low was later promoted to be the Deputy CEO of BBCC project on 1 July 2016 to oversee the planning and implementation of the BBCC development.

Mr. Low does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

HO KWEE HONG

Divisional General Manager
Malaysian, 42 years of age, Female
Bachelor and Master of Civil Engineering from University Putra Malaysia

Ms. Ho Kwee Hong was appointed as a Divisional General Manager, Eco Central of EcoWorld Malaysia on 1 July 2016, in charge of the development of Eco Sanctuary, Eco Grandeur and Eco Ardence projects.

Ms. Ho is a qualified engineer who has more than 16 years of experience in consultancy, construction and property development industries. After her graduation from University Putra Malaysia, she worked as a Design Engineer in various mega infrastructure projects in Malaysia such as Kelantan River Flood Forecasting, Electrified Double Track and SMART Tunnel. Prior to joining EcoWorld Malaysia, she was with S P Setia Group.

During her tenure with S P Setia, she spearheaded the team in formulation of strategic direction, overall master planning, product development, sales & marketing, credit control, programming, budgeting, implementation of developments and group-wide product planning.

Ms. Ho does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PHAN YAN CHAN

Divisional General Manager
Malaysian, 48 years of age, Male
Chartered Accountant of Malaysian Institute of Accountants
Fellow of the Association of Chartered Certified Accountants, United Kingdom

Mr. Phan Yan Chan was appointed as a Divisional General Manager for the Southern Division of EcoWorld Malaysia on 1 May 2013, in charge of the development of Eco Spring, Eco Summer and Eco Tropics projects.

He has more than 26 years of experience in property development industry. Prior to joining EcoWorld Malaysia, he was the Divisional General Manager of S P Setia in charge of projects in Johor Bahru, namely Setia Indah, Setia Tropika and Setia Eco Cascadia with a combined GDV of approximately RM10 Billion.

Mr. Phan is responsible for formulation of sales and marketing strategies, overall project coordination, quality control as well as every aspect of EcoWorld Malaysia's property development projects in Johor Bahru.

Mr. Phan does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

YAP YOKE CHING

Divisional General Manager
Malaysian, 44 years of age, Female
Bachelor Degree in Business Administration from RMIT University, Melbourne

Ms. Yap Yoke Ching was appointed as a Divisional General Manager, Eco Central of EcoWorld Malaysia on 1 July 2016, in charge of the development of Eco Majestic, Eco Sky and Eco Forest projects.

Prior to joining EcoWorld Malaysia, she was the Deputy General Manager of S P Setia in charge of the Setia Alam project, an award-winning township in the Klang Valley.

Upon graduation from RMIT University, Ms. Yap joined S P Setia as a sales and marketing executive. With her involvement in numerous development projects namely Pusat Bandar Puchong, Bukit Indah Johor, Setia Putrajaya, Setia Alam and Eco Lakes (Vietnam), she has garnered a wealth of experience that encompasses launching and managing of turnkey projects, opening of new markets, formulating sales strategy as well as marketing and branding of products.

Ms. Yap does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

THE BOARD OF DIRECTORS ("BOARD") OF ECO WORLD DEVELOPMENT GROUP BERHAD ("COMPANY") IS COMMITTED TO CONDUCTING BUSINESS RESPONSIBLY AND TO ACHIEVING A HIGH STANDARD OF CORPORATE GOVERNANCE. THIS IS ESSENTIAL TO OUR REPUTATION AND FOR THE CONTINUING SUPPORT OF OUR SHAREHOLDERS, CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS.

The Board has a governance framework in place, which is guided by the Malaysian Code on Corporate Governance, the Main Market Listing Requirements **("MMLR")** of Bursa Malaysia Securities Berhad **("Bursa Malaysia")** and the Corporate Governance Guide.

The Company and its subsidiaries **("Group")** complies in principle with the Malaysian Code on Corporate Governance 2012 **("MCCG 2012")**. The Board is cognisant of the changes in governance requirements through the recent release of the new Malaysian Code on Corporate Governance **("new MCCG")** by the Securities Commission Malaysia on 26 April 2017. The Company is currently undertaking a review of its existing governance structures, systems and processes to ensure compliance with the new MCCG when it is due for reporting in our 2018 Annual Report.

Set out below is a statement, made pursuant to Paragraph 15.25 of the MMLR of Bursa Malaysia, on how the Group has applied the principles and recommendations set out in the MCCG 2012.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

The Board is responsible for the overall performance of the Group by setting goals, policies and targets while Management is responsible for managing the day-to-day running of the Group's business activities in accordance with the direction and delegation of the Board. The President & Chief Executive Officer **("CEO")** briefs the Board on business operations and management initiatives during Board meetings. Management meets regularly to discuss and resolve operational issues.

In discharging its duties, the Board delegates certain of its responsibilities to board committees which operate within clearly defined terms of reference. The Board is briefed at Board meetings on matters deliberated by the board committees.

There are three board committees, the Audit Committee **("AC")**, the Nomination Committee **("NC")** and the Remuneration Committee **("RC") ("Board Committees")**, each with their own Board-approved Terms of Reference which are reviewed and updated annually as required.

The membership of Board Committees is a matter for the full Board based on the recommendation of the NC. The Board Committees comprise solely Non-Executive Directors **("NEDs")** and are chaired by an Independent Non-Executive Director **("INED")**, with the exception of the RC, which is chaired by an Executive Director **("ED")**. EDs, representatives of the management team and if necessary, professional advisers also attend Board Committee meetings.

The Terms of Reference for the Board Committees can be found at www.ecoworld.my.

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 targets for Management and monitoring the achievement of those goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website. The Board Charter further defines the roles and responsibilities of the Chairman, President & CEO, EDs and NEDs.

The following are the roles of the Board and its principal responsibilities:

- To review and adopt a strategic plan, as developed by Management, taking into account the sustainability of the Group's business, with attention given to the environmental, social and governance aspects of the business;
- To oversee the conduct of the Group's business, including monitoring the performance of Management to determine whether the business is being properly managed;
- To identify the principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- To put succession planning in place by ensuring that all candidates appointed to senior management positions are of sufficient calibre and that there are structured and unstructured programmes to provide for the orderly succession of senior management;
- To review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace;
- To oversee the implementation of a shareholder communication policy;
- To review the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and
- To oversee the Group's adherence to high standards of conduct or ethics and corporate behaviour, including the Code of Ethics for Directors.

Board activity during financial year 2017 ("FY2017")

At each meeting, the Board receives updates from the CEO, the Chief Financial Officer and the respective Board Committee Chairmen. These updates cover matters concerning the Group's financial and operational performance as well as business, market and regulatory developments which the Board should be made aware of.

Activities of the Board during FY2017 included:

- Reviewing and authorising for issue the Group's quarterly and annual audited statutory financial statements and the Annual Report for financial year 2016 **("FY2016")**.

- Reviewing and approving the following corporate exercises and major transactions:
  - establishment of a Medium Term Notes Programme for the Issuance of Medium Term Notes of up to RM500.0 million in nominal value;
  - acceptance of bank borrowings, including the terms thereof, taken by the Group;
  - provision of guarantees and funding commitments in respect of its subsidiaries and joint venture companies;
  - entering into of the subsription and shareholders' agreements with the Employees Provident Fund Board and the subscription of shares in MFBBCC Retail Mall Sdn. Bhd.; and
  - entering into of a subscription agreement to subscribe for shares in Eco World International Berhad **("EcoWorld International")**, the shareholders' agreement with Guocoland Limited and Tan Sri Dato' Sri Liew Kee Sin, and the collaboration agreement with EcoWorld International in conjunction with its initial public offering.

- Reviewing the reports and minutes of the Board Committees.

- On a quarterly basis, taking note of:
  - related party transactions;
  - details of Directors' dealings in shares in the Company; and
  - the total value of construction contracts above RM1,000,000 awarded to contractors.

- Reviewing and approving the following matters:
  - acquisition of a Directors' and Officers' Liability Insurance policy;
  - implementation of a whistleblowing policy and the composition of the Whistleblowing Committee; and
  - establishment of a Sustainability Reporting Framework and the setting up of a governance structure for sustainability reporting.

- Attending the following briefings (presented to the Directors during Board meetings) on:
  - the new MCCG including a gap analysis;
  - Sustainability Reporting; and
  - guidance to Directors on related party transaction disclosure obligations for the purchase of EcoWorld properties.

- Reviewing and approving the Group's Budget and Business Plan for financial year 2018.

- Taking note of the results of the assessments of the Board, Board Committees and individual Directors for FY2016.

Code of conduct and ethics

The Company has a Code of Conduct and Business Ethics **("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 update. The Code is available on the Company's website at www.ecoworld.my.

The Company 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 Group's Policies and Procedures which all employees are required to adhere to, failure of which will result in appropriate action being taken.

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

Whistleblowing

A whistleblowing policy was formally set up during FY2017 to enable employees and members of the public to bring to the attention of the Whistleblowing Committee any improper conduct committed or about to be committed within the Group.

The Whistleblowing Committee comprises the following members:

Member
Dato' Idrose Bin Mohamed (Chairman)
Dato' Noor Farida Binti Mohd Ariffin
Dato' Voon Tin Yow (Management representative)

The report of any improper conduct must be made in writing and sent directly to the Whistleblowing Committee by hand, to the Company's registered office or, via email to whistleblow_ewdgb@ecoworld.my.

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 economic, environmental, social, cultural and governance aspects of business operations. These strategies seek to balance the needs and expectations of various stakeholder groups such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.

In order to formally reinforce the practice of business sustainability within the Group, the Board approved the setting up of a Sustainability Committee during FY2017.

The Sustainability Statement is set out in pages 30 to 49 of this Annual Report.

Access to information and advice
All Board members are supplied with information in a timely manner. The meeting agenda is set and board papers are circulated prior to scheduled Board meetings via emails or physical copies to ensure sufficient time is given to the Directors to read the board papers and seek any clarification that they may need from Management or to consult the Company Secretaries or independent advisers, before the Board meetings, if necessary. This enables the Directors to discuss the issues effectively at Board meetings.

Apart from Board meetings, the Directors are also provided with updates via emails as and when there are any new developments on the Group's business.

The Chairmen of the Board Committees, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees. The minutes of Board Committee meetings are also presented to the Board for information.

Twice a year, the Chairman of the Risk Management Committee **("RMC")** briefs the AC on matters discussed and decisions taken at RMC meetings.

All Directors are entitled, whether via the Board or in their 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 Secretaries
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 they 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 formalised and adopted a Board Charter which serves as a source of reference for the Directors. The Board Charter provides 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. 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.ecoworld.my.

STRENGTHEN COMPOSITION

Nomination Committee
The NC was established on 12 December 2013 and its membership consists exclusively of NEDs with a majority of INEDs. The NC assists the Board to oversee the selection of candidates for proposed Board appointments and the assessment of the performance of the Board, Board Committees as well as individual Directors.

The membership, duties and responsibilities and activities of the NC are set out in the NC Report on pages 80 to 81 of this Annual Report.

REMUNERATION COMMITTEE
The RC implements the Board's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors. The RC was established on 12 December 2013.

The RC is chaired by Dato' Voon Tin Yow who is an ED. Under the new MCCG, the RC shall only consist of NEDs and a majority of them must be Independent Directors **("IDs")**. The Board is currently reviewing the membership composition of the RC to comply with the new MCCG.

The RC sets levels of remuneration to attract and retain capable individuals as Directors. The RC also structures the remuneration of the EDs so as to link rewards to corporate and individual performance. None of the NEDs were awarded share options or other performance related incentives during FY2017.

The membership, duties and responsibilities and activities of the RC are set out in the RC report on pages 82 to 83 of this Annual Report.

REINFORCE INDEPENDENCE

Annual assessment of independence
The Board undertakes an assessment of the INEDs annually. Based on the assessment carried out during FY2017, the Board is satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interest of the Group.

Tenure of independent directors
As at the date of this Statement, none of the INEDs have served more than 9 years on the Board.

Upon the completion of 9 years of service, an INED may continue to serve on the Board subject to them being re-designated as Non-Independent Non-Executive Directors **("NINEDs")**. An INED who has served more than 9 years may, with the approval of shareholders, be retained to serve as an INED on a year-to-year basis.

Chairman and President & CEO
The roles of Chairman and President & CEO are held by separate persons. The Chairman is a Non-Executive Director.

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

Recommendation 3.5 of the MCCG 2012 states that the Board must comprise a majority of INEDs where the Chairman of the Board is not an ID.

Although the Board does not comprise a majority of INEDs, there are 8 NEDs (vs 4 EDs) who by virtue of their non-executive status, are not involved in the day-to-day management of the Group's businesses. The Board is of the view that having a majority of NEDs on the Board provides reasonably effective checks and balances within the Board. The Board believes that a balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.

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 directorships in other companies and the notification shall indicate the amount of time required to be spent on the new appointments.

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities.

Board meetings
The Board meets at least 5 times a year, with additional meetings for particular matters convened as and when necessary.

A total of 5 Board meetings were held in FY2017. The Directors' attendance was as follows:

Directors	Attendance
Tan Sri Abdul Rashid Bin Abdul Manaf	5/5
Tan Sri Dato Sri Liew Kee Sin	5/5
Dato' Leong Kok Wah	5/5
Dato' Chang Khim Wah	5/5
Dato' Voon Tin Yow	5/5
Datuk Heah Kok Boon	5/5
Liew Tian Xiong	5/5
Tan Sri Lee Lam Thye	4/5
Tang Kin Kheong	5/5
Dato' Idrose Bin Mohamed	5/5
Dato' Haji Obet Bin Tawil	5/5
Dato' Noor Farida Binti Mohd Ariffin	5/5

All Directors complied with the minimum 50% attendance requirement in respect of Board meetings held in FY2017 as stipulated under Paragraph 15.05 of the MMLR of Bursa Malaysia.

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

Directors' training and development
All Directors have unrestricted access to Management. Newly appointed Directors are provided with an understanding of the Group's history, culture, business, strategies and financial position. Following this induction, meetings are arranged with senior managers to provide ongoing updates and information about the business throughout the year.

All Directors have attended and successfully completed the Mandatory Accreditation Programme **("MAP")** as required by Bursa Malaysia. The Directors undergo 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.

During FY2017, the Directors attended the following training programmes and seminars to keep abreast of changes in law, regulations, business environment, risk management practices, general economic and industry developments:

Name of Directors	Course Title	Date
Tan Sri Abdul Rashid Bin Abdul Manaf	• Sustainability Forum for Directors/CEOs on "The Velocity of Global Change & Sustainability – The New Business Model"	10 January 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Corporate Governance Breakfast Series with Directors: Board Excellence - How to Engage and Enthuse Beyond Compliance with Sustainability	17 July 2017
	• Sustainability Reporting 2017	14 September 2017
	• Corporate Governance Breakfast Series - Thought Leadership Session for Directors - Leading in a Volatile, Complex, Ambiguous World	13 October 2017
Tan Sri Dato' Sri Liew Kee Sin	• Sharing session on "Effective Presentation - Some Ways To Do It"	5 December 2016
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• Sustainability Reporting 2017	14 September 2017
Dato' Leong Kok Wah	• Corporate Governance Breakfast Series with Directors: The Cybersecurity Threat and How Board should Mitigate the Risks	18 November 2016
	• How to manage the Bursa Sustainability Report	21 November 2016
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Corporate Governance Breakfast Series with Directors: Board Excellence - How to Engage and Enthuse Beyond Compliance with Sustainability	17 July 2017
	• In-House Directors' and Senior Management's Training on Companies Act 2016 (by Salcon Berhad)	28 August 2017
	• Sustainability Reporting 2017	14 September 2017
Dato' Chang Khim Wah	• Sharing session on "Effective Presentation - Some Ways To Do It"	5 December 2016
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• Taipan Masterclass Malaysia 2017 - CEO Panel Session: Level Up*	10 April 2017
	• Leaderonomics SME CEO Conference 2017*	26 April 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• RHB Visionary Investment Day - Overview of Malaysia's Fastest Growing Property Development Brand*	20 May 2017
	• Aon Hewitt Best Employer Awards Ceremony and Learning Conference 2017*	24 August 2017
	• Innovate or Die	30 August 2017
	• Star SME Biz Think Thank - Keynote address "Value Creation in the Digital Age"*	5 September 2017
	• Corporate Innovation Management Workshop	6 September 2017
	• Sustainability Reporting 2017	14 September 2017

* Attended as speaker.

Name of Directors	Course Title	Date
Dato' Voon Tin Yow	• Sharing session on "Effective Presentation - Some Ways To Do It"	5 December 2016
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Key Changes to Companies Act 2016	7 August 2017
	• Sustainability Reporting 2017	14 September 2017
	• Corporate Governance Breakfast Series - Thought Leadership Session for Directors - Leading in a Volatile, Complex, Ambiguous World	13 October 2017
Datuk Heah Kok Boon	• Sharing session on "Effective Presentation - Some Ways To Do It"	5 December 2016
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Capital Market Conference 2017	18 July 2017
	• An Overview of the Impact of MFRS 9 Financial Instruments	5 September 2017
	• Corporate Innovation Management Workshop	6 September 2017
	• Sustainability Reporting 2017	14 September 2017
	• Advocacy session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers	27 September 2017
	• The 20th National Housing & Property Summit 2017	5-6 October 2017
	• Business Foresight Forum (BFF) 2017	25 October 2017
	• MIA 50th Anniversary Commemorative Lecture – Trust	11 September 2017
Liew Tian Xiong	• Sharing session on "Effective Presentation - Some Ways To Do It"	5 December 2016
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• BFM General Management Programme - Strategy	24-26 July 2017
	• BFM General Management Programme - Marketing	22-24 August 2017
	• Corporate Innovation Management Workshop	6 September 2017
	• Sustainability Reporting 2017	14 September 2017
	• BFM General Management Programme - Leadership	3-4 October 2017
Tan Sri Lee Lam Thye	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Sustainability Reporting 2017	14 September 2017
Tang Kin Kheong	• Corporate Governance Breakfast Series with Directors: The Cybersecurity Threat and How Board should Mitigate the Risks	18 November 2016
	• Audit Committee Conference 2017 - Making an Impact	5 April 2017
	• Global Business Insights Series: High Performance Leadership in Times of Change and Uncertainty	10 April 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Group Accounting - The Economic Entity Model under MFRS 3 and MFRS 10	9 June 2017
	• Sustainability Reporting 2017	14 September 2017

Name of Directors	Course Title	Date
Dato' Idrose Bin Mohamed	• Audit Committee Conference 2017 - Making an Impact	5 April 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Sustainability Reporting 2017	14 September 2017
	• Effective Internal Audit Function for Audit Committee Workshop	25 September 2017
	• Corporate Board Symposium 2017 - Enhancing Board Effectiveness and Driving Governance	25 October 2017
Dato' Haji Obet Bin Tawil	• Sustainability Forum for Directors/CEOs on "The Velocity of Global Change & Sustainability - The New Business Model"	10 January 2017
	• Audit Committee Conference 2017 - Making an Impact	5 April 2017
	• Companies Act 2016 - Impact on Directors on their duties and responsibilities and related matters	18 May 2017
	• Sustainability Reporting 2017	14 September 2017
	• Advocacy session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers	31 October 2017
	• Effective Internal Audit Function for Audit Committee Workshop - A Programme for Audit Committee Members	25 September 2017
Dato' Noor Farida Binti Mohd Ariffin	• Audit Committee Conference 2017 - Making an Impact	5 April 2017
	• EcoWorld Women's Summit 2017 - Women 360°	8 March 2017
	• Driving Financial Integrity & Performance - Enhancing Financial Literacy	3 August 2017
	• Sustainability Reporting 2017	14 September 2017

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 regulatory requirements and applicable financial reporting standards in Malaysia.

