

ECOWORLD

CREATING TOMORROW & BEYOND



annual report **2015**

RATIONALE

At EcoWorld, we pride ourselves in our drive and effort to not only think beyond the ordinary but also turn what we aspire into reality.

Just like the butterfly that transitions from one form to another, we embrace change and ideas from all over the world to craft environments for safe and sustainable community living; where nature is just as important as neighbours.

Anchored by our vision of Creating Tomorrow & Beyond, we strive to set new standards and put innovative concepts to work that will complement and enhance our customers' varied and evolving lifestyles across generations and backgrounds.

This is part of our mission to pursue excellence and create enduring value for each and every stakeholder who has placed their confidence and trust in us.



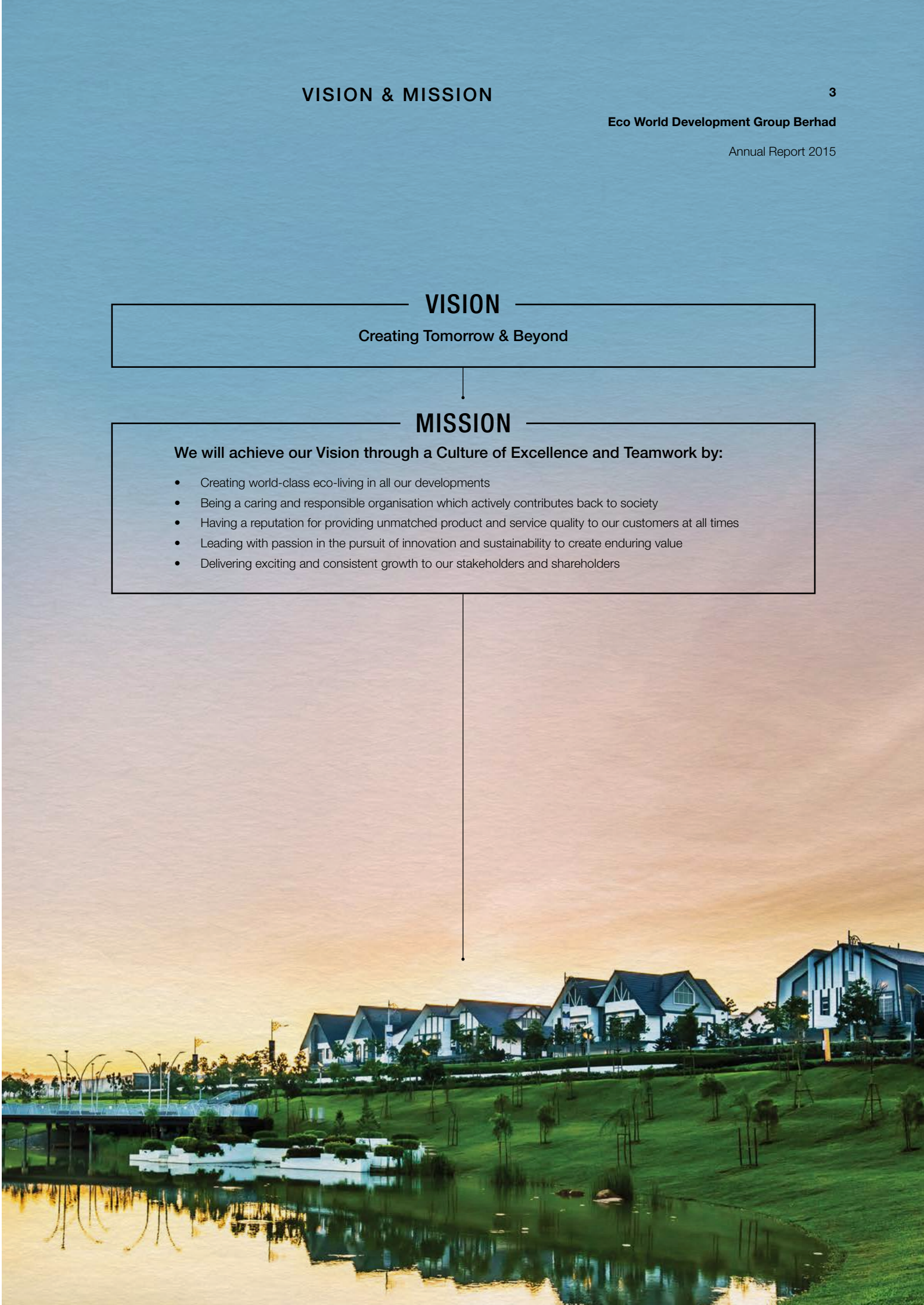
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VISION & MISSION

