

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular prior to its issuance as it is an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above proposal will be tabled at the 46th Annual General Meeting of the Company ("**AGM**"). The Notice of the 46th AGM together with the Form of Proxy are set out in the 2019 Annual Report of the Company.

Date and time of the AGM	: Wednesday, 25 March 2020 at 3:00 p.m. or at any adjournment thereof
Venue of the AGM	: EcoWorld Gallery @ Eco Grandeur Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia (GPS Coordinates: 3.225565, 101.455361 Waze Location: Eco Grandeur Sales Gallery)
Last date and time for lodging the Form of Proxy	: Monday, 23 March 2020, at 3:00 p.m. or at any adjournment thereof

This Circular is dated 25 February 2020

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting of our Company
Board	:	Board of Directors of EcoWorld Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to the shareholders of EcoWorld Malaysia in relation to the Proposed Shareholders' Mandate dated 25 February 2020
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Group
EcoWorld Malaysia or our Company	:	Eco World Development Group Berhad
EcoWorld Malaysia Group or our Group	:	EcoWorld Malaysia and our subsidiaries
EcoWorld Malaysia Share(s) or Share(s)	:	Ordinary share(s) in EcoWorld Malaysia
EcoWorld Malaysia Warrant(s) or Warrant(s)	:	525,392,340 warrants issued by EcoWorld Malaysia on 27 March 2015 and expiring on 26 March 2022 as constituted by the deed poll dated 17 February 2015
Listing Requirements or MMLR	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
LPD	:	28 January 2020, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of shares, is: (a) 10% or more of the total number of voting shares in our Company; or (b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Group

DEFINITIONS (Cont'd)

Person(s) Connected	:	Shall have the same meaning as in Chapter 1.01 of the Listing Requirements
Proposed Shareholders' Mandate	:	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions to be entered into by our Group from the date of the forthcoming 46 th AGM to the next AGM
Recurrent Related Party Transaction(s)	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of our Group
Related Party(ies)	:	Director(s), Major Shareholder(s) or Person(s) Connected with such Director or Major Shareholder
Related Party Transaction(s)	:	Transaction(s) entered into by EcoWorld Malaysia and our subsidiaries which involve(s) the interest, direct or indirect, of the Related Party(ies)

Currency

RM and sen : Ringgit Malaysia and sen respectively

All references to "**our Company**" in this Circular are to EcoWorld Malaysia, and references to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context otherwise requires, shall include our subsidiaries. All references to "**you**" in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine shall, where applicable, include the feminine and/ or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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ECOWORLD

CREATING TOMORROW & BEYOND

ECO WORLD DEVELOPMENT GROUP BERHAD

(Registration No. 197401000725 (17777-V))

(Incorporated in Malaysia)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

25 February 2020

Board of Directors:

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

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

Dato' Leong Kok Wah *(Non-Independent Non-Executive Deputy Chairman)*

Dato' Chang Khim Wah *(Executive Director, President & Chief Executive Officer)*

Dato' Voon Tin Yow *(Executive Director)*

Datuk Heah Kok Boon *(Executive Director & Chief Financial Officer)*

Liew Tian Xiong *(Executive Director)*

Tang Kin Kheong *(Senior Independent Non-Executive Director)*

Dato' Idrose Bin Mohamed *(Independent Non-Executive Director)*

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

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

Low Mei Ling *(Independent Non-Executive Director)*

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

We had on 27 March 2019, obtained shareholders' mandate for our Group to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public. The authority conferred by the existing shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 46th AGM unless authority for its renewal is obtained from our shareholders at the forthcoming 46th AGM.

In relation thereto, we had on 6 February 2020, announced our intention to seek our shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming 46th AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming 46th AGM. The Notice of the 46th AGM together with the Form of Proxy are set out in the 2019 Annual Report.

An extract of the ordinary resolution in respect of the Proposed Shareholders' Mandate is set out in **Appendix I** of this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING 46TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Introduction

Pursuant to Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, our Company may seek our shareholders' mandate with regard to Related Party Transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, among others, the following:

- (i) the transactions are in the ordinary course of business of our Group and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (a) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1.0 million or more; or
 - (b) the percentage ratio of such Recurrent Related Party Transactions is 1% or more, whichever is the higher;
- (iii) the circular to our shareholders for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected to a Director or Major Shareholder; and where the interest of an interested Person Connected to a Director or Major Shareholder is involved, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (v) our Company to immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by our Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The principal activity of our Company is investment holding whilst our subsidiaries are principally involved in, among others, property development, property investment holding, project management and supplying of building materials.