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

The Statement of Directors' Responsibilities in respect of the audited financial statement pursuant to Paragraph 15.26(a) of the MMLR of Bursa Malaysia is set out in page 76 of this Annual Report.

Assessment of suitability and independence of the External Auditors
The AC meets with the external auditors privately twice a year and whenever necessary, without the presence of the other Directors or Management, to exchange independent views on matters which require the AC's attention.

The AC considered the non-audit services provided by the external auditors during FY2017 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees incurred on these non-audit services totalled RM67,100 which was considered not significant when compared to the total fees paid to the external auditors. The non-audit services provided by the external auditors were mainly related to corporate exercises undertaken by the Group.

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.

At a special meeting held on 29 November 2017, the AC assessed the independence, technical capabilities and resource sufficiency of the external auditors. Based on the assessment, the AC recommended to the Board to put forth a proposal for the re-appointment of the external auditors at the forthcoming Annual General Meeting **("AGM")**.

A summary of the activities of the AC during FY2017 is set out in the AC Report on pages 77 to 79 of this Annual Report.

RECOGNISE AND MANAGE RISK

Sound risk management framework and internal controls system

The Group has established a Risk Management Policy and Guidelines which sets out its risk management strategy, risk structure, risk assessment processes, risk communication and action plans.

The Board reviewed the effectiveness of the Group's risk management and internal controls during FY2017, including financial, operational and compliance controls and can confirm that there is, and has been during FY2017, an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The RMC assists the Board in identifying, mitigating and monitoring critical risks highlighted by business units. The RMC comprises the following members:

Member	Executive position
Dato' Voon Tin Yow (Chairman)	Executive Director
Dato' Sundarajoo A/L Somu	Chief Operating Officer
Datuk Hoe Mee Ling	Divisional General Manager, Southern Region
Dato' Soo Chan Fai	Group Financial Controller
Lim Eng Tiong	Divisional General Manager, Group Contracts
Ong Yew Leng	General Manager, Group MIS

The RMC 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 actions where necessary. The RMC reports to the AC at least twice a year and briefs the Board on significant matters.

The Statement on Risk Management and Internal Control as set out in pages 85 to 86 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 continued 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 FY2017 is set out in the AC Report on pages 77 to 79 of this Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate disclosure policies and procedures

The Company recognises the value of transparent and effective communication with the investment community and aims to build long-term relationships with shareholders and investors through appropriate channels for disclosure of information.

The Company mainly communicates with shareholders, other stakeholders and the public through press releases, press conferences, timely announcements and disclosures made to Bursa Malaysia.

Information disseminated is clear, relevant and comprehensive, provided on a timely basis and is readily accessible by all stakeholders. The Company endeavours to provide investors with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.

The Annual Report, which is also a key communication channel between the Company and its shareholders and investors, is published within 4 months after the financial year end. The Chairman's Statement and President's Management Discussion & Analysis provide an insightful explanation of the Group's performance, operations, prospects and other matters affecting the Group's business and shareholders' interests.

Leverage on information technology for effective dissemination of information

The Company's website at www.ecoworld.my incorporates an Investor Relations section which provides all relevant information on the Group and is accessible by the public. Announcements made by the Company, annual reports, press releases and corporate presentations are disclosed in this section which enhances the Investor Relations function.

The quarterly financial results are 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.

Shareholders and investors may also forward their queries to the Company via email to corp@ecoworld.my.

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 Malaysia, its website, circulars and press releases, interviews are conducted from time to time with local journalists by Management and reported in the local media.

The Board views the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders. During general meetings, the President & CEO briefs shareholders on the Group's projects and elaborate on proposals for which approval of shareholders is being sought.

The Chairman of the Board as well as Chairmen of the Board Committees are available at the AGM to answer any questions raised by shareholders.

Whilst the Company endeavours to provide as much information as possible to its shareholders and the investment community, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Encourage shareholder participation at general meetings

The Annual Report, which contains the Notice of AGM, is sent to shareholders at least 28 days prior to the date of the meeting. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Items of special business included in the Notice of AGM are accompanied by an explanation of the proposed resolutions.

At each meeting, shareholders are able to participate in the question-and-answer session in respect of the matters listed in the Notice of AGM. There is no time limitation for shareholders to raise questions and to solicit replies from the Board.

Poll voting

Voting, whether in person or by proxy, on all resolutions is conducted by way of poll. An independent scrutineer is appointed to undertake the polling process.

Voting results, including the number of votes for and against each resolution, are provided at the meeting and announced via Bursa LINK. The results can also be accessed via the Company's website at www.ecoworld.my.

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 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 Malaysia, but also to adopt the best practices recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders.

The Company's Investor Relations Department plays an important role in conducting regular dialogues and discussions with fund managers, financial analysts, shareholders and the media. These meetings provide financial analysts, institutional fund managers and the investing public with ongoing updates about the Group's activities to enable a better understanding of the business and strategic direction of the Group.

The following were the key investor-related activities held during FY2017:

Month	Key Investor Relations Activities
December 2016	Full year 2016 results briefing and press conference
January 2017	Investor roadshow, Kuala Lumpur and Singapore
March 2017	Investor roadshow, Singapore
April 2017	Investor roadshow, Hong Kong
June 2017	Half year 2017 results briefing and press conference
August 2017	Investor roadshow, Singapore
Throughout FY2017	Site visits and regular meetings with institutional investors, fund managers and analysts

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 assist 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, and of the results and cash flows of the Group and of the Company for that financial year 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 judgements 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 regulatory requirements.

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

Tang Kin Kheong

The Audit Committee **("AC")** comprises 4 Independent Non-Executive Directors.

Composition of The Audit Committee

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

Dato' Noor Farida Binti Mohd Ariffin
Member, Independent Non-Executive Director

MEETINGS

The AC held 5 meetings during the financial year 2017 **("FY2017")**. The attendance of each AC member was as follows:

Name of Members	Attendance
Tang Kin Kheong	5/5
Dato' Idrose Bin Mohamed	5/5
Dato' Haji Obet Bin Tawil	5/5
Dato' Noor Farida Binti Mohd Ariffin	5/5

The AC meets quarterly and as and when required. The dates of the quarterly meetings are preset at the beginning of FY2017. For all meetings, the notice and agenda together with the papers and reports relevant to the items on the agenda are distributed to members prior to each meeting to enable members to prepare for the meeting.

The Chairman of the AC verbally briefs the Board on the proceedings of the AC meeting at the first Board meeting held subsequent to the AC meeting.

Additionally, confirmed minutes of AC meetings are tabled at Board meetings for notation by all directors.

The President & Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Executive Directors, Group Financial Controller and the Senior Manager of Internal Audit are invited to attend the AC meetings.

The external auditors are also invited to attend the AC meetings to present their audit plan and audit findings, and to assist the AC in its review of the unaudited quarterly financial reports and year-end financial statements.

The AC Chairman engages on a continuous basis with Senior Management, the external and internal auditors to keep abreast of matters affecting the Group. Where significant issues are noted, the AC Chairman communicates and confers with the other members, either through emails or in meetings.

AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE

The AC is governed by its terms of reference, which is available on the Company's website at www.ecoworld.my.

SUMMARY OF ACTIVITIES DURING FY2017

In respect of FY2017 under review, the AC carried out the following activities which are in line with its responsibilities as set out in the terms of reference:

1. Financial statements

(a) Reviewed the unaudited quarterly financial reports and year-end financial statements before they were presented to the Board for approval; and

(b) In its review of the quarterly financial reports and year-end financial statements, discussed with Management and the external auditors the financial reporting standards applied, including the judgements exercised in the application of those standards and the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and year-end financial statements.

In respect of the above, matters discussed included:

- accounting treatment for significant transactions during FY2017, such as those relating to major land acquisitions and corporate proposals; and
- new and proposed financial reporting guidelines affecting the property development industry.

2. Matters relating to external audit

(a) Reviewed the external auditors' audit plan for FY2017.

(b) Reviewed the external auditors' audit report and the significant audit findings underlying their report. The audit findings were presented once upon the completion of the interim audit and once upon the completion of the final audit.

(c) Reviewed the external auditors' internal control recommendations and management's responses thereto as set out in their Audit Review Memorandum presented to the AC.

(d) Met with the external auditors without the presence of Management twice, on 13 September 2017 and 13 December 2017, in order to provide the external auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

(e) Evaluated the external auditors' independence and objectivity, as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.

(f) After carrying out an evaluation of the performance of the external auditors, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the Annual General Meeting of the Company.

3. Matters relating to internal audit

(a) Approved the internal audit annual plan for FY2017 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas. Also considered the adequacy of the manpower resources of the internal audit team to carry out the activities envisaged in the internal audit plan.

(b) Reviewed all internal audit reports issued by the internal auditors and took note of their observations, recommendations and Management's responses thereto.

During AC meetings, discussed significant reported matters with Management together with the internal auditors to reaffirm a common understanding of the issues and Management's commitment to improve the current system of internal control to address the issues.

Reported significant matters to the Board.

(c) Monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.

(d) Evaluated the performance of the internal audit department during FY2017 as well as their capability and competency to serve the Group in terms of technical competencies and manpower resource sufficiency.

4. Matters relating to risk management and internal control

(a) At the second and fourth quarterly AC meetings, reviewed and discussed with the Chairman of the Risk Management Committee **("RMC")** the reports on the Group's risk profile and the mitigation controls implemented to manage identified risks.

(b) At the second quarterly AC meeting, reviewed and discussed with the Head of Group Management Information System the results of penetration tests carried out on the Group's IT infrastructure by an external cyber security firm in February 2017.

At the fourth quarterly AC meeting, noted the results of a second set of penetration tests carried out in July 2017 that were earlier presented to the RMC at its meeting held on 14 August 2017.

IT security penetration tests are carried out twice a year.

5. Matters relating to related party transactions

On a quarterly basis, took note of all related party transactions reported by the internal auditors following their review to satisfy themselves whether those transactions were:

- on terms not more favourable than those generally available to the public; and
- in respect of related party transactions of a recurring and trading nature, in accordance with the mandate approved by shareholders.

6. Matters relating to other matters

(a) Reviewed and approved the appointment of the external auditors or their affiliated firms to provide any non-audit services to the Group to ensure that their independence and objectivity as external auditors would not be impaired by the performance of such non-audit services.

(b) Reviewed the whistleblowing policy before presentation to the Board for approval.

EVALUATION OF THE AUDIT COMMITTEE

For FY2017 under review, an evaluation was carried out on the term of office, competency and performance of the AC. The evaluation was carried out by all the directors (save for directors who are AC members) instead of by the Nomination Committee **("NC")** as 3 out of the 4 members of the NC are also members of the AC.

AUDIT COMMITTEE MEMBERS' TRAINING

The details of training programmes and seminars attended by each AC member during FY2017 are set out in the Corporate Governance Statement under "Directors' training and development".

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by Group Corporate Governance **("GCG")**. GCG reports directly to the AC on the adequacy and effectiveness of the risk management and internal control systems.

GCG conducts its internal audits in accordance with an internal audit annual plan developed based on a risk-based approach. The internal audit annual plan requires the prior approval of the AC. The internal audits carried out by GCG for FY2017 included the following:

- Reviewed and tested the system of internal control on the key operating processes based on the approved internal audit annual plan by adopting a risk-based approach and progressively issuing detailed internal audit reports to the AC.

  During FY2017, 20 internal audit reports covering 42 processes were issued. These included the audits of 13 business units across the Northern, Southern and Klang Valley regions as well as 6 support divisions.

  These internal audit reports together with follow-up reports were tabled at AC meetings for deliberation.

- Conducted 14 follow-up audits to ascertain the implementation status of previously issued audit recommendations.
- Ascertained the extent of compliance with established Group policies, procedures and statutory requirements.
- Reviewed recurring related party transactions on a quarterly basis in accordance with the guidelines set out in the Circular to Shareholders for related party transactions of a recurring and trading nature.

The total cost incurred in maintaining the internal audit function for FY2017 was RM1.7 million (FY2016: RM1.9 million).

Dato' Idrose Bin Mohamed

The Nomination Committee **("NC")** comprises 4 Non-Executive Directors **("NEDs")**, 3 of whom including the Chairman are Independent Non-Executive Directors **("INEDs")**.

Composition of The Nomination Committee
Dato' Idrose Bin Mohamed *Chairman, Independent Non-Executive Director*
Tan Sri Lee Lam Thye *Member, Non-Independent Non-Executive Director*
Tang Kin Kheong *Member, Independent Non-Executive Director*
Dato' Noor Farida Binti Mohd Ariffin *Member, Independent Non-Executive Director*

Although the Chairman of the NC is not the Senior Independent Non-Executive Director, the Board of Directors **("Board")** of Eco World Development Group Berhad **("Company")** is of the view that the NC is able to perform its duties transparently and independently.

ROLE AND RESPONSIBILITIES

The NC assists the Board in ensuring that the Board comprises Directors with the appropriate mix of skills and experience, as well as to ensure a proper balance between Executive Directors **("EDs")** and INEDs.

The duties and responsibilities of the NC are as follows:

- To recommend to the Board, candidates for any directorships proposed to be filled by 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 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 NC shall:

  (a) consider candidates from a wide range of backgrounds;
  (b) consider candidates on merit, against objective criteria with due regard to 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 assess annually, the effectiveness of the Board as a whole and each Director individually, as well as the effectiveness of the various committees of the Board;
- To assess on an annual basis the independence of the INEDs;
- To review the results of the Directors' performance evaluation;
- To give consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Company and its subsidiaries **("Group")** 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 Group and the market in which it operates; and
- To act in line with the directions of the Board.

Activities during financial year 2017 ("FY2017")

For FY2017, the NC performed the following evaluation:

- Reviewed and assessed the mix of skills, expertise, composition, size and experience required by the Board.
- Reviewed and assessed the effectiveness of each individual Director by undertaking an evaluation process involving a self-assessment by individual Directors.
- Reviewed and assessed the effectiveness of the Board and board committees namely the Audit Committee **("AC")**, the NC and the Remuneration Committee **("Board Committees")**.
- Reviewed and assessed the independence of the INEDs.
- Nominated the Directors who are retiring and who are eligible for re-election.
- Reviewed the term of office competency and performance of the AC and its members.

BOARD COMPOSITION

At present, the Board consists of 12 members of whom 4 are EDs, 4 are Non-Independent Non-Executive Directors **("NINEDs")**, and 4 are INEDs. Thus, the requirement under Paragraph 15.02 of the Main Market Listing Requirements **("MMLR")** of Bursa Malaysia Securities Berhad **("Bursa Malaysia")** that at least 2 Directors or 1/3 of the Board, whichever is higher, must be INEDs, is fulfilled.

Collectively, the Directors have a wide range of experience and expertise in business, corporate, legal and financial matters that add value to the Board as a whole. Profiles of the Directors are set out in pages 52 to 63 of this Annual Report.

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

Mr. Tang Kin Kheong is the Senior Independent Non-Executive Director to whom concerns may be conveyed. Any queries or concerns relating to the Group may be directed to Mr. Tang at kin-kheong.tang@ecoworld.my.

CRITERIA FOR RECRUITMENT AND ASSESSMENT

Selection of candidates for appointment as Directors may be recommended by Directors, Senior Management or external parties. The NC assesses the suitability of the candidates before recommending the candidates to the Board for appointment.

In evaluating the suitability of candidates, the NC considers, inter-alia, their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Group, and additionally in the case of candidates proposed for appointment as INED, the candidates' independence. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

BOARD DIVERSITY

The Board acknowledges diversity as an essential combination to strengthen the composition of the Board. In this regard, the Board formalised and adopted a Board Diversity Policy on 14 December 2017. The Board seeks to maintain a Board comprising talented and dedicated Directors with diverse mix of skills, expertise, experience, gender and age.

In view of the new MCCG, large companies must have at least 30% women directors. The Board through the NC will take steps to ensure additional women candidates are sought in its recruitment exercise.

On the management front, the Group's commitment to promote "Diversity at Work" is reflected in its employee gender profile as at 31 October 2017 of 45% female to 55% male employees and the high percentage of female employees holding senior management positions at 46%.

The NC is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes gender diversity pursuant to Recommendation 2.2 of MCCG 2012. Presently there is one female Director on the Board.

BOARD EVALUATION

The Board, Board Committees and Directors undertook an evaluation of their performance during the financial year. The evaluation was led by the Company Secretaries by completing a questionnaire to facilitate a confidential assessment. The Board and Board Committees were assessed as a whole, while Directors were assessed individually. In respect of INEDs, their independence were also assessed. A scoring mechanism was used to provide recipients with context for the results. Anonymised responses were provided where appropriate.

The criteria for self-assessment covers areas such as contributions to matters discussed, roles and responsibilities and overall quality of input to Board effectiveness. For Board and Board Committees assessments, the criteria includes board structure and operations, their roles and responsibilities, succession planning and board governance.

The independence of INEDs were assessed based on their relationship with the Group and whether they have been involved in any significant transaction with the Group. In assessing their independence, the Board took into account the individual INEDs' ability to exercise independent judgement at all times and based on the criteria set out in the MMLR of Bursa Malaysia.

The INEDs 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 quarterly business performances.

The Board reviewed the evaluation in the Board meeting held in January this year and is generally satisfied with its current size, composition as well as the mix of skill sets and independence of its INEDs. In view of the new MCCG, the Board has agreed actions to enhance the composition of the Board and Board Committees.

RETIREMENT OF DIRECTORS

In accordance with the MMLR of Bursa Malaysia and Article 80 of the Company's Articles of Association, at least 1/3 or the number nearest to 1/3 of the directors shall retire from office each year such that all directors retire at least once in every 3 years at the Annual General Meeting **("AGM")**. The retiring directors shall be eligible for re-election at the AGM.

The following Directors retire by rotation at the forthcoming 44th AGM of the Company pursuant to Article 80 of the Company's Articles of Association:-

(a) Tan Sri Dato' Sri Liew Kee Sin;
(b) Datuk Heah Kok Boon;
(c) Tan Sri Lee Lam Thye; and
(d) Dato' Haji Obet Bin Tawil.

All the retiring Directors, being eligible, have offered themselves for re-election except for Tan Sri Lee Lam Thye who does not wish to seek for re-election. The NC recommends that the retiring Directors who have offered themselves for re-election be so re-elected.

Dato' Voon Tin Yow

The Remuneration Committee **("RC")** comprises 4 Directors, the majority of whom are Independent Non-Executive Directors **("INEDs")**.

Composition of The Remuneration Committee
Dato' Voon Tin Yow *Chairman, Executive Director*
Dato' Idrose Bin Mohamed *Member, Independent Non-Executive Director*
Tang Kin Kheong *Member, Independent Non-Executive Director*
Dato' Noor Farida Binti Mohd Ariffin *Member, Independent Non-Executive Director*

ROLE AND RESPONSIBILITIES

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

The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors **("EDs")** that is fairly guided by market norms and industry practice. The RC also recommends the EDs' remuneration and benefits based on their individual performances and that of the Group.

Fees payable to Non-Executive Directors **("NEDs")** are deliberated and decided by the Board as a whole before they are presented for approval by shareholders at the Annual General Meeting **("AGM")**. Directors who are also shareholders of the Company abstain from voting at the AGM to approve their own fees. Similarly, EDs are not involved in deciding their own remuneration.