Eco World Development Group Berhad
Annual Report 2015



PERIOD/YEAR ENDED	31 OCTOBER 2015	30 OCTOBER 2014 RESTATED	30 SEPTEMBER 2013 RESTATED	30 SEPTEMBER 2012 RESTATED	30 SEPTEMBER 2011 RESTATED
FINANCIAL RESULTS (RM'000)					
Revenue	1,712,061	148,395	156,326	65,286	55,714
Profit/ (Loss) before tax	73,918	12,092	29,603	8,095	(2,296)
Profit/ (Loss) attributable to owners of the Company	43,952	7,181	24,268	7,202	(2,081)
FINANCIAL POSITION (RM'000)					
Total cash and bank balances	517,176	43,423	25,244	6,904	3,631
Total assets	6,936,803	678,732 #	481,501 #	483,006 #	438,977 #
Total borrowings	1,700,345	240,675	52,148	64,041	64,468
Total net tangible assets	3,156,875	325,861	321,222	298,854	291,652
Share capital	1,182,132	253,317	253,317	253,317	253,317
Equity attributable to owners of the Company	3,156,875	325,864	318,722	296,354	289,152
FINANCIAL RATIOS					
Basic earnings/ (loss) per share (sen)	2.64	1.42 *	4.79 *	1.42 *	(0.41)*
Net assets per share attributable to owners of the Company (RM)	1.34	0.64 *	0.63 *	0.58 *	0.57 *
Return on equity (%)	1.39	2.20	7.61	2.43	NA
Net gearing ratio (times)	0.37	0.61	0.08	0.19	0.21
Share price High (RM)	2.09	2.70 *	1.13 *	0.15 *	0.17 *
Low (RM)	1.20	1.00 *	0.13 *	0.10 *	0.10 *

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

GROUP 2015 SUMMARY

	3 months ended 31 October 2015	3 months ended 31 July 2015	3 months ended 30 April 2015	3 months ended 31 January 2015
(RM'000)				
Revenue	681,935	454,277	417,822	158,027
Profit before tax	34,878	15,733	17,670	5,637
Profit attributable to owners of the Company	19,693	9,393	11,807	3,059
Paid-up capital	1,182,132	1,182,132	985,110	253,317
Equity attributable to owners of the Company	3,156,875	3,135,811	2,497,024	328,820
Total assets	6,936,803	6,486,495 #	5,980,463 #	6,096,081 #
Total net tangible assets	3,156,875	3,135,811	2,497,024	328,721
Basic earnings per share (sen)	0.83	0.41	0.79	0.60
Net assets per share attributable to owners of the Company (RM)	1.34	1.33	1.27	0.65

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



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
Hoe Mee Ling
Soo Chan Fai
Lim Eng Tiong
Ong Yew Leng