It is envisaged that in the ordinary course of our Group's businesses, transactions of a revenue or trading nature, which are necessary for its day-to-day operations are likely to occur between companies in our Group and the Related Parties.

In this respect, our Company proposes to seek the approval from shareholders for the Proposed Shareholders' Mandate which will allow our Group, in their ordinary course of business, to enter into the Recurrent Related Party Transaction disclosed in Section 2.3 of this Circular with the Related Parties, provided such transaction is made at arms' length, on our Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of our Company.

Where our Company has procured shareholders' mandate pursuant to the above, the provisions of paragraph 10.08 of the Listing Requirements will not apply with regard to transactions as detailed in Section 2.3 of this Circular.

As disclosed in Section 2.3 of this Circular, the estimates of the value of this category of transaction cannot be ascertained given the various types of properties sold by our Group which vary from project to project and that the Directors, Major Shareholders and/or Person Connected with them who intend to purchase the properties sold by our Group could not be ascertained at this juncture. However, in accordance with Section 3.3(a) of Practice Note 12 of the Listing Requirements, total purchases by the Related Parties at any one point cannot exceed 10% of any one of the percentage ratios. In addition, as disclosed in Section 2.5 of this Circular, our Group has established various procedures to monitor the Recurrent Related Party Transaction to ensure that the total purchases do not exceed 10% of the percentage ratio.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall take effect from and including 25 March 2020, being the date of the forthcoming 46th AGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM following the 46th AGM, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held by law (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 meeting of members,

whichever is the earlier.

We are required to disclose the aggregate value of the Recurrent Related Party Transactions conducted during the financial year pursuant to the existing shareholders' mandate in our 2019 Annual Report. In making such disclosure, we will provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year pursuant to the Proposed Shareholders' Mandate based on the following information:

- (i) type of Recurrent Related Party Transactions made; and
- (ii) names of the Related Parties involved in each type of the Recurrent Related Party Transaction made and their relationship with our Company.

Details of the Recurrent Related Party Transaction of our Group pursuant to Paragraph 10.09(1) of the Listing Requirements are set out in the ensuing paragraphs.

2.2 Classes of Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Directors;
- (ii) Major Shareholders; and
- (iii) Persons Connected with our Directors and/or Major Shareholders.

2.3 Details of Recurrent Related Party Transaction contemplated under the Proposed Shareholders' Mandate

The class and nature of the Recurrent Related Party Transaction of our Group are as follows:

Transacting party within our Group	Transacting Related Parties	Nature of transaction	Interested Related Parties	Estimated value during the validity period ⁽¹⁾ of the mandate (RM'000)	Estimated value for the preceding year's mandate (RM'000)	Actual value (RM'000)
EcoWorld Malaysia Group	Directors and/or Major Shareholders and/or Persons Connected with them	Sale of land or land-based properties to Related Party(ies) in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements	Directors and/or Major Shareholders and Persons Connected with them ⁽²⁾	⁽³⁾	⁽⁴⁾	⁽⁵⁾ 2,577.9

Notes:

- (1) Validity period refers to the period from the date of the forthcoming 46th AGM until the next AGM.
- (2) Directors, Major Shareholders and/or Persons Connected with them who intend to purchase the properties sold by our Group could not be ascertained at this juncture.
- (3) There is no threshold for the approval as the estimates of the value for this category of transaction cannot be ascertained given the various types of properties sold by our Group with prices vary from project to project. However, our Group is guided by the provision in Section 3.3(a) of Practice Note 12 of the Listing Requirements, which allows our Company to procure its shareholders' mandate for disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%. In addition, as disclosed in Section 2.5 of this Circular, our Group has established various procedures to monitor the Recurrent Related Party Transaction to ensure that the total purchases by the Related Parties at any one point do not exceed 10% of the percentage ratios and will be carried out on arm's length basis, on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.
- (4) As disclosed in the circular dated 22 February 2019, estimates of the value for this category of transaction cannot be ascertained. There is no threshold for the approval as the sale of properties by our Group to the Related Parties are guided by the provision in Section 3.3(a) of Practice Note 12 of the Listing Requirements. In addition, as disclosed in Section 2.5 of this Circular, our Group has established various procedures to monitor the Recurrent Related Party Transactions to ensure that the total purchases by the Related Parties at any one point do not exceed 10% of the percentage ratios.
- (5) Actual value of the transaction since the 45th AGM held on 27 March 2019 up to the LPD.