Activities during financial year 2017 ("FY2017")
For FY2017, the RC performed the following evaluation:

- Reviewed and discussed directors' fees for NEDs and proposed the same for approval at the AGM.
- Reviewed the remuneration of the EDs.

BOARD REMUNERATION POLICIES AND PROCEDURES

The Board adopted and approved its Directors' Remuneration Policy on 25 January 2018.

Executive Directors

The remuneration policy of the Group has been designed to reflect the operations of the Group's business as well as talent pool. The following principles underpin the Group's approach to remunerate the EDs:

(a) *Transparency*
Simple, transparent and fair approach.

(b) *Link to strategy and shareholder alignment*
Significant proportion of remuneration is variable and linked to the delivery of the Group's business results and remuneration is also intended to reflect the meeting of shareholders' expectations.

(c) *Stewardship*
Focus on long-term sustainable performance.

The remuneration package for EDs comprises the following elements:-

(a) *Salary*
Salary levels take into account the nature of the role, performance of the business and the individual, additional responsibilities as well as market positioning and pay conditions in the wider EcoWorld group.

(b) *Benefits*
EDs are entitled to receive those benefits available to all employees of the Company. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave.

EDs may receive other benefits that are considered to be appropriate in terms of the individual's role such as car allowance, chauffeur, security services and medical benefits.

(c) *Bonus*
The bonus is based on performance against annual measures and targets set at the start of the year, evaluated at the end of the financial year. The level of bonus payable may vary depending on the job performance.

Non-Executive Directors
Remuneration for NEDs is in the form of fees, payable annually. The fees payable to the NEDs are subject to shareholders' approval at the AGM.

In addition to fixed annual directors' fees, NEDs are paid meeting allowances for the purpose of attending Board or board committee meetings. Non-Independent Non-Executive Directors **("NINEDs")** are also provided with group insurance coverages which include Group Term Life, Group Hospital & Surgical and Group Personal Accident. NINEDs may also receive other benefits such as security services.

DIRECTORS' REMUNERATION IN RESPECT OF FY2017
The details of the Directors' remuneration for FY2017 are 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:

Company	Directors' Fees (RM'000)	Salary and Bonus (RM'000)	Allowance (RM'000)	Benefits in kind (RM'000)	EPF (RM'000)
Executive	-	-	-	-	-
Non-Executive	1,883	-	575	1,254	-
Total	**1,883**	**-**	**575**	**1,254**	**-**

Group	Directors' Fees (RM'000)	Salary and Bonus (RM'000)	Allowance (RM'000)	Benefits in kind (RM'000)	EPF (RM'000)
Executive	-	15,705	976	579	1,606
Non-Executive	-	-	-	3,174	-
Total	**-**	**15,705**	**976**	**3,753**	**1,606**

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

Range of remuneration	Number of Directors Executive	Number of Directors Non-Executive
RM250,001 to RM300,000	-	3
RM300,001 to RM350,000	-	2
RM350,001 to RM400,000	-	1
RM400,001 to RM450,000	-	1
RM550,001 to RM600,000	1	-
RM1,900,001 to RM1,950,000	1	-
RM4,600,001 to RM4,650,000	-	1
RM6,700,001 to RM6,750,000	1	-
RM9,650,001 to RM9,700,000	1	-

Additional Compliance Information

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The utilisation of proceeds raised from corporate proposals during the financial year are as follows:

Proceeds totaling RM770.1 million were raised under the three tranches of the Placement exercise which were completed on 19 October 2016, 25 November 2016 and 6 March 2017 respectively. As at 31 October 2017, all the proceeds raised have been fully utilised. Details of the utilisation are as follow:

Purpose	Proposed utilisation (RM'mil)	Reallocation (RM'mil)	Actual utilisation (RM'mil)	Balance unutilised (RM'mil)
To part finance the proposed subscription of new ordinary shares in EWI	388.8	-	(388.8)	-
To part finance the proposed land acquisition in Mukim Ijok	93.0	-	(93.0)	-
Working capital requirements	90.6	2.2	(92.8)	-
Repayment of bank borrowings	195.0	-	(195.0)	-
Estimated expenses in relation to the Proposed Placement	2.7	(2.2)	(0.5)	-
Total	**770.1**	**-**	**(770.1)**	**-**

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 October 2017 are as follows:

	Group (RM)	Company (RM)
Audit Fees	477,025	80,000
Non-audit Fees	67,100	48,500
Total	**544,125**	**128,500**

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 year or which were entered into since the end of the previous financial period except as disclosed in Note 38 of the financial statements.

INTRODUCTION

The 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 year ended 31 October 2017 issued in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the *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 is undertaken by the in-house internal audit department, named Group Corporate Governance **("GCG")**. GCG reports to the Audit Committee on the adequacy and effectiveness of the risk management and internal control systems.

A description of GCG's activities during the financial year ended 31 October 2017 can be found in the Audit Committee Report included in this Annual Report.

RISK MANAGEMENT

There is an on-going risk management process for identifying, evaluating, monitoring and managing significant risks faced by the Group throughout the financial year. The risk management process has been in place for the entire financial year under review and up to the date of approval of this statement for inclusion in the Annual Report.

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

The salient features of the 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, defines management's responsibilities, and sets the Group's risk appetite and risk tolerance. The framework is incorporated into the risk management policy and guideline document that has been approved by the Board. Risk assessments are undertaken by management to identify and update risks.

3. The Risk Management Committee meets on a quarterly basis to deliberate on the significant risks identified by management. Matters deliberated include revised risk profiles, control procedures and status of action plans. The Risk Management Committee is assisted by the Risk Coordinator who acts as the Group's focal point for all risk management activities within the Group.

4. The significant risk issues evaluated by the Risk Management Committee are discussed at Audit Committee meetings. The Risk Management Committee reports to the Audit Committee twice a year. The Audit Committee reviews the Group's risk profile and effectiveness of the mitigating measures implemented by management. Significant risk matters that require the attention of the Directors are escalated to the Board.

5. The risk management framework and activities are reviewed by GCG. In particular, GCG incorporates into its internal audit plan the necessary procedures to check the adequacy and effectiveness of the controls established to address the identified risks.

INTERNAL CONTROL

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

- An organisation structure which formally defines lines of responsibility and limits of authority to facilitate the operations of the individual Business Units and Support Divisions.
- Systematic performance appraisal for all employees of the Group.
- Continuous talent development programmes to maintain high competency and capability levels.
- Relevant Board Committees with formal terms of reference outlining functions and duties delegated by the Board.
- Central control over key functions such as finance, tax, treasury, corporate, legal matters and contract awarding.
- Strategic planning, annual business planning and target-setting processes, which include forecasts for each business unit/division. These are reviewed in detail by management and the annual business plan is approved by the Board.
- Review of actual performance compared with budget, with explanations provided for major variances.
- Continuous development of Group information technology platforms as an effective means of communication and knowledge sharing.
- IT systems and communication channels are put in place to enable effective decision-making by providing management with timely and accurate information.
- On-going quality improvement initiatives throughout the Group.
- Quarterly senior management meetings to discuss the Group's financial performance, business development, operational and corporate issues.
- Documentation of Internal policies and procedures in the form of Standard Operating Procedures which are continuously reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes are set out in the Standard Operating Procedures.
- Divisional Heads and Business Unit Heads made 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.
- Commitment to upholding a strong culture of integrity and ethical values, as emphasized in the Eco World Code of Conduct and Business Ethics manual. All employees are required to acknowledge that they have read and understood the document upon commencement of employment.
- The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. It is the Group's commitment to investigate any suspected serious misconduct or any breach reported, as well as to protect those who come forward to report such activities.

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. However, the Group's interest is safeguarded through board representation and the Group's control culture is instilled throughout these companies.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 October 2017 pursuant to the scope set out in Recommended Practice Guide 5 (Revised) : *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control*, issued by Malaysia Institute of Accountants and reported that nothing has come to their attention that would cause them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers* nor is the same factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 25 January 2018.

CONCLUSION

The Chief Executive Officer and Chief Financial Officer have given assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material respects.

Taking into consideration the information and assurance given by the Chief Executive Officer and Chief Financial Officer, the Board is of the view that are the Group's system of risk management and internal control system are in place for the year under review to safeguard the assets of the Group and interest of the shareholders. The Board will continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

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

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries, associate and joint ventures are disclosed in Notes 8, 9 and 10 respectively to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	209,650	14,702
Attributable to:		
Owners of the Company	209,650	14,702
Non-controlling interests	-	-
	209,650	14,702

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 October 2017.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that 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 was required in respect of doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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 year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year 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 year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 110,783,876 new ordinary shares pursuant to the second tranche of a placement at an issue price of RM1.30 each for working capital purposes; and

(ii) issued 83,892,700 new ordinary shares pursuant to the third and final tranche of the placement at an issue price of RM1.49 each for working capital purposes.

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

During the financial year, no debentures were issued by the Company.

FREE DETACHABLE WARRANTS 2015/2022

The salient terms of the Warrants 2015/2022 are disclosed in Note 20 to the financial statements.

There were no Warrants 2015/2022 exercised during the financial year.

DIRECTORS OF THE COMPANY

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Abdul Rashid bin Abdul Manaf
Tan Sri Dato' Sri Liew Kee Sin
Dato' Leong Kok Wah
Dato' Chang Khim Wah
Dato' Voon Tin Yow
Datuk Heah Kok Boon
Liew Tian Xiong
Tan Sri Lee Lam Thye
Tang Kin Kheong
Dato' Idrose bin Mohamed
Dato' Haji Obet bin Tawil
Dato' Noor Farida binti Mohd Ariffin

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year or during the period from the end of the financial year to the date of this report:

Dato' Sundarajoo A/L Somu	
Dato' Soo Chan Fai	
Datuk Hoe Mee Ling	
Phan Yan Chan	
Ho Kwee Hong	
Yap Yoke Ching	
Catherine Lim Siew Kia	
Low Thiam Chin	
Chan Soo How	Appointed on 27 July 2017
Khoo Teck Chong	Resigned on 31 July 2017
Datuk Ong Kek Seng	Resigned on 1 August 2017

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 ("the Act"), the interests of directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.11.2016 '000	Bought '000	Sold '000	At 31.10.2017 '000
The Company				
Eco World Development Group Berhad				
Direct interests				
Liew Tian Xiong	502,769	-	-	**502,769**
Dato' Chang Khim Wah	8,650	-	-	**8,650**
Datuk Heah Kok Boon	1,609	-	-	**1,609**
Dato' Voon Tin Yow	14,066	-	-	**14,066**
Tan Sri Lee Lam Thye	2,000	-	-	**2,000**
Deemed/Indirect interests				
Tan Sri Abdul Rashid bin Abdul Manaf	432,865	-	-	**432,865@**
Dato' Leong Kok Wah	1,339,000	63,784	-	**1,402,784#**
Tan Sri Dato' Sri Liew Kee Sin	20,000	-	-	**20,000^**

	Number of Warrants 2015/2022			
	At 1.11.2016 '000	Bought '000	Sold '000	At 31.10.2017 '000
The Company				
Eco World Development Group Berhad				
Direct interests				
Liew Tian Xiong	71,024	-	-	**71,024**
Dato' Chang Khim Wah	1,224	-	-	**1,224**
Datuk Heah Kok Boon	181	-	-	**181**
Dato' Voon Tin Yow	1,652	-	-	**1,652**
Deemed/Indirect interests				
Tan Sri Abdul Rashid bin Abdul Manaf	202,177	-	-	**202,177@**
Dato' Leong Kok Wah	363,547	-	-	**363,547#**

Notes:

@ *Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.*

\# *Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 8 of the Act.*

^ *Indirect interest by virtue of the interest of his spouse in the Company pursuant to Section 59 of the Act.*

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Act, Dato' Leong Kok Wah is deemed to have an interest in shares in the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year and save for as disclosed in Note 38 to the financial statements, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY FOR DIRECTORS AND OFFICERS

The Directors and officers of the Group and of the Company are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O Insurance effected for the Directors and Officers of the Group was RM20,000,000. The insurance premium for the D&O Insurance paid during the financial year amounted to RM27,000.

SUBSIDIARIES

Details of the subsidiaries are disclosed in Note 8 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

INDEMNITY FOR AUDITORS

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Act.

AUDITORS' REMUNERATION

The auditors' remuneration are disclosed in Note 30 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....
DATO' CHANG KHIM WAH
Director

....
DATUK HEAH KOK BOON
Director

Shah Alam
Date: 25 January 2018

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**227,942**	212,621	**156**	251
Investment property	6	**19,149**	18,589	**-**	-
Land held for property development	7	**3,900,199**	4,160,130	**-**	-
Investment in subsidiaries	8	**-**	-	**3,352,317**	2,448,350
Investment in an associate	9	**12,127**	-	**12,728**	-
Investment in joint ventures	10	**1,139,208**	298,949	**14,000**	2,000
Other receivables	11	**507,520**	186,963	**1.115,740**	483,971
Deferred tax assets	12	**78,743**	66,033	**6**	3
Total non-current assets		**5,884,888**	4,943,285	**4,494,947**	2,934,575
Current assets					
Property development costs	13	**2,431,575**	2,305,746	**-**	-
Gross amount due from a customer	14	**6,882**	-	**-**	-
Inventories	15	**24,707**	24,884	**-**	-
Current tax assets		**46,999**	30,044	**3,350**	12,892
Trade and other receivables	16	**786,775**	651,257	**408,836**	1,187,369
Other current assets	17	**234,611**	313,294	**-**	405
Cash and bank balances	18	**433,824**	573,467	**91,645**	268,892
Total current assets		**3,965,373**	3,898,692	**503,831**	1,469,558
TOTAL ASSETS		**9,850,261**	8,841,977	**4,998,778**	4,404,133

Statements of Financial Position
As at 31 October 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	**3,614,865**	1,374,846	**3,614,865**	1,374,846
Share premium		**-**	1,971,010	**-**	1,971,010
Warrant reserve	20	**194,395**	194,395	**194,395**	194,395
Foreign currency translation reserve		**(541)**	786	**-**	-
Retained earnings		**455,315**	245,665	**16,193**	1,491
TOTAL EQUITY		**4,264,034**	3,786,702	**3,825,453**	3,541,742
Non-current liabilities					
Loans and borrowings	21	**2,202,608**	2,044,986	**101,625**	101,625
Other payables	22	**92,671**	180,646	**-**	-
Deferred tax liabilities	12	**48,563**	43,728	**-**	-
Total non-current liabilities		**2,343,842**	2,269,360	**101,625**	101,625
Current liabilities					
Gross amount due to a customer	14	**-**	234	**-**	-
Trade and other payables	23	**1,464,920**	1,481,807	**486,700**	260,766
Other current liabilities	24	**481,462**	472,353	**-**	-
Bank overdrafts	25	**26,497**	16,585	**-**	-
Loans and borrowings	21	**1,250,466**	800,332	**585,000**	500,000
Current tax liabilities		**19,040**	14,604	**-**	-
Total current liabilities		**3,242,385**	2,785,915	**1,071,700**	760,766
TOTAL LIABILITIES		**5,586,227**	5,055,275	**1,173,325**	862,391
TOTAL EQUITY AND LIABILITIES		**9,850,261**	8,841,977	**4,998,778**	4,404,133

The accompanying notes form an integral part of these financial statements.

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	26	**2,924,665**	2,546,437	**-**	-
Cost of sales	27	**(2,319,107)**	(1,951,293)	**-**	-
Gross profit		**605,558**	595,144	**-**	-
Other income	28	**146,935**	21,804	**102,427**	65,757
Selling and marketing expenses		**(111,492)**	(133,561)	**-**	-
Administrative expenses		**(257,095)**	(246,518)	**(26,667)**	(28,796)
Operating profit		**383,906**	236,869	**75,760**	36,961
Finance costs	29	**(69,791)**	(30,958)	**(49,084)**	(42,678)
Share of results in an associate, net of tax		**(601)**	-	**-**	-
Share of results in joint ventures, net of tax		**(30,901)**	(12,729)	**-**	-
Profit/(Loss) before tax		**282,613**	193,182	**26,676**	(5,717)
Income tax expense	33	**(72,963)**	(63,901)	**(11,974)**	(3,958)
Profit/(Loss) for the financial year		**209,650**	129,281	**14,702**	(9,675)
Other comprehensive loss, net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences of translation of foreign operation		**(179)**	(206)	**-**	-
Share of other comprehensive income of joint ventures		**(1,148)**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**208,323**	129,075	**14,702**	(9,675)
Profit/(loss) attributable to:					
Owners of the Company		**209,650**	129,281	**14,702**	(9,675)
Non-controlling interests		**-**	-	**-**	-
		209,650	129,281	**14,702**	(9,675)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**208,323**	129,075	**14,702**	(9,675)
Non-controlling interests		**-**	-	**-**	-
		208,323	129,075	**14,702**	(9,675)
Earnings per ordinary share (sen)					
- basic/diluted	34	**7.25**	5.43		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity
For the financial year ended 31 October 2017

Group	Note	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Warrant reserve RM'000	Non-distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 November 2015		1,182,132	1,662,972	194,395	992	116,384	3,156,875
Total comprehensive income for the financial year							
Profit for the financial year		-	-	-	-	129,281	129,281
Other comprehensive loss for the financial year							
- foreign currency translation		-	-	-	(206)	-	(206)
Total comprehensive income		-	-	-	(206)	129,281	129,075
Transactions with owners							
Issuance of ordinary shares							
- placement	19	192,714	308,341	-	-	-	501,055
Share issuance expenses		-	(303)	-	-	-	(303)
Total transactions with owners		192,714	308,038	-	-	-	500,752
At 31 October 2016		1,374,846	1,971,010	194,395	786	245,665	3,786,702
Total comprehensive income for the financial year							
Profit for the financial year		-	-	-	-	209,650	209,650
Other comprehensive loss for the financial year							
- foreign currency translation		-	-	-	(1,327)	-	(1,327)
Total comprehensive income		-	-	-	(1,327)	209,650	208,323
Transactions with owners							
Issuance of ordinary shares							
- placement	19	231,419	37,600	-	-	-	269,019
Share issuance expenses		(10)	-	-	-	-	(10)
Transition to no-par value regime	19	2,008,610	(2,008,610)	-	-	-	-
Total transactions with owners		2,240,019	(1,971,010)	-	-	-	269,009
At 31 October 2017		**3,614,865**	**-**	**194,395**	**(541)**	**455,315**	**4,264,034**

			Non-distributable		Distributable	
Company	Note	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 November 2015		1,182,132	1,662,972	194,395	11,166	3,050,665
Total comprehensive loss for the financial year		-	-	-	(9,675)	(9,675)
Transactions with owners						
Issuance of ordinary shares - placement	19	192,714	308,341	-	-	501,055
Share issuance expenses		-	(303)	-	-	(303)
Total transactions with owners		192,714	308,038	-	-	500,752
At 31 October 2016		1,374,846	1,971,010	194,395	1,491	3,541,742
Total comprehensive income for the financial year		-	-	-	14,702	14,702
Transactions with owners						
Issuance of ordinary shares - placement	19	231,419	37,600	-	-	269,019
Share issuance expenses		(10)	-	-	-	(10)
Transition to no-par value regime	19	2,008,610	(2,008,610)	-	-	-
Total transactions with owners		2,240,019	(1,971,010)	-	-	269,009
At 31 October 2017		**3,614,865**	**-**	**194,395**	**16,193**	**3,825,453**