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

REGISTRAR

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

AUDITORS

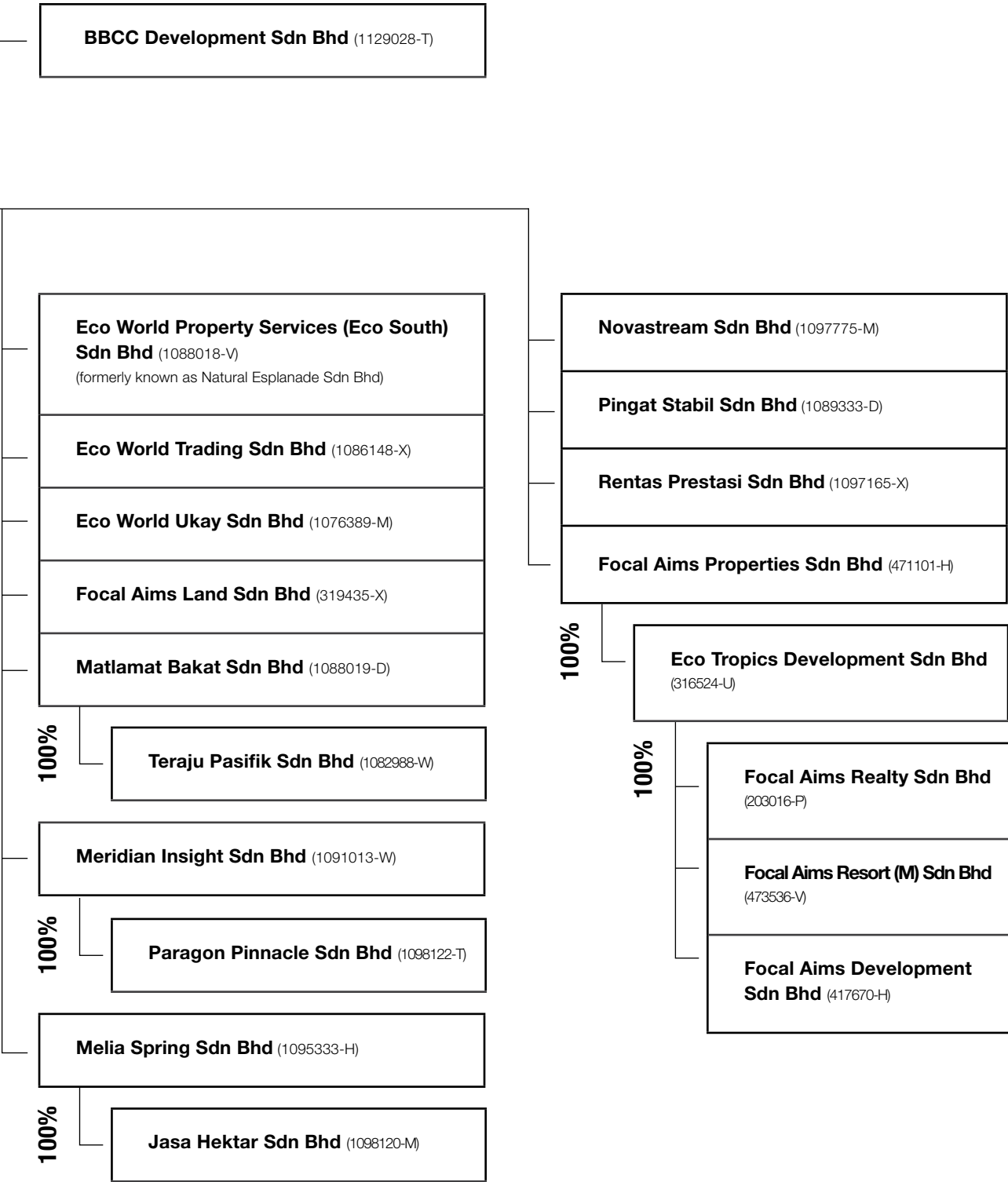