2.4 Amount Due and Owing by Related Parties

As at the LPD, there were no amounts due and owing by the Related Parties to our Group under the Recurrent Related Party Transactions which exceeded the credit term.

2.5 Review Procedures in relation to Recurrent Related Party Transactions

Our Group has established various procedures to ensure that the Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms, which are consistent with our Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Recurrent Related Party Transactions will be undertaken based on prevailing rates according to normal commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations. There are no specific thresholds for approval of Recurrent Related Parties Transactions within our Group.

To monitor the Recurrent Related Party Transactions, the procedures established by our Group are as follows:

- (i) a list of Related Parties will be circulated within our Group to notify that all Recurrent Related Party Transactions with the Related Parties are required to be undertaken on an arm's length basis, on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public. These include transacting at prevailing market rates/prices of the products or service providers' usual commercial terms or otherwise in accordance with applicable industry norm. Transactions refer to both sales and purchases of products or provision of services of our Group;
- (ii) any tender, quotation or contract received from or proposed to be entered with a Related Party will not be approved unless the terms offered to our Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions;
- (iii) records will be maintained by our Company to capture all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. As disclosed in Section 2.3 of this Circular, the estimates of the value of this category of transaction cannot be ascertained given the various types of properties sold by our Group which vary from project to project and that the Directors, Major Shareholders and/or Persons Connected with them who intend to purchase the properties sold by our Group could not be ascertained at this juncture. Our Company will monitor all transactions to ensure that any one of the percentage ratios of the transactions does not exceed 10% in accordance with Section 3.3(a) of Practice Note 12 of the Listing Requirements;
- (iv) the internal auditor shall periodically review the guidelines and procedures in respect of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate and ascertain that the guidelines and procedures have been complied with;

- (v) the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with and the review shall be done at every quarter together with the review of the quarterly results;
- (vi) disclosure will be made in the annual report of our Company of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, in accordance with the provisions of Paragraph 10.09 of Chapter 10 and Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements; and
- (vii) the Audit Committee has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within our Company as they deem appropriate.

At least 2 other contemporaneous transactions with unrelated third parties for similar products or services will be used as comparison, whenever possible, to determine whether the price and terms offered to the Related Parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products or services. In the event that comparative pricing from unrelated third parties cannot be obtained, our Group will rely on the prevailing market norms and practices taking into account the efficiency, quality and type of products or services to be provided to ensure that the Recurrent Related Party Transactions are not detrimental to our Group.

Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on the matter. The Interested Directors shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they or Persons Connected with them are interested.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain shareholders' approval for the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected to a Director and/or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution approving the transactions.

2.6 Audit Committee Statement

The Audit Committee of our Company has considered the procedures mentioned above and is of the view that:

- (i) the procedures are sufficient to ensure that the Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms which are consistent with our Group's normal business practices and policies, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of our Group; and
- (ii) our Group has in place adequate procedures and processes to monitor, track and identify the Recurrent Related Party Transactions in a timely and orderly manner. Such procedures and processes are reviewed by the Audit Committee and/or the management staff as and when required.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Recurrent Related Party Transaction set out in Section 2.3 of this Circular is in the ordinary course of business and is intended to meet the business needs of our Group on the best possible terms and it represents sound business decisions which are taken for legitimate and bona fide business purposes which will enhance our Group's ability to explore beneficial business opportunities.

The Proposed Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities or to convene separate meetings of members from time to time to seek our shareholders' approval as and when Recurrent Related Party Transaction(s) with the specified classes of Related Parties arise. This will reduce substantially the expenses associated with the convening of meetings of members on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining our Group's corporate objectives and business opportunities.

The Proposed Shareholders' Mandate is intended to facilitate transactions entered into in the ordinary course of business of our Group which are transacted from time to time with the Related Parties at arm's length, on our Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of our Company.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the share capital and the Major Shareholders' shareholdings in our Company, and is not expected to have any material effect on the net assets and earnings of our Group for the financial year ending 31 October 2020.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of our shareholders at the forthcoming 46th AGM to be convened or at any adjournment thereof.