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
For the financial year ended 31 October 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		**282,613**	193,182	**26,676**	(5,717)
Adjustments for:					
Depreciation of property, plant and equipment		**25,141**	22,926	**95**	105
Abortive land acquisition expenditure written off		**25**	5,755	**-**	-
Amounts due from subsidiaries written off		**-**	-	**-**	4,668
Impairment of amounts due from subsidiaries		**-**	-	**17,451**	-
Impairment of investment in a subsidiary		**-**	-	**-**	10,205
Interest expense		**69,791**	30,958	**49,084**	42,678
Interest income		**(31,104)**	(13,867)	**(102,315)**	(65,757)
Property, plant and equipment written off		**3,529**	7,470	**-**	-
Gain on disposal of property, plant and equipment		**(14)**	(153)	**-**	-
Gain on deemed disposal of subsidiaries		**(96,600)**	-	**-**	-
Share of results in the associate		**601**	-	**-**	
Share of results in joint ventures		**30,901**	12,729	**-**	-
Unrealised (gain)/loss on foreign exchange		**(186)**	52	**-**	-
		284,697	259,052	**(9,009)**	(13,818)
Changes in working capital:					
Property development costs		**40,748**	55,479	**-**	-
Gross amount due from/(to) a customer		**(7,116)**	1,288	**-**	-
Inventories		**177**	704	**-**	-
Receivables		**(168,137)**	(361,574)	**397**	(358)
Payables		**381,618**	503,516	**(678)**	814
		531,987	458,465	**(9,290)**	(13,362)
Interest paid		**(132,890)**	(110,194)	**-**	-
Interest received		**5,462**	4,410	**576**	322
Income taxes paid		**(94,947)**	(112,376)	**(2,435)**	(18,455)
Net cash flows from/(used in) operating activities		**309,612**	240,305	**(11,149)**	(31,495)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment		**(52,172)**	(46,474)	**-**	-
Additions of investment property		**(560)**	(1,301)	**-**	-
Proceeds from disposal of property, plant and equipment		**917**	1,386	**-**	-
Acquisition of associate		*****	-	**-**	-
Payment for deferred land cost		**(337,227)**	(578,871)	**-**	-
Subscription of additional shares in subsidiaries		**-**	-	**(16,000)**	(13,600)
Subscription of ordinary shares in joint ventures		**-**	(500)	**-**	-
Subscription of ordinary shares and preference shares in the associate		**(12,728)**	-	**(12,728)**	-
Acquisition of joint ventures		**(777,600)**	(303,500)	**-**	-
Net cash outflow from deemed disposal of subsidiaries, net of cash disposed (Note 8(b) and (c))		**(11,642)**	-	**-**	-
Additions to land held for property development		**(340,881)**	(830,475)	**-**	-
Development expenditure paid		**(14,973)**	(3,936)	**-**	-
Deposits for acquisition of land refunded		**-**	159,254	**-**	-
Deposits paid for acquisition of land		**-**	(87,524)	**-**	-
Interest received		**5,875**	2,719	**87,782**	6,884
Net advances to subsidiaries		**-**	-	**(745,646)**	(641,853)
Net advances to joint ventures		**(19,543)**	(162,834)	**(11,043)**	(153,636)
Placement of deposits, redemption accounts, debts service reserve and escrow accounts		**(24,366)**	(1,094)	**(13)**	(13)
Net cash flows used in investing activities		**(1,584,900)**	(1,853,150)	**(697,648)**	(802,218)

* *Represents RM12*

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		**269,019**	501,055	**269,019**	501,055
Payment of share issuance expenses		**(10)**	(303)	**(10)**	(303)
Drawdown of bank borrowings		**1,414,015**	1,951,708	**85,000**	536,625
Repayment of bank borrowings		**(554,511)**	(800,943)	**-**	(199,467)
Advances from subsidiaries		**-**	-	**213,528**	69,694
Interest paid		**(26,683)**	-	**(36,000)**	(31,127)
Net cash flows from financing activities		**1,101,830**	1,651,517	**531,537**	876,477
Net (decrease)/increase in cash and cash equivalents		**(173,458)**	38,672	**(177,260)**	42,764
Cash and cash equivalents at the beginning of the financial year		**482,081**	443,469	**268,479**	225,715
Effects of exchange rate changes on cash and cash equivalents		**(463)**	(60)	**-**	-
Cash and cash equivalents at the end of the financial year		**308,160**	482,081	**91,219**	268,479
Cash and cash equivalents included in the statements of cash flows comprise the following amounts:					
Deposits with licensed banks	18	**119,388**	234,623	**77,545**	197,334
Cash in hand and at banks	18	**314,436**	338,844	**14,100**	71,558
Bank overdrafts	25	**(26,497)**	(16,585)	**-**	-
		407,327	556,882	**91,645**	268,892
Less: Cash and deposits maintained in debts service reserve account, redemption accounts and escrow accounts	18	**(97,939)**	(72,474)	**-**	-
Deposits pledged to banks as security for banking facilities	18	**(1,228)**	(2,327)	**(426)**	(413)
		308,160	482,081	**91,219**	268,479

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

Eco World Development Group Berhad ("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 of the Company 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 Company is principally engaged in business as an investment holding company. The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 8, 9 and 10 respectively to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 January 2018.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Act.

2.2 Adoption of amendments/improvements to FRSs

The Group and the Company have adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/Improvements to FRSs	
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 138	Intangible Assets

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies except as disclosed below:

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRS, amendments/improvements to FRSs and new IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 1	First-time adoption of FRSs	1 January 2018
FRS 2	Share-based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 12	Disclosures of Interests in Other Entities	1 January 2017
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatment	1 January 2019

Due to the complexity of these new FRS, amendments/improvements to FRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company. A brief discussion on the new FRS, amendments/improvements to FRSs, and new IC Int that may be applicable to the Group and the Company are summarised below:

FRS 9 Financial Instruments

Key requirements of FRS 9:

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

FRS 9 Financial Instruments (Continued)

Key requirements of FRS 9: (Continued)

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 1 First-time Adoption of FRSs

Amendments to FRS 1 delete the short-term exemptions that relate to FRS 7 *Financial Instruments: Disclosure*, FRS 119 *Employee Benefits* and FRS 10 *Consolidated Financial Statements* because they are no longer applicable.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 provide specific guidance on the accounting for:

(a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
(b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
(c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Amendments to FRS 12 Disclosure of Interests in Other Entities

Amendments to FRS 12 clarify that entities classified as held for sale are required to apply all the disclosure requirements of FRS 12 except for the disclosure requirements set out in paragraphs B10-B16.

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 128 Investments in Associates and Joint Ventures

Amendments to FRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

Amendments to FRS 140 Investment Property

Amendments to FRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use.

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

2. BASIS OF PREPARATION (CONTINUED)

2.4 MASB Approved Accounting Standards ("MFRSs")

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using MFRSs framework for financial year ending 31 October 2019. The main effects arising from the transition to MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently performing a detailed analysis under MFRS15 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.4 MASB Approved Accounting Standards ("MFRSs") (Continued)

MFRS 16 Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statements of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statements of financial position except for short-term and low value asset leases. Due to the complexity of this new MFRS, the financial effects of its adoption are currently still being assessed by the Group and the Company.

2.5 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 they operate ("the functional currency").

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

2.6 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.7 Use of estimates and judgement

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year.

It also requires the Group to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Group's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all financial years presented in these financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with those entities and has the ability to affect those returns through its power over those entities. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control as mentioned above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the subsidiaries until the date the Group loses control of those subsidiaries.

The Group applies the acquisition method to account for business combinations.

Goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date; plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

over the net fair value of identifiable assets acquired and the liabilities assumed at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises any resulting gain or loss, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and the other components of equity related to that subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, such interest is measured at its fair value as at the date that control is lost. Subsequently, it is accounted for as an associate, joint venture or an available-for-sale financial asset.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(c) Separate financial statements

In the Company's separate financial statements, investments in subsidiaries are measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution, in which case they are measured at the lower of carrying amount and fair value less cost to sell. The cost of investment includes transaction costs.

3.2 Associates and joint ventures

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not in control, over the financial and operating policies.

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

Associates or joint ventures are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, an investment in an associate or a joint venture is initially recognised at cost. Thereafter, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that the investee becomes an associate or a joint venture.

Goodwill relating to associates or joint ventures is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's or joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from carrying amount of the investment and is instead recognised as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Associates and joint ventures (Continued)

When the Group's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest (including any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a legal or constructive obligation or has made payments on behalf of the investee. Should the associate or joint venture subsequently report profits, the Group will only resume to recognise its share of profits after its share of profits equals to the share of losses previously not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at each financial year end whether there is any objective evidence that the investment in the associate and joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss. Any reversal of impairment is recognised in profit or loss to the extent that the recoverable amount of the investment subsequently increases.

Investments in associates or joint ventures are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of an associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture was reclassified to profit or loss on the disposal of the related assets or liabilities, the Group would reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in associate. There is no remeasurement to fair value upon such changes in ownership interest.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate or joint venture that are not related to the Group. The unrealised income on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures and will be realised in the consolidated statement of comprehensive income over the periods when the underlying assets of the joint venture is realised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of the financial year, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as a hedging instrument in either a cash flow hedge or a hedge of the Group's net investment in a foreign operation.

Where settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of the net investment in the foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

In the consolidated financial statements, the assets and liabilities of foreign subsidiaries, joint ventures and associated companies that are denominated in functional currencies other than the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on translation are recognised in other comprehensive income except for the portion which is attributable to non-controlling interests, if any.

When a subsidiary, associate or joint venture is disposed of such that control, significant influence or joint control is lost, the cumulative exchange differences related to that subsidiary, associate or joint venture previously recognised in other comprehensive income is reclassified to profit or loss.

For a partial disposal of a subsidiary not involving loss of control, the cumulative exchange differences previously recognised in other comprehensive income attributable to the equity interest disposed of is allocated to non-controlling interests.

For a partial disposal of an associate or joint venture that does not result in the Group losing significant influence or joint control, the cumulative exchange differences previously recognised in other comprehensive income attributable to the equity interest disposed of is reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Company or any of its subsidiaries become a party to the contract of the financial instruments.

When financial instruments are recognised initially, they are measured at fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the accounting policy applicable to the nature of the host contract.

(a) Subsequent measurement

The Group and the Company categorise financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or it is designated into this category upon initial recognition.

Subsequent to the initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

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 less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is disclosed in Note 3.12(a). Gains and losses are recognised in profit or loss through the amortisation process.

(ii) Financial liabilities

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(b) 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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, 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.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company itself purchase or sell an asset). Trade date accounting refers to:

- the recognition on trade date of the purchased asset and the liability to pay; and
- the derecognition on trade date of the sold asset, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment.

(d) Derecognition

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset has expired or when control of the asset is no longer retained or when substantially all the risks and rewards of ownership of the financial asset have been transferred to another party.

On derecognition, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) together with any cumulative gain or loss that had previously been recognised in other comprehensive income is recognised in profit or loss.

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

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

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment and depreciation

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is set out in Note 3.12(b).

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, as well as any costs of dismantling and removing the asset and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs set out in Note 3.18.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land and capital work-in-progress are not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives. The annual depreciation rates are as follows:

Buildings	2% - 10%
Motor vehicles	16% - 20%
Office equipment and fittings	10% - 33%
Office renovation, site office equipment and communication equipment	10% - 20%

The residual values, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted as appropriate.

(d) Derecognition

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset, either as property, plant and equipment or investment property, and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, which includes transaction costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss arising from the retirement or disposal of an investment property is determined as being the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

3.8 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Property development costs

Property development costs consist of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in 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.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

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.

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

In the case of completed development properties held as inventories, cost includes:

- the cost of land, whether freehold or leasehold;
- amounts paid to contractors for construction of the development properties; and
- an allocation of borrowing costs, planning and design costs, cost of site preparation, construction overheads, common costs including the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs.

The cost of each unit of development property is determined based on specific identification.

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

3.11 Cash and cash equivalents

Cash and cash equivalents consist cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits, debt service reserve, redemption accounts and escrow accounts pledged to secure banking facilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets

(a) Impairment of financial assets

At the end of the financial year, all financial assets (except for investment in subsidiaries, associates and joint ventures) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Loans and receivables</u>

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant.

If no objective evidence of impairment exists for an individually assessed financial asset, the Group includes the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that were individually assessed for impairment and for which an impairment loss continues to be recognised are not included in a collective assessment of impairment.

The impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

A loan or receivable together with the associated allowance is written off when there is no realistic prospect of future recovery and all collaterals have been realised or have been transferred to the Group. If a written off loan or receivable is later recovered, the recovery is credited to profit or loss.

<u>Unquoted equity instruments carried at cost</u>

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed notwithstanding a subsequent increase in the present value of estimated future cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work and deferred tax assets) are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount for the purpose of impairment testing.

For goodwill and intangible assets that have indefinite useful lives and are not yet available for use, impairment testing is carried out at each reporting date irrespective of whether there is indication of impairment.

An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset of CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except that for previously revalued assets, any impairment loss is first recognised in other comprehensive income, but only up to the extent of any revaluation gains that were previously recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed in subsequent financial years.

In respect of other assets, 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. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Current versus non-current classification

The Group and the Company classify assets and liabilities in statements of financial position as current and non-current. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Group and the Company classify all other liabilities as non-current.

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

3.14 Share capital

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

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.15 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year in which the employees have rendered their services to the Group and to the Company.

(b) Defined contribution plans

As required by law, the Group contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan and the Central Provident Fund ("CPF"), Singapore's defined contribution plan. Such contributions are recognised as an expense in profit or loss in the financial year in which the employees render their services.

3.16 Provisions

Provisions are recognised when the Group and the Company have 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 determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue and other income

(a) Revenue

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 the consideration received or receivable, stated net of discounts, rebates, returns and taxes.

(i) Sale of completed properties, other goods and management fees

Revenue from sale of completed properties and other goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised when there are significant uncertainties regarding associated costs, the possible return of goods and the recovery of the consideration due. Management fees are recognised on an accrual basis, net of goods and services tax.

(ii) Sale of properties under development

Revenue from sale of properties under development is accounted for by the stage of completion method. The stage of completion is measured by reference to the proportion of property development costs incurred for work performed to date to the estimated total property development costs.

(iii) Construction contracts

Revenue from construction contracts is accounted for by 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.

(b) Other income

(i) Secondment fees

Secondment fees are recognised on an accrual basis, net of goods and services tax.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Dividend income

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

3.18 Borrowing costs

Borrowing cost are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Borrowing costs (Continued)

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.19 Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

(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 in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 the benefit of part or all of that 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 is measured at the tax rates that are expected to apply in the period 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Income tax (Continued)

(b) Deferred tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST.

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

3.20 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21 Contingent liabilities

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 and of the Company.

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

3.22 Fair value measurements

The fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Fair value measurements (Continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial year include the following:

4.1 Capitalisation of borrowing costs in land held for property development and property development costs (Notes 7 and 13)

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. The Group begins capitalisation of borrowing costs when the Group has incurred the related borrowing costs and continues to undertake activities that are necessary to prepare the asset for its intended use or sale. When each phase of the development is completed whilst the development continues for other phases, the Group will cease capitalising borrowing costs of the completed phases.

Significant judgement is required to determine whether the activites meet the criteria of an active development.

4.2 Investment in an associate (Note 9)

In the contractual arrangements with other shareholders of the associate, the Group has the power to participate in the financial and operating policy decision, but not control or joint control over those policies.

Judgement is required to determine that the Group has significant influence in the associate and thus regards it as an associate and accounts for its interest using the equity method.

4.3 Investment in joint ventures (Note 10)

In the contractual arrangements with the Group's joint venture partners, decision about the relevant activities of the joint ventures require unanimous consent from all the parties sharing control and the Group has rights to the net assets of the joint ventures.

Judgement is required to determine that the Group has joint control over the joint ventures and thus regards them as joint venture arrangements and accounts for its interest using the equity method.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.4 Property development (Note 13)

The Group recognises property development revenue and expenses in 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.

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 (including allocated common costs such as estimated infrastructure costs and the cost of constructing affordable houses net of estimated selling prices), as well as the recoverability of the property development costs. In making these judgements, the Group evaluates based on past experience and by relying on the work of specialists.

4.5 Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's and the Company's estimates, taking into consideration factors such as historical and industry trends, general market and economic conditions and other available information. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.

4.6 Departure from FRSIC Consensus 17 "Development of Affordable Housing"

In the financial year ended 31 October 2015, the Group reassessed the appropriateness of applying FRSIC 17 in the preparation of the Group's financial statements and concluded that the continued application of FRSIC 17 would be inappropriate in that it would unnecessarily and materially overstate the assets and liabilities of the Group.

The Group has always been accounting for the cost of constructing affordable houses (net of selling prices) as part of common costs of the entire development project and will continue to do so.

Accordingly, the Group took the decision to depart from FRSIC Consensus 17 in the preparation of its financial statements.

Significant judgement was required to conclude that departure from FRSIC Consensus 17 would result in a fairer presentation of the financial statements.

Had the Group continued to apply FRSIC 17 as before, the provision for foreseeable losses for affordable housing as at 31 October 2017 would have been RM142 million (2016: RM339 million) and the corresponding total of land held for property development and property development costs would have been higher by the same amount.

However, the departure has had no effect on the financial results and cash flows of the Group for previous and current financial year. Neither is it expected to affect the financial results and cash flows of future financial years.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2017	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Other assets* RM'000	Capital work-in-progress^ RM'000	Total RM'000
Cost							
At 1 November 2016	65,779	100,748	20,640	30,138	32,636	498	250,439
Additions	-	14,554	1,935	2,812	16,208	16,813	52,322
Disposals	-	-	(337)	(512)	(982)	-	(1,831)
Written off	-	-	-	(345)	(5,371)	-	(5,716)
Deemed disposal of subsidiaries (Note 8(b) and (c))	-	(5,865)	(245)	(1,075)	(15)	(1,208)	(8,408)
Reclassification	-	8,624	(265)	133	132	(8,624)	-
Exchange differences	-	-	-	46	135	-	181
At 31 October 2017	**65,779**	**118,061**	**21,728**	**31,197**	**42,743**	**7,479**	**286,987**
Accumulated depreciation							
At 1 November 2016	-	7,419	7,205	11,641	11,553	-	37,818
Depreciation for the financial year	-	5,496	3,485	6,774	9,386	-	25,141
Disposals	-	-	(159)	(349)	(420)	-	(928)
Written off	-	-	-	(188)	(1,999)	-	(2,187)
Deemed disposal of subsidiaries (Note 8(b) and (c))	-	(633)	(21)	(213)	-	-	(867)
Reclassification	-	-	(100)	164	(64)	-	-
Exchange differences	-	-	-	17	51	-	68
At 31 October 2017	**-**	**12,282**	**10,410**	**17,846**	**18,507**	**-**	**59,045**
Carrying amount as at 31 October 2017	**65,779**	**105,779**	**11,318**	**13,351**	**24,236**	**7,479**	**227,942**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2016	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Other assets* RM'000	Capital work-in-progress^ RM'000	Total RM'000
Cost							
At 1 November 2015	63,721	46,754	20,100	24,445	33,496	7,569	196,085
Additions	27	23,540	2,264	4,486	7,137	9,020	46,474
Disposals	-	-	(1,460)	(12)	(242)	-	(1,714)
Written off	-	(2,397)	-	(2,049)	(7,295)	-	(11,741)
Reclassification from land held for property development (Note 7)	558	9,829	-	-	-	-	10,387
Reclassification from property development costs (Note 13)	1,473	9,576	-	-	-	-	11,049
Reclassification	-	13,446	(264)	3,283	(374)	(16,091)	-
Exchange differences	-	-	-	(15)	(86)	-	(101)
At 31 October 2016	65,779	100,748	20,640	30,138	32,636	498	250,439
Accumulated depreciation							
At 1 November 2015	-	2,183	4,380	6,027	7,062	-	19,652
Depreciation for the financial year	-	5,291	3,283	6,560	7,792	-	22,926
Disposals	-	-	(408)	(7)	(66)	-	(481)
Written off	-	(54)	-	(1,104)	(3,113)	-	(4,271)
Reclassification	-	(1)	(50)	164	(113)	-	-
Exchange differences	-	-	-	1	(9)	-	(8)
At 31 October 2016	-	7,419	7,205	11,641	11,553	-	37,818
Carrying amount as at 31 October 2016	65,779	93,329	13,435	18,497	21,083	498	212,621

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2017	Office equipment and fittings RM'000	Other assets* RM'000	Total RM'000
Cost			
At 1 November 2016/31 October 2017	195	300	495
Accumulated depreciation			
At 1 November 2016	107	137	244
Depreciation for the financial year	34	61	95
At 31 October 2017	**141**	**198**	**339**
Carrying amount at 31 October 2017	**54**	**102**	**156**
2016			
Cost			
At 1 November 2015/31 October 2016	195	300	495
Accumulated depreciation			
At 1 November 2015	62	77	139
Depreciation for the financial year	45	60	105
At 31 October 2016	107	137	244
Carrying amount at 31 October 2016	88	163	251

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

^ *Capital work-in-progress comprises sales galleries under construction and computer software systems in the process of being implemented.*

Freehold land and buildings with a carrying amount of RM152,260,000 (2016: RM140,771,000) have been charged to secure banking facilities granted to the Group (Note 21).