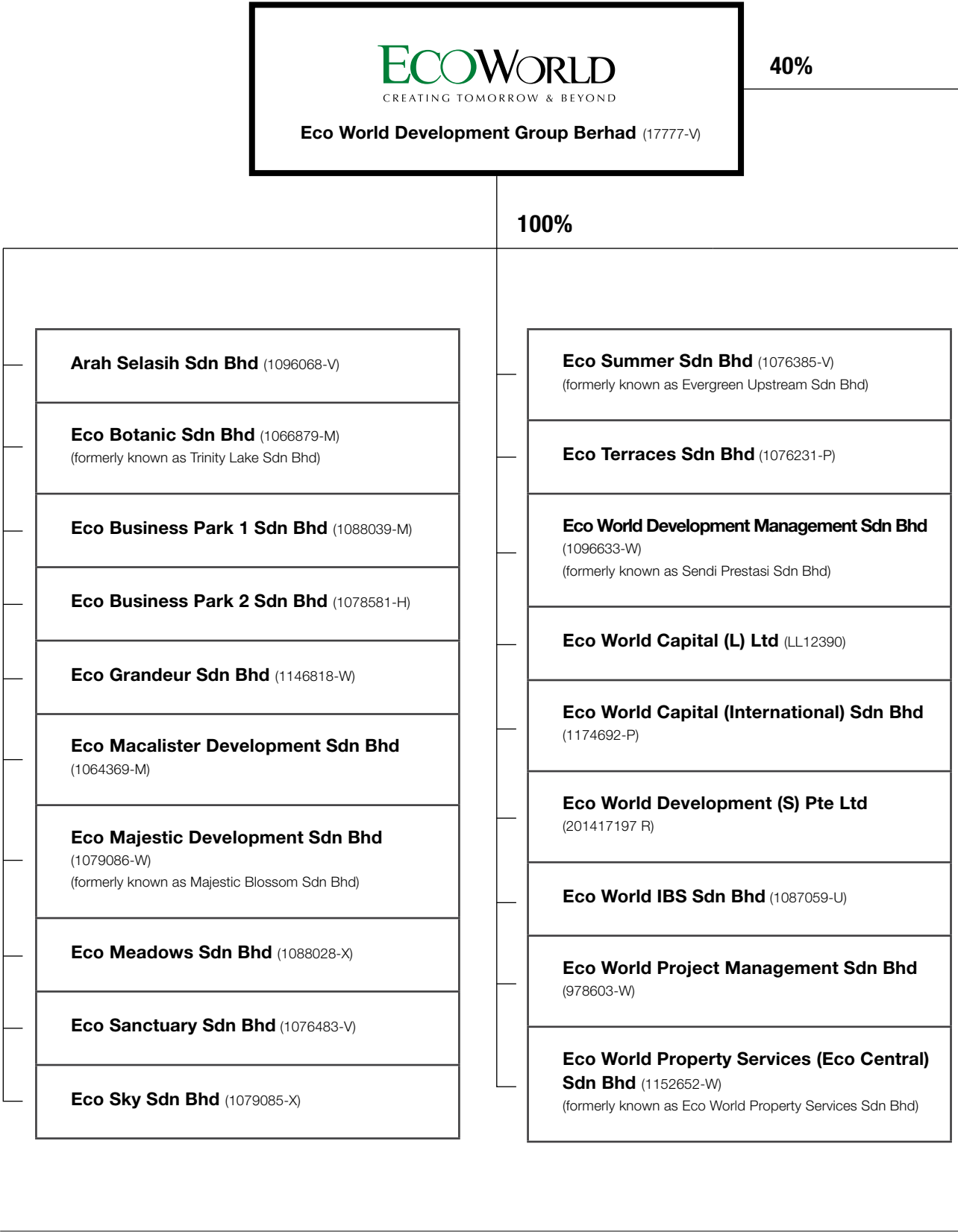
Baker Tilly Monteiro Heng (AF 0117)
Chartered Accountants
Baker Tilly MH Tower,
Level 10, Tower 1,
Avenue 5, Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan.