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6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The direct and indirect interests of the interested Directors, Major Shareholders and Persons Connected with the Directors and Major Shareholders of EcoWorld Malaysia as at the LPD are as follows:

(i) Interest in EcoWorld Malaysia Shares

	Direct		Indirect	
	No. of EcoWorld Malaysia Shares	%	No. of EcoWorld Malaysia Shares	%
Interested Directors and Major Shareholders				
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	170,000,000 ⁽¹⁾	5.77
Dato' Leong Kok Wah	-	-	1,182,970,854 ⁽²⁾	40.18
Interested Directors				
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	213,051,839 ⁽³⁾	7.24
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	225,780,601	7.67	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Low Mei Ling	-	-	-	-

(ii) Interest in EcoWorld Malaysia Warrants

	Direct		Indirect	
	No. of EcoWorld Malaysia Warrants	%	No. of EcoWorld Malaysia Warrants	%
Interested Directors and Major Shareholders				
Tan Sri Dato' Sri Liew Kee Sin	-	-	-	-
Dato' Leong Kok Wah	-	-	363,546,822 ⁽²⁾	69.20
Interested Directors				
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	202,177,451 ⁽³⁾	38.48
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	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Low Mei Ling	-	-	-	-

Notes:

- (1) Deemed interest by virtue of his interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Act and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.
- (2) 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.
- (3) Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

The directors concerned have abstained and will continue to abstain from deliberation and voting on the relevant resolution pertaining to the Proposed Shareholders' Mandate at the Board level.

The above interested Directors and Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in EcoWorld Malaysia on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 46th AGM.

In addition, the Directors will ensure that the Persons Connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in EcoWorld Malaysia on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 46th AGM.

7. OPINION AND RECOMMENDATION FROM DIRECTORS

All our Directors are deemed interested in respect of the Recurrent Related Party Transaction as disclosed in Section 2.3 of this Circular, and hence they have abstained from making an opinion and any recommendation to the shareholders in respect thereof.

8. DETAILS OF THE 46TH AGM

The 46th AGM, the notice of which is set out in the 2019 Annual Report of our Company, will be held at EcoWorld Gallery @ Eco Grandeur, Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 25 March 2020 at 3:00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate under Special Business.

If you are unable to attend and vote in person at the 46th AGM, you are requested to complete, sign and return the Form of Proxy, which is set out in the 2019 Annual Report of our Company, in accordance with the instructions stated in the Form of Proxy as soon as possible, and caused it to be deposited at our registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia ("**Registered Office**"), not less than 48 hours before the time for holding the 46th AGM or at any adjournment thereof, either by hand or post to the Registered Office or email to info@sshb.com.my. In the case where the Form of Proxy is delivered by email, the original Form of Proxy shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time for holding the 46th AGM or at any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the 46th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

You are advised to refer to the attached **Appendix II** for further information.

Yours faithfully,
For and on behalf of the Board of
ECO WORLD DEVELOPMENT GROUP BERHAD

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

EXTRACT OF THE NOTICE OF 46TH AGM OF THE COMPANY**AS SPECIAL BUSINESS****Ordinary Resolution 9****Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

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 of the Company's circular to shareholders dated 25 February 2020 ("**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 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;
- (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 meeting of members,

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 Ordinary Resolution 9.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all the reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business), that have been entered into by our Group within 2 years immediately preceding the date of this Circular:

Melia Spring Sdn. Bhd. ("**Melia Spring**"), a subsidiary of EcoWorld Malaysia, had on 15 December 2019 entered into the following agreements:

- (i) a conditional development agreement with Permodalan Darul Ta'zim Sdn. Bhd. ("**PDT**") where PDT agreed to nominate Melia Spring to acquire 200 acres of freehold land located in Mukim Pulai, Johor ("**New Land**") from River Retreat Sdn. Bhd. ("**RRSB**") and for Melia Spring to develop the New Land, in accordance with the terms and conditions set out in the development agreement; and
- (ii) a conditional sale and purchase agreement with RRSB for Melia Spring to acquire the New Land from RRSB for a base land price of RM304,920,000, to be paid in cash and on a staggered basis.