6. INVESTMENT PROPERTY

	Group	
	2017 RM'000	**2016 RM'000**
At cost		
At beginning of the financial year	**18,589**	17,288
Additions	**560**	1,301
At 31 October	**19,149**	18,589
Represented by:		
Freehold land	**19,149**	18,589
Fair value	**51,900**	51,900

The fair value of the freehold land is categorised as Level 2. The fair value has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable land.

The fair value has been determined by a valuation performed by a registered independent valuer having appropriate recognised professional qualification and recent experience in the location and category of property being valued.

The investment property had been charged to secure banking facilities granted to the Group (Note 21).

7. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2017 RM'000	**2016 RM'000**
At beginning of the financial year		
- freehold land	**2,577,035**	2,710,394
- leasehold land	**824,951**	418,071
- development costs	**758,144**	580,076
	4,160,130	3,708,541
Add: Costs incurred during the financial year		
- freehold land	**56,618**	244,401
- leasehold land	**878,319**	489,420
- development costs	**312,848**	364,927
Reclassification to property, plant and equipment (Note 5)		
- freehold land	**-**	(558)
- development costs	**-**	(9,829)
Deemed disposal of subsidiaries (Note 8(b) and (c))		
- leasehold land	**(1,316,477)**	-
- development costs	**(29,441)**	-
Transfer to property development costs (Note 13)		
- freehold land	**(36,455)**	(377,202)
- leasehold land	**(48,054)**	(82,540)
- development costs	**(77,289)**	(177,030)
At 31 October		
- freehold land	**2,597,198**	2,577,035
- leasehold land	**338,739**	824,951
- development costs	**964,262**	758,144
Carrying amount	**3,900,199**	4,160,130

Included in the land held for property development during the financial year is:

	Group	
	2017 RM'000	**2016 RM'000**
Borrowing costs	**56,004**	94,684

The entire land held for property development have been charged to secure banking facilities granted to the Group (Note 21).

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
At cost		
Unquoted ordinary shares	**195,867**	191,867
Unquoted redeemable convertible preference shares	**3,156,450**	-
Capital contribution to subsidiaries	-	2,276,782
Less: Accumulated impairment losses	-	(20,299)
	3,352,317	2,448,350

Capital contributions represent unsecured, interest free non-trade advances given to subsidiaries. The settlement of these advances is neither planned nor likely to occur in the foreseeable future as it is the Company's intention to treat them as a long-term source of capital to the subsidiaries. As these advances are, in substance, a part of the Company's net investment in those subsidiaries, they are stated at cost less impairment losses, if any.

During the financial year, existing capital contributions were converted to redeemable convertible preference shares, save for an amount of RM23,932,000 which was reclassified to amounts due from subsidiaries – see Note 11(a). The corresponding accumulated impairment losses was also reclassified to amounts due from subsidiaries – see Note 11(a).

Movements in accumulated impairment losses were as follows:

	Company	
	2017 RM'000	2016 RM'000
At beginning of the financial year	**20,299**	10,094
Recognised during the financial year	-	10,205
Reclassified during the financial year as a consequence of the reclassification of capital contributions to amounts due from subsidiaries (Note 11(a))	**(20,299)**	-
At 31 October	-	20,299

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows:

	Effective proportion ownership/voting rights		Principal activities
	2017 %	2016 %	
Focal Aims Land Sdn. Bhd.	**100**	100	Property development
Focal Aims Properties Sdn. Bhd. ("FAPSB")	**100**	100	Investment holding
Eco World Ukay Sdn. Bhd.	**100**	100	Project management, building and construction services
Eco Sanctuary Sdn. Bhd.	**100**	100	Property development and property investment holding
Eco Sky Sdn. Bhd.	**100**	100	Property development
Eco Majestic Development Sdn. Bhd.	**100+**	100	Property development and property investment holding
Eco Botanic Sdn. Bhd.	**100**	100	Property development
Eco Terraces Sdn. Bhd.	**100**	100	Property development
Eco Business Park 2 Sdn. Bhd.	**100**	100	Property development
Eco Meadows Sdn. Bhd.	**100**	100	Property development
Eco Summer Sdn. Bhd.	**100**	100	Property development
Eco Business Park 1 Sdn. Bhd.	**100**	100	Property development
Eco World Property Services (Eco South) Sdn. Bhd.	**100**	100	Property management services
Pingat Stabil Sdn. Bhd.	**100**	100	Dormant
Arah Selasih Sdn. Bhd.	**100**	100	Dormant

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows: (Continued)

	Effective proportion ownership/voting rights		Principal activities
	2017 %	2016 %	
Rentas Prestasi Sdn. Bhd. ("RPSB")	**100**	100	Investment holding
Eco World Development Management (BBCC) Sdn. Bhd.	**100**	100	Property development project management
Eco World Trading Sdn. Bhd.	**100**	100	Supplying of building materials
Eco World IBS Sdn. Bhd.	**100**	100	Traders and manufacturers of prefabricated and precast components
Eco World Development (S) Pte. Ltd.^@	**100**	100	Promotion, marketing and other activities related to property management
Meridian Insight Sdn. Bhd.	**100**	100	Dormant
EF Development Sdn. Bhd. *(formerly known as Matlamat Bakat (Sdn. Bhd.)*	**100**	100	Dormant
Eco Macalister Development Sdn. Bhd.	**100**	100	Property investment holding
Eco World Project Management Sdn. Bhd.	**100**	100	Property development project management
Eco World Property Services (Eco Central) Sdn. Bhd.	**100**	100	Property management services
Melia Spring Sdn. Bhd. ("MSSB")	**100**	100	Inactive

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows: (Continued)

	Effective proportion ownership/voting rights 2017 %	2016 %	Principal activities
Eco Grandeur Sdn. Bhd. ("EGSB")	**100**	100	Investment holding
Eco World Capital (International) Sdn. Bhd. ("EWCI")	**100**	100	Investment holding
Eco World Capital (L) Ltd@@^^	**100**	100	Dormant
Eco World Property Services (Eco North) Sdn. Bhd.	**100**	100	Dormant
Hara Kecil Sdn. Bhd.	**100**	100	Dormant
Eco World Capital Assets Berhad ("EWCA") *(formerly known as Inspirasi Innovasi Sdn. Bhd.)*	**100**	100	Issuer of notes under the Medium Term Note Programme
Paragon Pinnacle Sdn. Bhd. ("PPSB")	*	100	Property development and property investment holding
Eco Horizon Sdn. Bhd. ("EHSB")	*	100	Property development
Jasa Hektar Sdn. Bhd.	**100**	100++	Inactive
Held through FAPSB			
Eco Tropics Development Sdn. Bhd. ("ETSB")	**100**	100	Property development
Held through ETSB			
Focal Aims Realty Sdn. Bhd.	**100**	100	Inactive
Focal Aims Development Sdn. Bhd.	**100**	100	Dormant
Focal Aims Resort (M) Sdn. Bhd.	**100**	100	Dormant

^ *Audited by Baker Tilly TFW LLP, an independent member firm of Baker Tilly International*
^^ *Audited by Monteiro & Heng, a firm of Chartered Accountant affiliated with Baker Tilly Monteiro Heng*
@ *Incorporated in Singapore*
@@ *Incorporated in Labuan*
+ *98% held through RPSB and 2% held through the Company*
++ *Held through MSSB*
* *Refer to Note 10 for the change of the Company's interest to a joint venture*

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Changes in equity interest in PPSB

On 15 November 2016, PPSB, a wholly-owned subsidiary of the Company, entered into a subscription and shareholders' agreement ("SSA") with Employees Provident Fund Board ("EPF") and the Company.

Pursuant to the SSA, the EPF subscribed for 4,000,000 new ordinary shares in PPSB on 20 December 2016 and the Company lost its control in PPSB.

This resulted in PPSB ceasing to be a subsidiary and becoming a 60% owned joint venture of the Company.

(i) Summary of the effects of the deemed disposal of PPSB:

	RM'000	RM'000
Recognised:		
Fair value of deemed consideration received		2,400
Fair value of retained investment treated as a joint venture		91,384
		93,784
Derecognised:		
Fair value of identifiable assets and liabilities at disposal date		
Property, plant and equipment	(6,247)	
Land held for property development	(459,354)	
Deferred tax assets	(1,590)	
Property development cost	(57,322)	
Trade and other receivables	(6,210)	
Other current assets	(14,302)	
Amount owing by related companies	(221)	
Cash and bank balances	(11,252)	
Loans and borrowings	245,578	
Trade and other payables	116,324	
Other current liabilities	18,969	
Amount owing to related companies	197	
Amount owing to shareholders	177,939	
	2,509	
40% of fair value of identifiable net assets deemed disposed		1,004
Gain on deemed disposal of PPSB		94,788

(ii) Effects of the deemed disposal on cash flows:

	RM'000
Fair value of consideration received	-
Less: Cash and cash equivalents of subsidiary deemed disposed	(11,252)
Net cash outflows on deemed disposal	(11,252)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Changes in equity interest in EHSB

On 23 January 2017, EHSB, a wholly-owned subsidiary of the Company, entered into a SSA with EPF and the Company.

Pursuant to the SSA, the EPF subscribed for 4,000,000 new ordinary shares in EHSB on 6 September 2017 and the Company lost its control in EHSB.

This resulted in EHSB ceasing to be a subsidiary and becoming a 60% owned joint venture of the Company.

(i) Summary of the effects of the deemed disposal of EHSB:

	RM'000	RM'000
Recognised:		
Fair value of deemed consideration received		2,400
Fair value of retained investment treated as a joint venture		199
		2,599
Derecognised:		
Fair value of identifiable assets and liabilities at disposal date		
Property, plant and equipment	(1,294)	
Land held for property development	(886,564)	
Trade and other receivables	(241)	
Cash and bank balances	(390)	
Trade and other payables	796,762	
Amount owing to related companies	1,728	
Amount owing to shareholders	88,032	
	(1,967)	
40% of fair value of identifiable net assets deemed disposed		(787)
Gain on deemed disposal of EHSB		1,812

(ii) Effects of the deemed disposal on cash flows:

	RM'000
Fair value of consideration received	-
Less: Cash and cash equivalents of subsidiary deemed disposed	(390)
Net cash outflows on deemed disposal	(390)

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At cost				
Unquoted ordinary shares	**360**	-	**360**	-
Unquoted redeemable preference shares	**12,368**	-	**12,368**	-
Share of post-acquisition results and reserves	**(601)**	-	**-**	-
	12,127	-	**12,728**	-

Details of the associate, incorporated in Malaysia, are as follows:

	Effective proportion ownership/voting rights		Principal activities	Financial year end
	2017 %	2016 %		
MFBBCC Retail Mall Sdn. Bhd. ("MFBBCC")^	**12**	-	Development and operation of retail mall	31 December#

^ *Audited by an audit firm other than Baker Tilly Monteiro Heng.*

The equity accounted share of results is based on full scope audit on the financial statements of the associate made up to the financial year end of the Group.

The Company has significant influence in the associate, by having ability to participate in the decision in financial and operating policies, having the presence of representatives in the board of directors, policies in making process and interchange of managerial personnel.

9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(a) The following table illustrates the summarised financial information of the associate and reconciles the information to the carrying amount of the Group's interest in the associate.

	RM'000
31.10.2017	
Assets and liabilities	
Non-current assets	**111,605**
Current assets	**177,151**
Non-current liabilities	**(153,624)**
Current liabilities	**(34,069)**
Net assets	**101,063**
Results	
Loss for the financial year	**(5,005)**
Other comprehensive income	-
Total comprehensive loss	**(5,005)**
31.10.2017	
Reconciliation of net assets to carrying amount:	
Share of net assets at acquisition date, at book value	**12,728**
Fair value adjustments	-
Cost of investment	**12,728**
Share of post-acquisition profits	**(601)**
Carrying amount in the statements of financial position	**12,127**
Group's share of results	
Group's share of loss	**(601)**
Group's share of other comprehensive income	-
Group's share of total comprehensive loss	**(601)**

Commitments

The commitments relating to the Group's and the Company's interest in the associate are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Approved and contracted for:				
Commitment for ordinary share subscription in MFBBCC	**240**	600	**240**	600
Commitment for redeemable preference share subscription in MFBBCC	**71,632**	85,414	**71,632**	85,414
	71,872	86,014	**71,872**	86,014

10. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At cost				
In Malaysia				
Quoted shares and warrants	**777,600**	-	**-**	-
Unquoted shares	**402,058**	306,000	**14,000**	2,000
Share of post-acquisition results and reserves	**(46,834)**	(14,785)	**-**	-
	1,132,824	291,215	**14,000**	2,000
Add: Amount recognised as obligation (Note 23)	**6,384**	7,734	**-**	-
	1,139,208	298,949	**14,000**	2,000
Market value				
Quoted shares and warrants	**745,200**	-	**-**	-

The shares and warrants quoted in Malaysia comprise 648,000,000 ordinary shares in Eco World International Berhad ("EWI') representing 27% of EWI's issued and paid up share capital, together with 259,200,000 warrants. The Group, as one of two strategic investors, acquired these shares and warrants via subscription pursuant to EWI's initial public offering ("IPO"). The other strategic investor is GuocoLand Limited.

Tan Sri Dato' Sri Liew Kee Sin ("Tan Sri Liew"), a director of the Company, was the promoter of EWI's IPO. Tan Sri Liew is also a substantial shareholder and director of EWI.

Pursuant to a shareholders' agreement, the Company, GuocoLand Limited and Tan Sri Liew jointly exercise control over EWI.

Details of the joint ventures, all incorporated in Malaysia, are as follows:

Name of Company	Effective proportion ownership/voting rights 2017 %	2016 %	Principal activities	Financial year ended
BBCC Development Sdn. Bhd. ("BBCC")^	**40**	40	Property development and property investment holding	31 December#
PPSB	**60**	+	Property development and property investment holding	31 October
EHSB	**60**	+	Property development	31 October
Held through EGSB				
Eco Ardence Sdn. Bhd. ("EASB")	**50**	50	Property development and property investment holding	31 October
Held through EWCI				
EWI^	**27**	-	Investment holding	31 October

^ *Audited by an audit firm other than Baker Tilly Monteiro Heng.*

\# *The equity accounted share of results is based on full scope audit on the financial statements of the joint venture made up to the financial year end of the Group.*

\+ *In the previous financial year, PPSB and EHSB were wholly-owned subsidiaries of the Company. During the financial year, the Company's interest in PPSB and EHSB were diluted and the Company lost its control in these companies as disclosed in Notes 8(b) and 8(c) to the financial statements. Accordingly, PPSB and EHSB have been accounted for as joint ventures subsequent to the respective deemed disposal dates.*

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The assets and liabilities of the Group's investment in joint ventures as at 31 October 2017 and its revenue and results for the financial year since investing in the joint ventures up to 31 October 2017 are as follows:

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
31.10.2017						
Assets and liabilities						
Non-current assets	754,175	1,359,123	919,226	1,268,890	1,651,428	5,952,842
Current assets	494,955	254,835	102,176	304,205	1,339,360	2,495,531
Non-current liabilities	(782,895)	(533,277)	(977,385)	(701,471)	(48,694)	(3,043,722)
Current liabilities	(482,196)	(941,440)	(42,703)	(288,995)	(114,090)	(1,869,424)
Net (liabilities)/assets	(15,961)	139,241	1,314	582,629	2,828,004	3,535,227
Included in assets and liabilities are:						
Cash and cash equivalents	30,075	32,814	14,181	11,618	986,680	1,075,368
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(485,180)	(603,994)	(464,833)	(48,684)	(1,602,691)
Current financial liabilities (excluding trade and other payables and provisions)	(35,000)	(30,000)	-	(98,052)	(79,913)	(242,965)
Results						
Profit/(Loss) for the financial year	3,375	(14,557)	(4,985)	(15,268)	(47,743)	(79,178)
Other comprehensive loss	-	-	-	-	(4,252)	(4,252)
Total comprehensive profit/(loss)	3,375	(14,557)	(4,985)	(15,268)	(51,995)	(83,430)
Included in total comprehensive income are:						
Revenue	114,580	44,617	-	-	125	159,322
Depreciation	(4,664)	(1,462)	(40)	(480)	(2,502)	(9,148)
Interest income	6,933	1,755	40	544	22,246	31,518
Interest expense	-	(740)	(251)	(421)	(1,399)	(2,811)
Income tax expense	(1,278)	4,115	1,049	4,595	(328)	8,153

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The assets and liabilities of the Group's investment in joint ventures as at 31 October 2017 and its revenue and results for the financial year since investing in the joint ventures up to 31 October 2017 are as follows: (Continued)

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
31.10.2017						
Reconciliation of net assets to carrying amount:						
Share of net assets at acquisition date, at book value	2,000	895	3,580	(71,133)	587,184	522,526
Fair value adjustments	-	91,384	199	375,133	-	466,716
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	304,000	777,600	1,179,658
Share of post-acquisition losses	(8,384)	(8,734)	(2,991)	(12,685)	(12,892)	(45,686)
Share of other comprehensive loss	-	-	-	-	(1,148)	(1,148)
	(6,384)	83,545	788	291,315	763,560	1,132,824
Add: Amount recognised as obligation (Note 23)*	6,384	-	-	-	-	6,384
Carrying amount in the statements of financial position	-	83,545	788	291,315	763,560	1,139,208
Group's share of results						
Group's share of profit/(loss)	1,350	(8,734)	(2,991)	(7,634)	(12,892)	(30,901)
Group's share of other comprehensive loss	-	-	-	-	(1,148)	(1,148)
Group's share of total comprehensive profit/(loss)	1,350	(8,734)	(2,991)	(7,634)	(14,040)	(32,049)

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The assets and liabilities of the Group's investment in joint ventures as at 31 October 2017 and its revenue and results for the financial year since investing in the joint ventures up to 31 October 2017 are as follows: (Continued)

	BBCC RM'000	EASB RM'000	Total RM'000
31.10.2016			
Assets and liabilities			
Non-current assets	751,242	1,326,920	2,078,162
Current assets	419,628	78,563	498,191
Non-current liabilities	(916,491)	(668,743)	(1,585,234)
Current liabilities	(273,715)	(138,842)	(412,557)
Net (liabilities)/assets	(19,336)	597,898	578,562
Included in assets and liabilities are:			
Cash and cash equivalents	17,286	27,545	44,831
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(432,105)	(432,105)
Results			
Loss for the financial year	(19,195)	(10,102)	(29,297)
Other comprehensive income	-	-	-
Total comprehensive loss	(19,195)	(10,102)	(29,297)
Included in total comprehensive loss are:			
Depreciation	(757)	(306)	(1,063)
Interest income	847	5	852
Interest expense	-	(7,148)	(7,148)
Income tax expense	5,918	2,789	8,707

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The assets and liabilities of the Group's investment in joint ventures as at 31 October 2017 and its revenue and results for the financial year since investing in the joint ventures up to 31 October 2017 are as follows: (Continued)

	BBCC RM'000	EASB RM'000	Total RM'000
31.10.2016			
Reconciliation of net assets to carrying amount:			
Share of net assets at acquisition date, at book value	2,000	(71,133)	(69,133)
Fair value adjustment	-	375,133	375,133
Cost of investment	2,000	304,000	306,000
Share of post-acquisition losses	(9,734)	(5,051)	(14,785)
	(7,734)	298,949	291,215
Add: Amount recognised as obligation (Note 23)*	7,734	-	7,734
Carrying amount in the statements of financial position	-	298,949	298,949
Group's share of results			
Group's share of loss	(7,678)	(5,051)	(12,729)
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive loss	(7,678)	(5,051)	(12,729)

* The Group's share of BBCC's losses in excess of the cost of investment has been recognised as an obligation in the consolidated statement of financial position.