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)

WEBSITE

www.ecoworld.my





From left

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

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

Datuk Heah Kok Boon
Executive Director &
Chief Financial Officer

Dato' Voon Tin Yow
Executive Director

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

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

Dato' Idrose Bin Mohamed
Independent Non-Executive Director

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

Dato' Chang Khim Wah
President &
Chief Executive Officer

Liew Tian Xiong
Executive Director

Dato' Haji Obet Bin Tawil
Independent
Non-Executive Director

Tang Kin Kheong
Senior Independent
Non-Executive Director

**Founder and
Non-Independent
Non-Executive Director**

Malaysian, 69 years of age

- Barrister-at-Law (Middle Temple London)



TAN SRI ABDUL RASHID BIN ABDUL MANAF

Tan Sri Abdul Rashid Bin Abdul Manaf was appointed to the Board of Eco World Development Group Berhad 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 became a Barrister-at-Law. He joined the Malaysian judicial and legal service in 1971 and became a Magistrate until 1973. He was later made the President of the Sessions Court in Klang. In 1975, he became the Senior Federal Counsel for the Income Tax Department. He left government service in 1977. He was the Chairman of the Board of S P Setia Berhad (S P Setia) from 1997 until 2012.

He is a director and a major shareholder of Eco World Development Holdings Sdn Bhd, which is a substantial shareholder of Eco World Development Group Berhad. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

**Non-Independent
Non-Executive Chairman**

Malaysian, 57 years of age

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



TAN SRI DATO' SRI LIEW KEE SIN

Tan Sri Dato' Sri Liew Kee Sin was appointed as a Non-Independent Non-Executive Director of Eco World Development Group Berhad on 5 May 2014. He was re-designated as the Chairman of the Board of Eco World Development Group Berhad 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 Employees Provident Fund Board (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. These include being named Property Man of the Year by FIABCI Malaysia in 2007 and representing Malaysia as the Ernst & Young Entrepreneur of the Year 2011 Country Winner at the World Entrepreneur of the Year Awards. In 2012, he was honoured by The Edge Malaysia with an Outstanding Property Personality Award and conferred a Lifetime Achievement Award for Property and Philanthropic Leadership by the World Chinese Economic Forum. In 2013, The Edge Billion Ringgit Club named him as Malaysia's Outstanding CEO for showing exemplary leadership in building businesses and creating value.

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

Non-Independent
Non-Executive Deputy
Chairman

Malaysian, 62 years of age

- 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

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

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

He is a director and shareholder of Eco World Development Holdings Sdn Bhd, which is a substantial shareholder of Eco World Development Group Berhad. He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

President and
Chief Executive Officer

Malaysian, 51 years of age

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



DATO' CHANG KHIM WAH

Dato' Chang Khim Wah, the President and Chief Executive Officer of Eco World Development Group Berhad, 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. He began his career 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, 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 over the past 10 years.

Executive Director

Malaysian, 58 years of age

- Bachelor of Science Degree in Civil Engineering
- Master of Science Degree (University of Texas, Austin)



DATO' VOON TIN YOW

Dato' Voon Tin Yow was appointed as an Executive Director of Eco World Development Group Berhad on 20 March 2015.

He has 30 years of working experience in the construction and property development industry, which includes 3 years in construction site management and 27 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 the general manager in 1994. He was previously an Executive Director at S P Setia and held the post of Chief Operating Officer from 1996 to 2014. He was also previously the Acting President and the Chief Executive Officer 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.

Dato' Voon is currently an Independent Non-Executive Director of Asian Healthcare Group Berhad.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

Executive Director and Chief Financial Officer

Malaysian, 48 years of age

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



DATUK HEAH KOK BOON

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

Datuk Heah has garnered more than 26 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.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

Executive Director

Malaysian, 24 years of age

- Bachelor of Commerce, University of Melbourne, Australia



LIEW TIAN XIONG

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

Mr. Liew graduated in 2012 with a Bachelor of Commerce from the University of Melbourne, Australia. 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 substantial shareholder of Eco World Development Group Berhad 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 over the past 10 years.

**Non-Independent
Non-Executive Director**

Malaysian, 69 years of age



TAN SRI LEE LAM THYE

Tan Sri Lee Lam Thye was appointed to the Board of Eco World Development Group Berhad 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.

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), 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 Eco World Development Group Berhad on 12 December 2013.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

**Senior Independent
Non-Executive Director**

Malaysian, 60 years of age

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



TANG KIN KHEONG

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

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 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 international accounting firm Mazars, where he served as its Malaysian Managing Partner until August 2013. He left Mazars in August 2014 to become a sole proprietor.

Mr. Tang is also a member of the Malaysian Institute of Accountants. In all, Mr. Tang has had 25 years of experience as a practising accountant. He is a licensed auditor and licensed liquidator. He works with public listed companies and owner managed businesses, offering auditing, accounting, insolvency and other business advisory services.

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

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

**Independent
Non-Executive Director**

Malaysian, 59 years of age

- Bachelor Degree in Civil Engineering, UTM



DATO' IDROSE BIN MOHAMED

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

Dato' Idrose is a civil engineer who has served both the government as well as 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 had accumulated 14 years of experience as Managing Director/Chief Executive Officer of several public listed and government linked companies, amongst them PLUS Expressways Berhad, Pos Malaysia Berhad and Prasarana Malaysia Berhad.