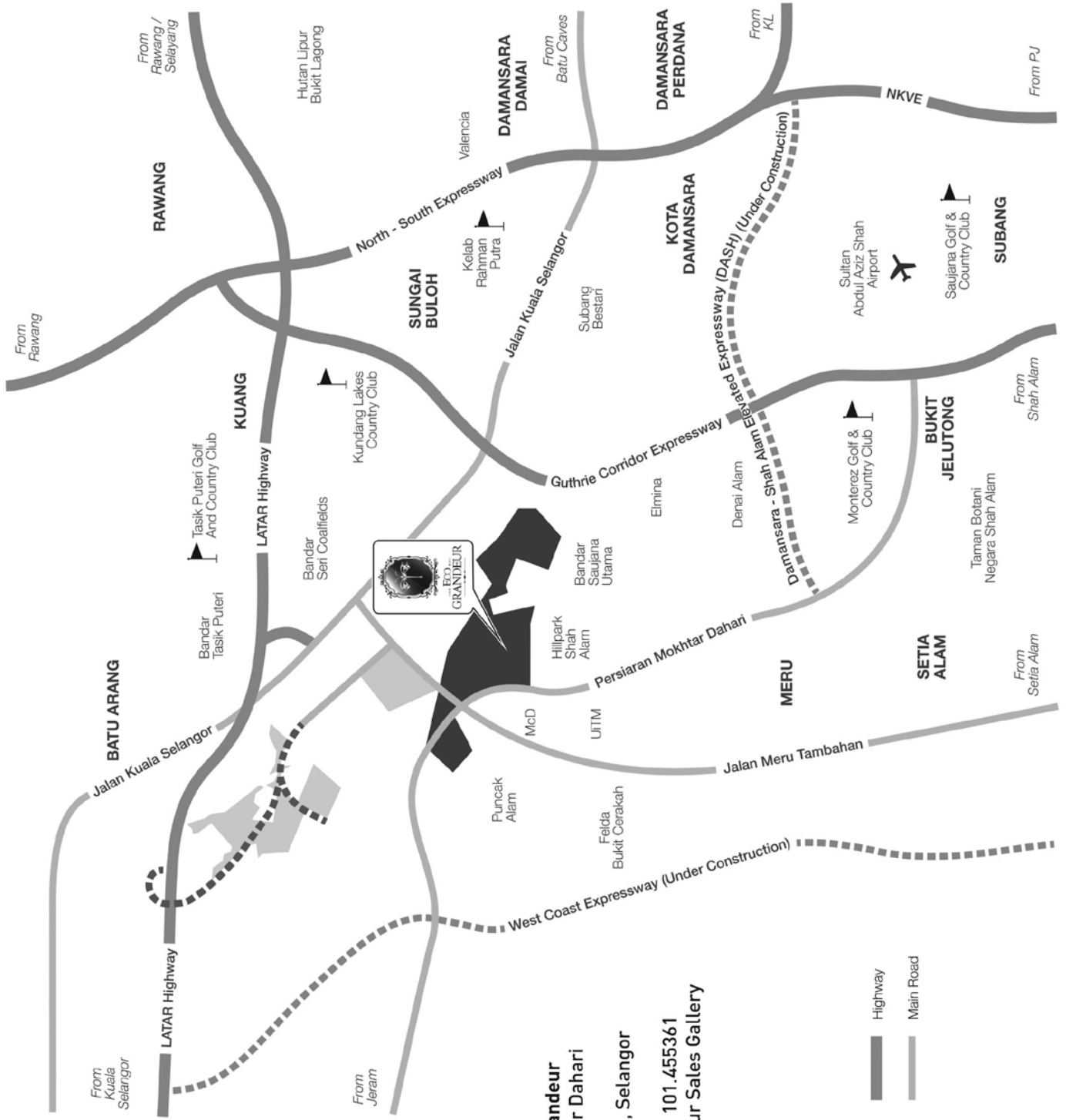
3. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and the Directors are not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of our Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 46th AGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for financial years ended 31 October 2018 and 31 October 2019; and
- (iii) material contracts referred to in Section 2 of this Appendix.



EcoWorld Gallery @ Eco Grandeur
 Lot 6232, Persiaran Mokhtar Dahari
 Eco Grandeur
 42300 Bandar Puncak Alam, Selangor

GPS Coordinates: 3.225565, 101.455361
 Waze Location: Eco Grandeur Sales Gallery

T: +603 3270 2525