Impairment review of joint venture

As at 31 October 2017, the Group's quoted investment in joint ventures was tested for impairment. The recoverable amount of the investment was computed based on discounted cash flow projections covering a five-year period from 2018 to 2022.

Based on the assessment, no impairment is recorded for the investment in the joint venture.

The discount rate used in determining the recoverable amount of the investment in the joint venture is 13.6%.

Significant restrictions

The joint ventures cannot distribute their profit unless approvals are obtained from the respective joint venture partners.

Commitments

The commitments relating to the Group's and the Company's interest in the joint ventures are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Approved and contracted for:				
Commitment to fund development costs of joint ventures	**152,375**	111,642	**152,375**	111,642
	152,375	111,642	**152,375**	111,642

Additionally, the Group has a contractual obligation to contribute funds proportionately to BBCC, EASB, PPSB and EHSB until the development projects are completed.

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Contingent liabilities

There are no contingent liabilities relating to the Group's interest in the joint ventures.

11. OTHER RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Amounts due from subsidiaries	-	-	**660,850**	306,206
Amounts due from joint ventures	**507,520**	186,963	**489,821**	177,765
	507,520	186,963	**1,150,671**	483,971
Less: Accumulated of impairment losses	-	-	**(34,931)**	-
Total other reveivables	**507,520**	186,963	**1,115,740**	483,971

(a) Amounts due from subsidiaries

The amounts due from subsidiaries which arose from unsecured non-trade advances are not expected to be settled within the next twelve months and is expected to be settled in cash. These advances bear interest at 4.56% - 5.45% (2016: 4.95% to 5.52%).

During the financial year, the capital contribution to a subsidiary was reclassified from investment in subsidiary – capital contribution to amounts due from subsidiaries. Accordingly, the related impairment loss was also reclassified.

Arising from an assessment of the underlying value of amounts due from subsidiaries, the Company noted that the recoverable value of certain amounts were lower as compared to its carrying amount. Accordingly, an impairment loss of RM14,632,000 was recognised in profit or loss.

Movements in accumulated impairment losses in amounts due from subsidiaries are as follows:

	Company	
	2017 RM'000	2016 RM'000
At beginning of the financial year	-	-
Reclassified during the financial year (Note 8)	**20,299**	-
Recognised during the financial year	**14,632**	-
At 31 October	**34,931**	-

(b) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are not expected to be settled within the next twelve months and is expected to be settled in cash. These advances bear interest at 4.00% - 8.00% (2016: 7.65%).

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At beginning of the financial year	**22,305**	(13,377)	**3**	(9)
Recognised in profit or loss (Note 33)	**9,465**	35,682	**3**	12
Deemed disposal of a subsidiary	**(1,590)**	-	**-**	-
At 31 October	**30,180**	22,305	**6**	3
Presented after appropriate offsetting as follows:				
Deferred tax assets	**78,743**	66,033	**6**	3
Deferred tax liabilities	**(48,563)**	(43,728)	**-**	-
	30,180	22,305	**6**	3

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

	At 1 November 2015 RM'000	Recognised in profit or loss (Note 33) RM'000	At 31 October 2016 RM'000	Recognised in profit or loss (Note 33) RM'000	Deemed disposal of a subsidiary (Note 8(b)) RM'000	At 31 October 2017 RM'000
Group						
Property development	(29,778)	30,448	670	(1,452)	-	**(782)**
Accelerated capital allowances	(3,345)	43	(3,302)	1,095	89	**(2,118)**
Unused tax losses and unabsorbed capital allowances	19,164	8,683	27,847	6,912	(1,679)	**33,080**
Others	582	(3,492)	(2,910)	2,910	-	**-**
	(13,377)	35,682	22,305	9,465	(1,590)	**30,180**
Company						
Accelerated capital allowances	(9)	-	(9)	9	-	**-**
Others	-	12	12	(6)	-	**6**
	(9)	12	3	3	-	**6**

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

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2017 RM'000	2016 RM'000
Unutilised tax losses	**83,227**	20,744
Unabsorbed capital allowances	**2,862**	242
	86,089	20,986

13. PROPERTY DEVELOPMENT COSTS

	Group	
	2017 RM'000	**2016 RM'000**
At beginning of the financial year		
- freehold land	**1,670,055**	1,296,049
- leasehold land	**149,749**	67,209
- development costs	**3,497,792**	1,573,137
	5,317,596	2,936,395
Add: Costs incurred during the financial year		
- freehold land	**1,087**	2,265
- leasehold land	**548**	-
- development costs	**2,154,818**	1,753,391
Reclassification		
- freehold land	**-**	(3,810)
- development costs	**-**	3,810
Transfer from land held for property development (Note 7)		
- freehold land	**36,455**	377,202
- leasehold land	**48,054**	82,540
- development costs	**77,289**	177,030
Deemed disposal of a subsidiary (Note 8(b))		
- leasehold land	**(51,589)**	-
- development costs	**(5,733)**	-
Reclassification to property, plant and equipment (Note 5)		
- freehold land	**-**	(1,473)
- development costs	**-**	(9,576)
Reclassification to inventories		
- freehold land	**-**	(178)
At 31 October		
- freehold land	**1,707,597**	1,670,055
- leasehold land	**146,762**	149,749
- development costs	**5,724,166**	3,497,792
	7,578,525	5,317,596

13. PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Group	
	2017 RM'000	2016 RM'000
Cumulative costs recognised in profit or loss		
At beginning of the financial year	**(3,011,850)**	(1,243,260)
Recognised during the financial year	**(2,135,100)**	(1,768,590)
At 31 October	**(5,146,950)**	(3,011,850)
At 31 October		
- freehold land	**829,423**	1,108,139
- leasehold land	**103,420**	135,317
- development costs	**1,498,732**	1,062,290
Carrying amount	**2,431,575**	2,305,746

Included in property development costs during the financial year is:

	Group	
	2017 RM'000	2016 RM'000
Borrowing costs	**66,996**	49,205

The entire property development costs have been charged to secure banking facilities granted to the Group (Note 21).

14. GROSS AMOUNT DUE FROM/(TO) A CUSTOMER

	Group	
	2017 RM'000	2016 RM'000
Aggregate of costs incurred to date	**17,537**	10,421
Attributable profits	**-**	-
	17,537	10,421
Less: Progress billings	**(10,655)**	(10,655)
	6,882	(234)
Analyse as follows:		
Amount due from a customer	**6,882**	-
Amount due to a customer	**-**	(234)
	6,882	(234)

15. INVENTORIES

Inventories represent completed properties held for sale stated at cost.

During the financial year, inventories recognised as cost of sales amounted to RM177,000 (2016: RM771,000).

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current				
Trade receivables				
External parties	**685,342**	556,081	**-**	-
Joint ventures	**20,353**	4,656	**-**	-
	705,695	560,737	**-**	-
Other receivables				
External parties	**12,587**	25,521	**-**	-
GST refundable	**25,848**	9,387	**-**	-
Subsidiaries	**-**	-	**411,647**	1,187,369
Joint ventures	**16,637**	33,967	**-**	-
Deposits	**26,008**	21,645	**8**	-
	81,080	90,520	**411,655**	1,187,369
Less: Accumulated impairment losses	**-**	-	**(2,819)**	-
Total trade and other receivables	**786,775**	651,257	**408,836**	1,187,369

(a) Trade receivables

The normal credit terms granted to house buyers range from 21 to 90 days (2016: 21 to 90 days). Interest is charged on overdue accounts at 10% per annum (2016: 10%).

Credit terms granted to other customers 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.

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

Ageing analysis of trade receivables

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

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	**404.628**	311,708
Past due but not impaired		
1 to 30 days past due	**88,070**	92,729
31 to 60 days past due	**45,685**	41,990
61 to 90 days past due	**35,566**	32,013
91 to 120 days past due	**36,059**	29,817
More than 120 days past due	**95,687**	52,480
	301,067	249,029
	705,695	560,737

Trade receivables comprise substantially of amounts due from house buyers with end financing facilities from end financiers. In respect of house buyers with no end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amounts due from house buyers are not impaired.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 4.56% to 5.14% (2016: 4.90% to 8.00%) and is expected to be settled in cash.

Arising from an assessment of the underlying value of amounts due from subsidiaries, the Company noted that the recoverable values of certain amounts were lower as compared to their carrying amounts. Accordingly, an impairment loss of RM2,819,000 was recognised in profit or loss.

Movements in accumulated impairment losses in amounts due from subsidiaries are as follows:

	Company	
	2017 RM'000	2016 RM'000
At beginning of the financial year	**-**	-
Recognised during the financial year	**2,819**	-
At 31 October	**2,819**	-

(c) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are repayable on demand and is expected to be settled in cash.

17. OTHER CURRENT ASSETS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits for acquisition of development lands	-	101,826	-	-
Accrued billings in respect of property development costs	**218,615**	203,430	-	-
Prepaid development expenditures	**92**	5,013	-	-
Prepayments	**15,904**	3,025	-	405
	234,611	313,294	-	405

18. CASH AND BANK BALANCES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash in hand and at banks	**314,436**	338,844	**14,100**	71,558
Deposits with licensed banks	**119,388**	234,623	**77,545**	197,334
	433,824	573,467	**91,645**	268,892

Included in cash and bank balances are the following:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966*	**149,350**	192,013	-	-
Cash and deposits maintained in debts service reserve accounts, redemption accounts and escrow accounts	**97,939**	72,474	-	-
Deposits pledged to banks as security for banking facilities	**1,228**	2,327	**426**	413

* *Restricted from general use.*

The range of effective interest rates at the end of the financial year for deposits with licensed banks are as follows:

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
Deposits with licensed banks	**1.90-3.71**	1.80-3.30	**3.00-3.71**	3.20-3.29

All deposits have maturity periods of less than 12 months (2016: less than 12 months).

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary share		Amount	
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Issued and fully paid up				
At beginning of the financial year	**2,749,692**	2,364,265	**1,374,846**	1,182,132
Issued during the financial year	**194,677**	385,427	**231,419**	192,714
Share issue expenses	**-**	-	**(10)**	-
Transition to no-par value regime^	**-**	-	**2,008,610**	-
At 31 October	**2,944,369**	2,749,692	**3,614,865**	1,374,846

^ *With the coming into force of the Act on 31 January 2017, the credit standing in the share premium account of RM2,008,610,000 was transferred to the share capital account. Pursuant to Section 618(3) of the Act, the Company may exercise its right to use the amount standing to the credit of its share premium account within twenty-four months of the commencement of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.*

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.

20. WARRANT RESERVE

The Warrant Reserve arose from the 525,392,340 free Warrants issued pursuant to the renounceable Rights Issue on 31 March 2015, on the basis of 4 free Warrants for every 5 Rights Shares subscribed for. The Warrants Reserve was arrived at based on the theoretical fair value of RM0.37 per Warrant determined based on the Black-Scholes Pricing Model.

Since the issuance of the Warrants, none of the Warrants have been exercised.

The salient terms of the Warrants are as follows:

(a) The Warrants are constituted by a Deed Poll executed on 17 February 2015;

(b) The Warrants are traded separately;

(c) The Warrants are exercisable any time during the tenure of 7 years commencing the date of issue, 27 March 2015 to 26 March 2022 ("Exercise Period") at an exercise price of RM2.08 per Warrant. Warrants not exercised during the Exercise Period will lapse and cease to be valid;

(d) The exercise price is RM2.08 per Warrant. The exercise price and the number of outstanding Warrants shall be subject to adjustments that may be required during the Exercise Period by the Company, in consultation with the approved adviser and certified by auditors appointed by the Company, in accordance with the terms and provisions of the Deed Poll; and

(e) Subject to the provisions in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. Warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in general meeting.

21. LOANS AND BORROWINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current				
Secured				
Revolving credits	**15,000**	-	**-**	-
Term loans	**1,635,158**	1,566,023	**-**	-
Bridging loans	**201,356**	377,338	**-**	-
Unsecured				
Term loans	**101,625**	101,625	**101,625**	101,625
Medium term note	**249,469**	-	**-**	-
	2,202,608	2,044,986	**101,625**	101,625
Current				
Secured				
Revolving credits	**398,819**	191,918	**-**	-
Term loans	**116,962**	55,080	**-**	-
Bridging loans	**132,185**	53,334	**-**	-
Unsecured				
Revolving credits	**602,500**	500,000	**585,000**	500,000
	1,250,466	800,332	**585,000**	500,000
	3,453,074	2,845,318	**686,625**	601,625
Total loans and borrowings				
Revolving credits	**1,016,319**	691,918	**585,000**	500,000
Term loans	**1,853,745**	1,722,728	**101,625**	101,625
Bridging loans	**333,541**	430,672	**-**	-
Medium term note	**249,469**	-	**-**	-
	3,453,074	2,845,318	**686,625**	601,625
Repayable				
- not later than one year	**1,250,466**	800,332	**585,000**	500,000
- later than one year and not later than five years	**2,193,689**	1,894,862	**101,625**	101,625
- later than five years	**8,919**	150,124	**-**	-
	3,453,074	2,845,318	**686,625**	601,625

21. LOANS AND BORROWINGS (CONTINUED)

(a) The loans and borrowings are secured by:

(i) Legal charges over the Group's freehold land and buildings (Note 5), investment property (Note 6), land held for property development (Note 7) and property development costs (Note 13);
(ii) A specific debenture over the fixed and floating assets of certain subsidiaries; and
(iii) Legal charges over the Group's cash and bank balances (Note 18).

(b) Medium term note ("MTN")

On 14 August 2017, the Group's wholly-owned subsidiary, EWCA issued unrated MTN with a total nominal value of RM250 million ("MTN Programme") and a tenure of five years. The MTN Programme comprise the issuance of up to RM500 million MTN and shall have a tenure of at least one year and up to fifteen years, provided that no MTNs shall mature after the expiry of the MTN Programme.

The proceeds raised from the unrated MTNs shall be utilised by EWCA for its general corporate purposes and/or to refinance any existing or future financing of the Group and its subsidiaries and/or joint ventures which the Group is a party to.

(c) The range of effective interest rates at the end of the financial year are as follows:

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
Revolving credits	**4.60 - 5.47**	4.60 - 5.40	**4.60 - 5.35**	4.60 - 5.40
Term loans	**4.43 - 6.82**	4.77 - 6.05	**5.29**	5.29
Bridging loans	**4.43 - 5.45**	4.52 - 5.51	**-**	-
Medium term note	**6.50**	-	**-**	-

22. OTHER PAYABLES

Other payables represent land acquisition costs payable under deferred payment terms that have been derived based on discounted cash flows. The discount rate was 5.21% (2016: 5.21%).

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade payables				
External parties	**866,369**	737,980	**-**	-
Accruals	**246,748**	94,924	**-**	-
	1,113,117	832,904	**-**	-
Other payables				
Other payables	**100,576**	63,165	**483**	1,828
Payroll liabilities	**2,295**	1,845	**-**	9
Land acquisition costs payable	**97,616**	466,243	**-**	-
Deposit received	**423**	115	**-**	-
GST payable	**1,471**	3,069	**-**	-
Accruals	**133,017**	96,732	**3,980**	2,770
Advances received from a contract customer	**10,000**	10,000	**-**	-
Obligations under joint arrangements (Note 10)	**6,384**	7,734	**-**	-
Subsidiaries	**-**	-	**482,237**	256,159
Joint ventures	**21**	-	**-**	-
	351,803	648,903	**486,700**	260,766
Total trade and other payables	**1,464,920**	1,481,807	**486,700**	260,766

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 14 to 90 days (2016: 14 to 90 days).

(b) Land acquisition costs payable

Included in land acquisition costs payable is an amount of RM97,616,000 (2016: RM330,558,000) which is under deferred payment terms and have been derived based on discounted cash flows. The discount rate was 5.21% (2016: 5.00% to 5.29%).

(c) Amounts due to subsidiaries

The amounts due to subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 4.94% to 6.50% (2016: 5.00%).

24. OTHER CURRENT LIABILITIES

	Group	
	2017 RM'000	2016 RM'000
Other current liabilities		
Progress billings in respect of property development costs	**450,934**	466,130
Unrealised income on transactions with joint ventures	**30,528**	6,223
	481,462	472,353

25. BANK OVERDRAFTS

The bank overdrafts are unsecured and bear interest ranging from 4.85% to 5.11% (2016: 5.00% to 5.25%).