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

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

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

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

Independent
Non-Executive Director

Malaysian, 61 years of age

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



DATO' HAJI OBET BIN TAWIL

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

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 Four Seasons Residences Sdn Bhd.

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

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

Independent
Non-Executive Director

Malaysian, 69 years of age

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



DATO' NOOR FARIDA BINTI MOHD ARIFFIN

Dato' Noor Farida Binti Mohd Ariffin was appointed as an Independent Non-Executive Director of Eco World Development Group Berhad on 20 March 2015.

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 serving 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, the Co-Agent of Malaysia for the Sipadan and Ligitan Case against Indonesia before the International Court of Justice in the Hague, has had a long and distinguished career spanning more than 40 years in the public service before her retirement.

Dato' Noor previously held a number of key positions, including 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), Director of the Women and Development Programme, Human Resource and Development Group at the Commonwealth Secretariat in London, 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 was again appointed 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 was also appointed as a member of the Audit Committee, Nomination Committee and Remuneration Committee of Eco World Development Group Berhad on 21 May 2015.

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 over the past 10 years.

Dear Valued Shareholders,

I AM PLEASED TO REPORT THAT 2015 WAS A VERY GOOD YEAR FOR ECO WORLD DEVELOPMENT GROUP BERHAD (EW BERHAD)

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

*Non-Independent /
Non-Executive Chairman*



Eco Marina



Bukit Bintang City Centre

ON 8 JANUARY 2015, OUR ACQUISITION OF THE DEVELOPMENT RIGHTS TO EIGHT PROJECTS PURSUANT TO THE CORPORATE EXERCISE ANNOUNCED ON 25 APRIL 2014 BECAME UNCONDITIONAL. THIS ENABLED THE GROUP TO START RECOGNISING REVENUE AND PROFITS FROM THE PROJECTS ACQUIRED

The year also saw EW Berhad's landbank grow from 4,925.7 acres in the previous financial year to approximately 7,443.9 acres as at end-October 2015 while gross development value increased to RM81 billion from RM47 billion previously.

New deals secured

With a strong foundation established in the township segment of the property market, in February 2015, the Group entered into a joint-development agreement with UDA Holdings Berhad (UDA) and the Employees Provident Fund Board (EPF) to develop Bukit Bintang City Centre (BBCC). This exciting urban regeneration project situated right at the heart of Kuala Lumpur has an estimated gross development value (GDV) in excess of RM8 billion and is poised to be the catalyst for the rejuvenation of the Bukit Bintang area.

BBCC provides us with a wonderful opportunity to collaborate with UDA and EPF to create a vibrant large-scale inner-city integrated project offering superb

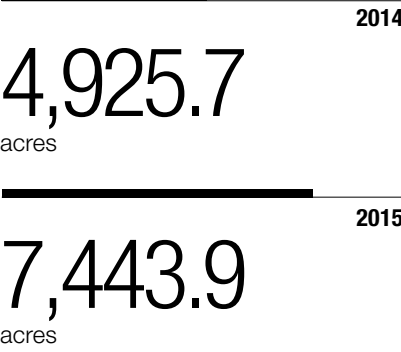
connectivity within Kuala Lumpur and to other parts of the Klang Valley. It will also broaden the spectrum of the Group's existing product offerings, thus enabling us to extend our market reach to meet the needs of a much wider pool of potential customers.

The masterplan created for BBCC will see the former Pudu Jail site being transformed into a mixed residential and commercial development comprising, amongst others, strata offices, office towers, a hotel and serviced residences and a Lifestyle Mall which will include a Malaysian Grand Bazaar, a retail mall, F&B and entertainment components. This will lay the foundation for the emergence of a new landmark and centre of gravity for Kuala Lumpur which is both respectful of its historic past and the locale's rich heritage whilst setting new benchmarks for sustainable urban living, work, recreation and leisure.

Up north in Penang, EW Berhad accepted a letter of award from the Penang Development Corporation in April 2015 to develop 450 acres of land situated at Bandar Cassia in Batu Kawan on the Penang Mainland.