26. REVENUE

	Group	
	2017 RM'000	2016 RM'000
Sale of properties	**2,788,797**	2,347,999
Sale of other goods	**134,383**	196,472
Construction contracts	**1,485**	1,966
	2,924,665	2,546,437

27. COST OF SALES

	Group	
	2017 RM'000	2016 RM'000
Property development costs	**2,194,495**	1,769,855
Cost of other goods sold	**123,127**	179,472
Construction contracts	**1,485**	1,966
	2,319,107	1,951,293

28. OTHER INCOME

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest income from:				
- subsidiaries	**-**	-	**61,593**	52,227
- joint ventures	**19,767**	6,738	**35,043**	11,229
- associate	**153**	-	**153**	-
- deposits	**5,875**	2,719	**5,103**	1,979
- overdue accounts	**1,145**	398	**-**	-
- others	**4,164**	4,012	**423**	322
Gain on deemed disposal of subsidiaries	**96,600**	-	**-**	-
Gain on disposal of property, plant and equipment	**14**	153	**-**	-
Rental income	**662**	310	**-**	-
Staff secondment fees	**12,969**	904	**-**	-
Sundry income	**5,586**	6,570	**112**	-
	146,935	21,804	**102,427**	65,757

29. FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest paid and payable on:				
- Term loans	**40,427**	15,019	**5,376**	10,772
- Revolving credits	**23,030**	13,651	**27,483**	19,909
- Medium term note	**3,541**	-	**-**	-
- Amount due to subsidiaries	**-**	-	**14,946**	10,446
- Bank overdrafts	**1,260**	368	**-**	-
- Others	**1,533**	1,920	**1,279**	1,551
	69,791	30,958	**49,084**	42,678

30. AUDITORS' REMUNERATION

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Auditors' remuneration				
- current year	**477**	419	**80**	75
- prior years	**27**	56	**-**	(10)
Non-statutory audit fees	**54**	85	**40**	82

31. EMPLOYEE BENEFITS EXPENSE

	Group	
	2017 RM'000	2016 RM'000
Salaries and allowances	**117,366**	112,986
Defined contribution plan	**13,570**	12,903
Social security contributions	**672**	473
Staff welfare	**12,390**	10,752
	143,998	137,114

32. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors during the financial year are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive directors				
Salaries, bonus and other emoluments	**18,321**	11,890	**-**	-
Defined contribution plan	**1,803**	1,215	**-**	-
Estimated monetary value of benefits-in-kind	**579**	602	**-**	-
	20,703	13,707	**-**	-
Non-executive directors				
Other emoluments	**995**	1,167	**995**	1,167
Fees	**2,261**	1,503	**2,261**	1,503
Estimated monetary value of benefits-in-kind	**4,428**	3,886	**1,254**	3,886
	7,684	6,556	**4,510**	6,556
Total directors' remuneration	**28,387**	20,263	**4,510**	6,556

33. INCOME TAX EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current income tax				
- current year	**109,302**	96,125	**10,579**	3,829
- prior years	**(26,874)**	3,458	**1,398**	141
	82,428	99,583	**11,977**	3,970
Deferred tax (Note 12)				
- current year	**(34,879)**	(31,378)	**(3)**	(12)
- prior years	**25,414**	(4,304)	**-**	-
	(9,465)	(35,682)	**(3)**	(12)
	72,963	63,901	**11,974**	3,958

33. INCOME TAX EXPENSE (CONTINUED)

Domestic income tax rate is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

The reconciliations from the amounts of tax at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before tax	**282,613**	193,182	**26,676**	(5,717)
Tax at Malaysian statutory income tax rate of 24%	**67,827**	46,364	**6,402**	(1,372)
Effect of different tax rate in other jurisdictions	**980**	72	**-**	-
Share of results of joint ventures	**7,417**	3,055	**-**	-
Share of results of an associate	**144**	-	**-**	-
Effects of tax incentives	**(12,121)**	-	**(1,070)**	-
Tax effects arising from:				
- non-taxable income	**(24,709)**	(505)	**(557)**	(442)
- non-deductible expenses	**19,260**	13,026	**5,801**	5,631
- deferred tax asset not recognised	**15,625**	2,735	**-**	-
- (over)/under accrual in prior years	**(1,460)**	(846)	**1,398**	141
Income tax expense	**72,963**	63,901	**11,974**	3,958

34. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	2017 RM'000	2016 RM'000
Profit attributable to owners of the Company	**209,650**	129,281
	'000	**'000**
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of financial year	**2,749,692**	2,364,265
Effect of issuance of ordinary shares pursuant to placement	**142,483**	14,743
Weighted average number of ordinary shares in issue	**2,892,175**	2,379,008
Basic earnings per ordinary share (sen)	**7.25**	5.43

34. EARNINGS PER SHARE (CONTINUED)

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value. However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

	2017 RM'000	2016 RM'000
Profit attributable to owners of the Company	**209,650**	129,281
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share	**2,892,175**	2,379,008
Effect of dilution from:		
- effect of potential exercise of Warrants	**#**	#
Weighted average number of ordinary shares for diluted earnings per share	**2,892,175**	2,379,008
Diluted earnings per ordinary share (sen)*	**7.25**	5.43

\# *The calculation of diluted earnings per share does not assume the potential exercise of Warrants as the effect on earnings per share is anti-dilutive.*

* *Anti-dilutive.*

35. DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 October 2017.

36. CAPITAL AND OTHER COMMITMENTS

(a) Capital Commitments

The Group and the Company have made commitments for the following:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Approved and contracted for:				
Acquisition of development land				
- Mukim Ijok, Daerah Kuala Selangor	-	711,232	-	-
- Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang	-	787,718	-	-
Acquisition of property, plant and equipment	**40,213**	5,348	-	-
Acquisition of a subsidiary	**370**	-	**370**	-
	40,583	1,504,298	**370**	-

(b) Operating lease commitments – as lessee

The Group has entered into non-cancellable operating lease arrangements for office premises. The leases have tenures of one to three years, with option to renew.

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

	Group	
	2017 RM'000	2016 RM'000
Not later than one year	**1,493**	468
Later than one year but not later than three years	**1,928**	480
	3,421	948

37. CONTINGENT LIABILITIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Guarantees provided in connection with the performance and discharge of obligations assumed by its subsidiaries under and pursuant to the acquisition of development rights				
- secured*	**-**	-	**1,159,312**	1,469,204
- unsecured	**-**	-	**699,912**	551,578
Guarantees given to a bank for performance bonds granted to a joint venture	**8,616**	10,996	**8,616**	10,996

* *Secured by legal charges over the subsidiaries' freehold land and buildings (Note 5), investment property (Note 6), land held for property development (Note 7) and property development costs (Note 13).*

38. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities having significant influence over the Group;
(ii) Subsidiaries;
(iii) The associate;
(iv) Joint ventures;
(v) Entities in which directors have substantial financial interests; and
(vi) Key management personnel of the Group, comprising persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

38. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with subsidiaries								
Interest receivable	**-**	-	**61,593**	52,227	**-**	-	**134,039**	155,125
Interest payable	**-**	-	**14,946**	10,446	**-**	-	**24,940**	10,270
Transactions with joint ventures								
Advances	**250,043**	162,834	**234,935**	153,636	**464,966**	175,556	**440,626**	166,358
Interest receivable	**36,312**	11,229	**35,043**	11,229	**49,903**	11,407	**49,195**	11,407
Sales of building materials	**1,110**	19	**-**	-	**-**	8	**-**	-
Development management fees	**13,451**	4,317	**-**	-	**12,190**	4,576	**-**	-
Staff secondment fees	**13,440**	-	**-**	-	**8,039**	-	**-**	-
Brand licensing fees	**779**	71	**-**	-	**555**	76	**-**	-
Advisory fees	**112**	-	**-**	-	**-**	-	**-**	-
Support service fees	**81**	-	**-**	-	**9**	-	**-**	-
Commission charged	**176**	-	**-**	-	**127**	-	**-**	-
Disposal of motor vehicle and office equipment	**278**	1,007	**-**	-	**12**	1,037	**-**	-
Transactions with the associate								
Advances	**7,440**	-	**-**	-	**-**	-	**-**	-
Interest receivable	**153**	-	**-**	-	**-**	-	**-**	-

38. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with directors, their immediate family members and companies in which they have an interest								
Sales of development properties to directors	-	-	-	-	-	589	-	-
Sales of development properties to companies in which certain directors have interest	-	-	-	-	-	349	-	-
Sales of development properties to immediate family members of directors	-	-	-	-	**212**	-	-	-
Revocation of development properties by directors	-	5,901	-	-	-	-	-	-
Revocation of development properties by immediate family members of certain directors	**1,936**	4,133	-	-	-	-	-	-
Disposal of motor vehicles to companies in which a director has interest	-	12	-	-	-	12	-	-
Sales of development properties to a director of subsidiary company	**3,138**	3,325	-	-	**79**	394	-	-
Revocation of development property by a director of subsidiaries	-	1,264	-	-	-	-	-	-
Interest free advances from a shareholder/director	-	100,000	-	100,000	-	-	-	-
Rental paid to Gito Gaya Sdn. Bhd.@#	**249**	360	-	-	-	-	-	-
Disposal of motor vehicle and office equipment to Eco World International Marketing Sdn. Bhd. ("EWI Marketing")+#	**649**	-	-	-	-	-	-	-
Commission charged to EWI Marketing	**151**	794	-	-	-	337	-	-

@ *Tan Sri Liew and his spouse are the directors and shareholders of Gito Gaya Sdn. Bhd.*

\+ *Tan Sri Liew is the shareholder and director of EWI, the ultimate holding company of EWI Marketing.*

\# *Liew Tian Xiong is deemed related as he is the immediate family member of Tan Sri Liew and his spouse.*

38. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

The remuneration of the key management personnel, including directors, during the financial year were as follows:-

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Short-term employee benefits	**34,499**	23,385	**995**	1,167
Defined contribution plan	**3,485**	2,398	**-**	-
Fees	**2,276**	1,519	**2,261**	1,503
Benefits-in-kind	**5,069**	4,523	**1,254**	3,886
	45,329	31,825	**4,510**	6,556

39. SEGMENT INFORMATION

Segment information is not presented as the Group is principally engaged in property development, which is substantially within a single business segment and this is consistent with the current practice of internal reporting. The Group operates primarily in Malaysia.

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by category:

	Loans and receivables RM'000	Other financial liabilities RM'000	Total RM'000
Group			
2017			
Financial assets			
Trade and other receivables^	**1,268,447**	**-**	**1,268,447**
Cash and bank balances	**433,824**	**-**	**433,824**
	1,702,271	**-**	**1,702,271**
Financial liabilities			
Trade and other payables	**-**	**1,546,120**	**1,546,120**
Loans and borrowings	**-**	**3,453,074**	**3,453,074**
Bank overdrafts	**-**	**26,497**	**26,497**
	-	**5,025,691**	**5,025,691**

40. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

	Loans and receivables RM'000	Other financial liabilities RM'000	Total RM'000
Group			
2016			
Financial assets			
Trade and other receivables^	828,833	-	828,833
Cash and bank balances	573,467	-	573,467
	1,402,300	-	1,402,300
Financial liabilities			
Trade and other payables*	-	1,649,384	1,649,384
Loans and borrowings	-	2,845,318	2,845,318
Bank overdrafts	-	16,585	16,585
	-	4,511,287	4,511,287
Company			
2017			
Financial assets			
Trade and other receivables	**1,524,576**	**-**	**1,524,576**
Cash and bank balances	**91,645**	**-**	**91,645**
	1,616,221	**-**	**1,616,221**
Financial liabilities			
Trade and other payables	**-**	**486,700**	**486,700**
Loans and borrowings	**-**	**686,625**	**686,625**
	-	**1,173,325**	**1,173,325**
2016			
Financial assets			
Trade and other receivables	1,671,340	-	1,671,340
Cash and bank balances	268,892	-	268,892
	1,940,232	-	1,940,232
Financial liabilities			
Trade and other payables	-	260,766	260,766
Loans and borrowings	-	601,625	601,625
	-	862,391	862,391

* *Excluding advances received from a contract customer and GST payable.*
^ *Excluding GST refundable.*

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, and interest rate risk. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and 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.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company 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 arises primarily from receivables.

The Group and the Company minimise their 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 mitigates its credit risk by withholding the transfer of registered ownership 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 and the Company did not have any significant concentration of credit risk that may arise from exposure to a single debtor or group of debtors.

<u>Exposure to credit risk</u>

At the end of the financial year, the Group's and the Company's maximum exposure to credit risk is represented by:

(a) the carrying amount of each class of financial assets recognised in the statements of financial position;

(b) the financial guarantees given to banks in respect of corporate guarantees and undertaking provided by the Group and the Company to certain subsidiaries, joint ventures and associate. The Group and the Company monitor the results of the subsidiaries, joint ventures and associate and their repayment on an on-going basis. The maximum exposure to credit risk of the Group and the Company are amounted to RM1,435,840,000 (2016: RM219,039,000) and RM3,276,447,000 (2016: RM1,550,349,000) respectively, which representing the maximum amount of the Group and the Company could pay if the guarantee is called on as disclosed in Note 40(b)(ii). As at reporting date, there was no indication that the subsidiaries, joint ventures or and associate will default on repayment.

The Group and the Company monitor on an on-going basis the financial performances and repayments made by the subsidiaries, joint ventures and associate.

As at the end of the financial year, there was no indication that the subsidiaries, joint ventures and associate will default on repayment.

The fair value of the above financial guarantees has not been recognised since the fair value on initial recognition was not material.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16(a). Deposits with licensed banks are neither past due nor impaired as they are placed with reputable financial institutions with high credit ratings and no history of default.

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Financial assets that are past due but not impaired

Information regarding trade and other receivables that are past due but not impaired is disclosed in Note 16(a).

Financial assets that are past due and impaired

There are no trade and other receivables or deposits with licensed banks that are past due and impaired.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk are principally from trade and other payables, loans and borrowings and bank overdrafts.

The Group's and the Company's objective is to maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements and to maintain available banking facilities at a reasonable level to their overall debt position.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
2017				
Financial liabilities				
Trade and other payables*	**1,453,873**	**98,039**	**-**	**1,551,912**
Loans and borrowings	**1,383,769**	**2,456,750**	**9,359**	**3,849,878**
Bank overdrafts	**26,497**	**-**	**-**	**26,497**
	2,864,139	**2,554,789**	**9,359**	**5,428,287**
2016				
Financial liabilities				
Trade and other payables*	1,467,673	196,079	-	1,663,752
Loans and borrowings	914,246	2,131,395	156,849	3,202,490
Bank overdrafts	16,585	-	-	16,585
	2,398,504	2,327,474	156,849	4,882,827

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Company				
2017				
Financial liabilities				
Trade and other payables	**486,700**	**-**	**-**	**486,700**
Loans and borrowings	**590,376**	**105,209**	**-**	**695,585**
	1,077,076	**105,209**	**-**	**1,182,285**
2016				
Financial liabilities				
Trade and other payables	260,766	-	-	260,766
Loans and borrowings	505,376	110,585	-	615,961
	766,142	110,585	-	876,727

* *Excluding advances received from a contract customer and GST payable.*

The contractual undiscounted repayment obligations arising from financial guarantee given to banks in respect of corporate guarantees and undertaking provided by the Group and the Company to certain subsidiaries, joint ventures and associate amounted to RM1,435,840,000 (2016: RM219,039,000) and RM3,276,447,000 (2016: RM1,550,349,000) respectively. There is no indication that the subsidiaries, joint ventures and associate will default on repayment. In the event of a default by the subsidiaries, joint ventures or associate, the financial guarantees could be called on demand.

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise primarily from loans and borrowings and bank overdrafts amounting to RM3,128,477,000 (2016: RM2,760,278,000) and RM585,000,000 (2016: RM500,000,000) respectively.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 25 (2016: 25) 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 RM1,973,000 (2016: RM875,000) and RM1,112,000 (2016: RM1,143,000) higher/lower respectively. The assumed movement in basis points for this interest rate sensitivity analysis is based on the currently observable market environment.

40. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The methods and assumptions used to determine the fair values of financial assets and liabilities are as follows:

(i) Cash and bank balances, receivables and payables

The carrying amounts of cash and bank balances, current receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

The fair value of deferred land acquisition costs payable classified as non-current liabilities is estimated by discounting future cash flows using lending rates for similar types of arrangements.

The fair values of amounts due from subsidiaries and amounts due from joint ventures classified as non-current assets are estimated by using the discounted cash flow method based on discount rates that reflects the issuer's borrowing rate at the end of the financial year.

(ii) Loans and borrowings (including bank overdrafts)

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amounts and fair value of financial instruments, other than those with carrying amounts are reasonable approximations of fair value are as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2017				
Financial liability				
Fixed rate loans and borrowings	**351,094**	**383,099**	**101,625**	**105,660**
Land acquisition costs payable	**92,671**	**92,671**	**-**	**-**
	443,765	**475,770**	**101,625**	**105,660**
2016				
Financial liability				
Fixed rate loans and borrowings	101,625	105,927	101,625	105,927
Land acquisition costs payable	180,846	180,846	-	-
	282,471	286,773	101,625	105,927

40. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of measurement (Continued)

(ii) Loans and borrowings (including bank overdrafts) (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's and the Company's liabilities that are not carried at fair value:

	Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
2017				
Non-current				
Fixed rate loans and borrowings	**351,094**	**-**	**-**	**383,099**
Land acquisition costs payable	**92,671**	**-**	**-**	**92,671**
	443,765	**-**	**-**	**475,770**
Group				
2016				
Non-current				
Fixed rate loans and borrowings	101,625	-	-	105,927
Land acquisition costs payable	180,846	-	-	180,846
	282,471	-	-	286,773
Company				
2017				
Non-current				
Fixed rate loansand borrowings	**101,625**	**-**	**-**	**105,660**
Company				
2016				
Non-current				
Fixed rate loans and borrowings	101,625	-	-	105,927

40. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of measurement (Continued)

(ii) Loans and borrowings (including bank overdrafts) (Continued)

The fair value of the fixed rate loans and borrowings and land acquisition costs payable were determined using the discounted cash flows method based on discount rates as follows:

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
Fixed rate loans and borrowings	**4.91**	5.00	**4.91**	5.00
Land acquisition assets payable	**5.21**	5.00-5.29	**-**	-

Policy on transfer between levels

The fair values of assets and liabilities to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 October 2017 and 31 October 2016, there was no transfer between the fair value measurement hierarchy.

41. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a healthy capital ratio in order to support their business, enable future developments and maximise shareholders' value.

The Group and the Company review and manage their capital structure regularly and make adjustments to address changes in the economic environment and risk characteristic inherent in their business operation. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders.

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

At the end of the financial year, the gearing ratios were as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Loans and borrowings (Note 21)	**3,453,074**	2,845,318	**686,625**	601,625
Bank overdrafts	**26,497**	16,585	**-**	-
Less: Cash and bank balances (Note 18)	**(433,824)**	(573,467)	**(91,645)**	(268,892)
Net debt	**3,045,747**	2,288,436	**594,980**	332,733
Total equity attributable to the owners of the Company	**4,264,034**	3,786,702	**3,825,453**	3,541,742
Net gearing ratio	**0.71**	0.60	**0.16**	0.09

The Company and certain subsidiaries are required to comply with debt equity ratios in respect of their term loans, bridging loans and revolving credit facilities.

Gearing ratios are not governed by the FRSs and their definitions and calculations may vary between reporting entities.

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, **DATO' CHANG KHIM WAH** and **DATUK HEAH KOK BOON**, being two of the directors of **ECO WORLD DEVELOPMENT GROUP BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 93 to 169 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

DATO' CHANG KHIM WAH
Director

DATUK HEAH KOK BOON
Director

Shah Alam
Date: 25 January 2018

Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

I, **DATUK HEAH KOK BOON**, being the director primarily responsible for the financial management of **ECO WORLD DEVELOPMENT GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 93 to 169 are 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.

....

DATUK HEAH KOK BOON
Director

Subscribed and solemnly declared by the abovenamed at Shah Alam Selangor on 25 January 2018.

Before me,

....

Sirendar Singh
B458
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World Development Group Berhad, which comprise the statements of financial position as at 31 October 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 93 to 169.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue and costs recognition for property development business (Notes 4.4, 26 and 27 to the financial statements)

The amount of revenue and corresponding costs recognised in a financial year is affected by a variety of uncertainties that depend on the outcome of future events. The recognition of revenue and corresponding costs require significant judgement exercised by the Group, in particular with regards to estimating the stage of completion, the extent of property development costs incurred, the estimated total property development revenue and costs.

Our response:
Our audit procedures included, among others:
- evaluating the implementation of the controls over the Group's process in recording project costs and project revenue, budgeting process and the calculation of the percentage of completion;
- reviewing the Group's assumptions by comparing to the contractual terms, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions across the projects and discussing project progress with Project Manager;
- assessing the reasonableness of computed stage of completion for identified projects against architect certificates; and
- checking the computation of revenue and corresponding costs for the project.

Key Audit Matters (Continued)

Classification of investments (Notes 4.2, 4.3, 9 and 10 to the financial statements)

During the financial year, the Group has invested or changed its equity interest in the following entities:
(i) Eco World International Berhad;
(ii) Paragon Pinnacle Sdn. Bhd.;
(iii) Eco Horizon Sdn. Bhd.; and
(iv) MFBBCC Retail Mall Sdn. Bhd.

Significant judgement is required to be exercised by the Group and the Company in determining the classification of the Group's investments in the aforesaid entities by assessing whether the Group controls, jointly-controls or have significant influence over the entities. Furthermore, significant judgement is also required for the purchase price allocation arising from the acquisitions.

Our response:
Our audit procedures included, among others:
- evaluating the assessment of classification of investments made by the Group and the Company; and
- reading the relevant agreements that were executed among the shareholders to corroborate with the judgement made by the Group and the Company; and
- reviewing the purchase price allocation performed by the Group and the Company.

Capitalisation of borrowing costs (Notes 4.1, 7 and 13 to the financial statements)

Borrowing costs that are directly attributable to the development of the land held for sale are capitalised as part of the cost of land held for property development and property development costs. The capitalisation of borrowing costs made by the Group in respect of future phases is dependent on whether the development activities meet the criteria of an active development. We focus on this area because there is significant judgement involved in the criteria adopted in the capitalisation of borrowing costs.

Our response:
Our audit procedures included, among others:
- assessing that infrastructure, technical and administrative works were carried out on future phases and sighted to external evidence;
- reading loan agreements to obtain understanding of the purpose of the loans;
- discussing with the Group and obtaining the relevant Development Order for the development projects to corroborate the basis adopted by the Group; and
- checking the calculation of borrowing costs capitalised by verifying the inputs of the calculation such as interest rates and principal amounts.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng	Dato' Lock Peng Kuan
No. AF 0117	No. 02819/10/2018 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 25 January 2018

i) Details of the development properties held by the Group are as follows:

No.	Location	Project Name	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Majestic	Land under development and held for development	25-Apr-14	16,257,080	Freehold	1,273,539
2	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Spring & Eco Summer	Land under development and held for development	25-Apr-14	9,455,520	Freehold	774,690
3	Mukim Tanjong Duabelas,Daerah Kuala Langat, Selangor Darul Ehsan	Eco Sanctuary	Land under development and held for development	19-Mar-14	7,667,113	Leasehold Expiring: Year 2110	726,320
4	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim.	Eco Botanic	Land under development and held for development	25-Apr-14	3,188,388	Freehold	702,599
5	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park I	Land under development and held for development	25-Apr-14	11,579,930	Freehold	688,361
6	Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Eco Tropics & Eco Business Park III	Land under development and held for development	1994	26,154,821	Freehold	596,348
7	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park II	Land under development and held for development	25-Apr-14	9,308,337	Freehold	541,912
8	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Forest	Land under development and held for development	02-Jul-14	10,283,645	Freehold	344,003
9	Mukim 9 & 14, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Meadows	Land under development and held for development	25-Apr-14	1,752,245	Freehold	180,682
10	Mukim of Batu, Daerah Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur	Eco Sky	Land under development	25-Apr-14	77,824	Freehold	128,418

ii) Details of the development properties held by joint ventures of the Group are as follows:

No.	Joint ventures / Location	Project Name	Description	Date of Acquisition	Group's Effective Share	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)#
1	**Paragon Pinnacle Sdn Bhd** Mukim Ijok, Daerah Kuala Selangor, Selangor Darul Ehsan	Eco Grandeur & Eco Business Park V	Land under development and held for development	22-Sep-15	60%	42,488,239	Leasehold Expiring: Year 2100/ 2101	1,217,026
2	**Eco Horizon Sdn Bhd** Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Horizon & Eco Sun	Land under development and held for development	28-Jun-16	60%	14,560,090	Leasehold Expiring: Year 2112	946,560
3	**BBCC Development Sdn Bhd** Section 56, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Bukit Bintang City Centre	Land under development and held for development	04-Feb-15	40%	262,087	Leasehold Expiring: Year 2110	765,808
4	**Eco Ardence Sdn Bhd** Mukim Bukit Raja, Daerah Petaling, Selangor Darul Ehsan	Eco Ardence	Land under development and held for development	06-May-06	50%	10,848,800	Freehold	449,596
5	**Eco World International Berhad**							
	Parramatta, New South Wales 2150 Australia	West Village	Land under development	30-Nov-15	27%	51,430	Freehold	220,441
	South Yarra, Victoria 3141 Australia	Yarra One	Land under development	10-Apr-17	22%	22,906	Freehold	146,276
	London SW8 5BL, United Kingdom	Embassy Gardens, Phase 2	Land under development	11-Jan-15	20%	236,967	Freehold	2,609,782^
	London, E14, United Kingdom	London City Island, Phase 2	Land under development	11-Jan-15	20%	253,522 5,662	Freehold Leasehold Expiring: Year 2130	1,542,263^
	London, E14, United Kingdom	Wardian	Land under development	11-Jan-15	20%	58,803	Freehold	950,826^

^ Based on the exchange rate of GBP1.00 : RM5.587, being the closing rate for GBP to RM as at 31 October 2017

\# These amounts represent 100% of the NBV of the properties held by the respective joint ventures

SHAREHOLDINGS

Issued share capital	2,944,368,381
Class of share	Ordinary Shares
Voting rights	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	97	0.60	1,701	0.00
100 - 1,000	2,439	15.10	1,662,017	0.06
1,001 - 10,000	10,031	62.10	48,843,579	1.66
10,001 - 100,000	3,166	19.60	89,948,470	3.05
100,001 to less than 5% of issued shares	416	2.58	1,516,994,409	51.52
5% and above of issued shares	4	0.02	1,286,918,205	43.71
Total	16,153	100.00	2,944,368,381	100.00

TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Sinarmas Harta Sdn. Bhd.	532,135,139	18.07
2	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	305,572,663	10.38
3	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	236,426,527	8.03
4	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	212,783,876	7.23
5	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account - AmBank (M) Berhad for Sinarmas Harta Sdn. Bhd.	135,000,000	4.59
6	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	123,467,500	4.19
7	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	120,000,000	4.08
8	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	113,780,601	3.86
9	Sigma Seleksi Sdn. Bhd.	83,892,700	2.85
10	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	75,000,000	2.55
11	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	70,626,000	2.40
12	Maybank Investment Bank Berhad	70,400,000	2.39
13	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account - AmBank (M) Berhad for Sinarmas Harta Sdn. Bhd.	60,000,000	2.04
14	Kumpulan Wang Persaraan (Diperbadankan)	44,862,300	1.52
15	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Trustees Berhad for Public Ittikal Fund	40,000,000	1.36
16	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	30,000,000	1.02
17	CIMSEC Nominees (Tempatan) Sdn. Bhd. - Eco World Development Holdings Sdn. Bhd.	29,392,776	1.00

TOP THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	%
18	Nik Sazlina Binti Mohd Zain	26,967,500	0.92
19	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	26,770,000	0.91
20	How Teng Teng	20,000,000	0.68
21	Liew Tian Xiong	19,561,202	0.66
22	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Yayasan Hasanah (AUR-VCAM)	16,913,900	0.57
23	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AM INV)	14,648,300	0.50
24	Voon Tin Yow	13,010,000	0.44
25	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Liew Tian Xiong	13,000,000	0.44
26	Eco World Development Holdings Sdn. Bhd.	12,100,000	0.41
27	Amanahraya Trustees Berhad - Amanah Saham Malaysia	11,308,200	0.38
28	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity FD)	10,900,000	0.37
29	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	10,525,000	0.36
30	HSBC Nominees (Asing) Sdn. Bhd. - JPMCB NA For Vanguard Total International Stock Index Fund	9,979,800	0.34
	Total	2,489,023,984	84.54

SUBSTANTIAL SHAREHOLDERS

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Sinarmas Harta Sdn. Bhd.	969,919,015	32.94	-	-
Eco World Development Holdings Sdn. Bhd.	432,865,439	14.70	-	-
Liew Tian Xiong	502,768,330	17.08	-	-
Tan Sri Abdul Rashid Bin Abdul Manaf^	-	-	432,865,439	14.70
Dato' Leong Kok Wah*	-	-	1,402,784,454	47.64
Syabas Tropikal Sdn. Bhd.#	-	-	969,919,015	32.94

Notes:

^ Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 **("the Act")**.

* Deemed interest by virtue of his interests in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 8 of the Act.

Deemed interest by virtue of its interest in Sinarmas Harta Sdn. Bhd. pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf^	-	-	432,865,439	14.70
Tan Sri Dato' Sri Liew Kee Sin#	-	-	20,000,000	0.68
Dato' Leong Kok Wah*	-	-	1,402,784,454	47.64
Dato' Chang Khim Wah	8,650,000	0.29	-	-
Dato' Voon Tin Yow	14,065,600	0.48	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-
Liew Tian Xiong	502,768,330	17.08	-	-
Tan Sri Lee Lam Thye	2,000,000	0.07	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-

Notes:

^ Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

Deemed interest by virtue of his spouse's interest in the Company pursuant to Section 59 of the Act.

* Deemed interest by virtue of his interests in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 8 of the Act.

WARRANT HOLDINGS

No. of warrants issued	525,392,340
Exercise price of warrants	RM2.08
Expiry date	26 March 2022

DISTRIBUTION OF WARRANT HOLDERS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	526	11.55	36,028	0.01
100 - 1,000	902	19.80	617,363	0.12
1,001 - 10,000	2,135	46.87	9,190,930	1.75
10,001 - 100,000	861	18.90	28,245,816	5.37
100,001 to less than 5% of issued warrants	128	2.81	52,730,900	10.04
5% and above of issued warrants	3	0.07	434,571,303	82.71
Total	4,555	100.00	525,392,340	100.00

TOP THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	CIMSEC Nominees (Tempatan) Sdn. Bhd. - Eco World Development Holdings Sdn. Bhd.	202,177,451	38.48
2	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged securities account - AmBank (M) Berhad for Sinarmas Harta Sdn. Bhd.	161,369,371	30.71
3	Liew Tian Xiong	71,024,481	13.52
4	Nik Sazlina Binti Mohd Zain	6,450,000	1.23
5	Tay Koo Hui	2,572,400	0.49
6	Ang Kai Chan	2,400,000	0.46
7	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Loong Ching Hong (E-KLC)	2,005,000	0.38
8	Looi Boon Fui	1,445,000	0.28
9	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lim Heng Lai (E-KLC)	1,440,000	0.27
10	Khong Kar Yow	1,355,060	0.26
11	Voon Tin Yow	1,336,000	0.25
12	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Dato' Chang Khim Wah	1,224,000	0.23
13	Aun Chia Hong	1,100,000	0.21
14	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sundarajoo A/L Somu	1,100,000	0.21
15	Tan Soo Lee	1,061,400	0.20
16	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged securites account for Gan Ber Koon	1,050,000	0.20
17	Tan Bee Kheng	1,020,000	0.19
18	Ang Kai Chan	1,000,000	0.19
19	Koh Lye Siang	685,500	0.13

TOP THIRTY (30) LARGEST WARRANT HOLDERS (CONTINUED)

No.	Name of Warrant Holders	No. of Warrants	%
20	Ong Kek Seng	612,000	0.12
21	Lim Gaik Bway @ Lim Chiew Ah	600,000	0.11
22	Wong Yon Yam	496,560	0.09
23	Tan Cheng Yong	492,000	0.09
24	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yew Woon Fatt	460,000	0.09
25	Teow Leong Seng	459,000	0.09
26	HSBC Nominees (Asing) Sdn. Bhd. - BBH and Co Boston for Vanguard Global Ex-U.S. Real Estate Index Fund	450,320	0.09
27	Yong Hong Liang	450,300	0.09
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged securites account for Ooi Poh Kim (TTDI-CL)	430,000	0.08
29	Wong Jee Shyong	404,900	0.08
30	Ow Kee Foo	401,900	0.08
	Total	467,072,643	88.90

DIRECTORS' WARRANT HOLDINGS

Name	No. of Warrants held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf^	-	-	202,177,451	38.48
Tan Sri Dato' Sri Liew Kee Sin	-	-	-	-
Dato' Leong Kok Wah*	-	-	363,546,822	69.19
Dato' Chang Khim Wah	1,224,000	0.23	-	-
Dato' Voon Tin Yow	1,652,480	0.31	-	-
Datuk Heah Kok Boon	181,440	0.03	-	-
Liew Tian Xiong	71,024,481	13.52	-	-
Tan Sri Lee Lam Thye	-	-	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-

Notes:

^ Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

* Deemed interest by virtue of his interests in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 8 of the Act.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Fourth Annual General Meeting **("44th AGM")** of Eco World Development Group Berhad (17777-V) **("Company")** will be held at Eco Ardence Sales Gallery, PT 8, Persiaran Setia Alam, Eco Ardence, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 March 2018 at 3.00 p.m. for the following purposes:

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 October 2017 together with the Reports of the Directors and Auditors thereon.	*(Please refer to Explanatory Note 1)*
2.	To approve the payment of Directors' Fees for the financial year ended 31 October 2017.	*(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:	
	(i) Tan Sri Dato' Sri Liew Kee Sin	*(Resolution 2)*
	(ii) Datuk Heah Kok Boon	*(Resolution 3)*
	(iii) Dato' Haji Obet Bin Tawil	*(Resolution 4)*
	(iv) Tan Sri Lee Lam Thye	*(Please refer to Explanatory Note 2)*
4.	To approve the payment of Directors' Remuneration (excluding Directors' Fees) for the financial period from 1 February 2017 to 31 October 2017.	*(Resolution 5)*
5.	To approve the payment of Directors' Remuneration (excluding Directors' Fees) for the financial year ending 31 October 2018.	*(Resolution 6)*
6.	To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company until the conclusion of the next Annual General Meeting **("AGM")** and to authorise the Directors to fix their remuneration.	*(Resolution 7)*

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions:

7. **Authority to Issue and Allot Shares** *(Resolution 8)*

THAT subject always to the Companies Act 2016 **("Act")**, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad **("Bursa Malaysia") ("MMLR")** 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 Sections 75(1) and 76(1) of the Act, 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 total number of issued shares 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 AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** *(Resolution 9)*

THAT subject to the provisions of the MMLR, approval be and is hereby given to the Company and its subsidiaries **("EcoWorld Malaysia 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 EcoWorld Malaysia Group with specified classes of Related Parties (as defined in the MMLR and as specified in Section 2.3.1 of the Company's circular to shareholders dated 23 February 2018 **("Circular")**) 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 EcoWorld Malaysia Group on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

(i) the conclusion of the next AGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full 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 Resolution 9.

9. 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
23 February 2018

EXPLANATORY NOTES:

1. *Item 1 of the Agenda – Receipt of Report and Audited Financial Statements*

   Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. *Item 3 of the Agenda- Directors' Retirement by Rotation*

   Tan Sri Lee Lam Thye who retires in accordance with Article 80 of the Company's Articles of Association has expressed his intention not to seek for re-election. Hence, he will retire at the conclusion of the 44th AGM.

3. *Items 4 and 5 of the Agenda – Directors' Remuneration*

   *Section 230(1) of the Act requires the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM for the payment of benefits payable to Non-Executive Directors **("NEDs")** for the financial period from 1 February 2017 up to 31 October 2017 and for the financial year ending 31 October 2018.*

   The estimated amount of Directors' Remuneration for the financial period from 1 February 2017 up to 31 October 2017 amounted to RM683,000 and the estimated amount of Directors' Remuneration for the financial year ending 31 October 2018 amounted to RM6,040,000. The remuneration comprise meeting allowance, leave passage and security services.

   In the event that the proposed Directors' fees and benefits payable to NEDs are insufficient due to enlarged size of the board of directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

4. *Item 7 of the Agenda - Authority to Issue Shares pursuant to Sections 75(1) and 76(1) of the Act*

   The proposed Resolution 8 is for the purpose of seeking a renewal of the general mandate to empower the Directors of the Company pursuant to Sections 75(1) and 76(1) of the Act, from the date of the 44th AGM, to issue and allot ordinary shares from the unissued share capital of the Company 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 total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM 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).

   *As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75(1) and 76(1) of the Act as granted at the Forty-Third AGM of the Company held on 16 March 2017 **("43rd AGM")**.*

   *The Company had issued 110,783,876 and 83,892,700 new ordinary shares at an issue price of RM1.30 and RM1.49 per ordinary share respectively pursuant to a Private Placement **("Placement Exercise")** which was approved by its shareholders at the Extraordinary General Meeting held on 12 October 2016. Details of the total proceeds raised from the Placement Exercise and its utilisation are disclosed in this Annual Report.*

5. *Item 8 of the Agenda - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature*

   The proposed Resolution 9, if passed will enable EcoWorld Malaysia Group to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length basis, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Please refer to the Circular for further information.

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 March 2018 shall be eligible to attend, speak and vote at the 44th AGM.*

2. *A member entitled to attend and vote at the 44th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, 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 44th AGM shall have the same rights as the member to speak at the 44th AGM. Notwithstanding this, a member entitled to attend and vote at the 44th AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 44th 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. Where an exempt authorised nominee appoints more than one (1) proxy to attend and vote at the 44th AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.*

5. *Where a member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act, 1991, it may be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints two (2) proxies to attend and vote at the 44th AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.*

6. *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 44th AGM or at any adjournment thereof.*

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ECOWORLD
CREATING TOMORROW & BEYOND

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No. 17777-V)
(Incorporated in Malaysia)

CDS Account No.	No. of Shares Held

FORM OF PROXY

I/We, ____
(NAME IN FULL AND IN BLOCK LETTERS)

NRIC/Passport/Company No. ______________________ Contact No. ______________________

of ____
(FULL ADDRESS)

being a member/members of **ECO WORLD DEVELOPMENT GROUP BERHAD ("Company")**, hereby appoint ______________________
(NAME IN FULL AND IN BLOCK LETTERS)

______________________ NRIC/Passport No. ______________________ (Proportion: %)
(NAME IN FULL AND IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, ______________________ NRIC/Passport No. ______________________ (Proportion: %)
(NAME IN FULL AND 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-Fourth Annual General Meeting **("44th AGM")** of the Company to be held at Eco Ardence Sales Gallery, PT 8, Persiaran Setia Alam, Eco Ardence, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 March 2018 at 3.00 p.m. or at any adjournment thereof for/against the resolutions to be proposed thereat.

No.	Ordinary Resolutions	For	Against
1.	Approval for the payment of Directors' Fees		
2.	Re-election of Tan Sri Dato' Sri Liew Kee Sin		
3.	Re-election of Datuk Heah Kok Boon		
4.	Re-election of Dato' Haji Obet Bin Tawil		
5.	Approval for the payment of Directors' Remuneration for the financial period from 1 February 2017 to 31 October 2017		
6.	Approval for the payment of Directors' Remuneration for the financial year ending 31 October 2018		
7.	Re-appointment of Messrs. Baker Tilly Monteiro Heng as Auditors of the Company		
8.	Authority to Issue and Allot Shares		
9.	Proposed Renewal of 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 ____________________, 2018

....
Signature of Member/Common Seal

Notes:
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2. A member entitled to attend and vote at the 44th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, 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 44th AGM shall have the same rights as the member to speak at the 44th AGM. Notwithstanding this, a member entitled to attend and vote at the 44th AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 44th 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.
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Fold this flap for sealing

Then fold here

Affix Stamp

Securities Services (Holdings) Sdn. Bhd. (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

1st fold here

www.ecoworld.my

Eco World Development Group Berhad (17777-V)

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