TO FINANCE
OUR GROWTH
AND EXPANSION
PLANS,
WE RAISED A
TOTAL OF
RM2.8 BILLION
IN EQUITY FUNDS
AS PART OF
EW BERHAD’S
CORPORATE
EXERCISE

EW Berhad’s landbank



To be known as Eco Marina, the development comprises two adjoining parcels of land. The first parcel of approximately 300 acres will be a mixed development of residential and commercial properties while the second parcel, measuring approximately 150 acres, will be an international standard 18-hole golf course. The development has an estimated gross development value of RM10 billion.

Eco Marina will provide EW Berhad with an unrivalled opportunity to showcase the full spectrum of our master planning and township development capabilities in Penang. The site’s advantages include a 2.5km coastline on its northern boundary with a panoramic vista of the Straits of Malacca and Penang Island. Along with the 150-acre golf course to be developed along its south-eastern flank, this will enable us to craft a one-of-a-kind gated and guarded development comprising landed residences and high-rise apartments offering stunning views of the greens and the sea.

To complement the resort-inspired homes, Eco Marina will also have ample recreational and lifestyle amenities and a wide array of commercial properties. This combination of a vibrant waterfront, residential, commercial and leisure facilities provides immense potential for us to exercise our ingenuity in creating a truly standard-setting development that will appeal to local and international purchasers alike and is set to become a new tourism destination in Penang.

In September 2015, EW Berhad announced its proposed acquisition of approximately 2,198 acres of leasehold lands in the Mukim of Ijok, District of Kuala Selangor. The lands are located north-west of the Klang Valley, approximately 45km from Kuala Lumpur, with good connectivity to established suburban centres via major roads and highways.

Most importantly, the area is situated in an up-and-coming growth corridor where the Group is presently not represented and its size at over 2,000 acres will enable us to establish a dominant presence there. This will open up access to a new market catchment to complement EW Berhad’s strong positioning in the Central, South-Western and South-Eastern corridors.

Three complementary projects with a combined GDV of RM15 billion are proposed to be developed on the lands. Based on preliminary plans, there will be a 1,400-acre mixed township known as Eco Gardens, an integrated industrial hub named Eco Business Park V that will cover 518 acres and the remaining 280 acres have been set aside for the Laman Indah series of affordable homes. The diversity of the product range will enable us to broaden and deepen our customer base thereby extending the Group’s market reach in the Klang Valley.

Funding for accelerated growth

To finance our growth and expansion plans, we successfully raised a total of RM2.8 billion in equity funds as part of EW Berhad’s corporate exercise, the last



Eco Sanctuary

leg of which was completed on 7 May 2015 following a 20% placement of shares to institutional investors.

The book-building exercise in relation to the placement attracted strong demand from domestic and foreign investors. The order book was 1.41 times subscribed which, given the tough market conditions, represented a strong vote of confidence from institutional investors.

During the year, we also announced that we are refining our partnership for growth business model with a view towards raising equity funding at the project level. This is to enable the Group to acquire sizeable strategic lands without over-extending our balance sheet. The model contemplates the initial acquisition of strategic

lands by the Group followed by an invitation to like-minded institutional or corporate partners to co-invest in and fund the development. Our proposed acquisition of the 2,198 acres of leasehold lands in Ijok is planned to be partially funded in this manner.

Financial performance and prospects

EW Berhad recorded revenue of RM1.712 billion and gross profit of RM411.9 million with gross margins averaging 24% in FY2015. Ongoing projects which contributed to the revenue and gross profit achieved include Eco Majestic, Eco Sky and Saujana Glenmarie in the Klang Valley; Eco Botanic, Eco Spring, Eco Summer, Eco Business Park I, Eco Tropics and Eco Business Park III in Iskandar Malaysia; and Eco Terraces on Penang Island.

Profit before tax and profit after tax stood at RM73.9 million and RM43.9 million respectively for the financial year ended 31 October 2015. Net profits grew at a slower rate as compared to gross profit due to start-up costs incurred to establish the EcoWorld brand as well as the launch of 11 sizeable projects in quick succession over the course of the last two years. As at the end of FY2015, most of the new projects launched in 2015 had yet to reach the stage of completion required for significant revenue or profit to be recorded.

Going forward into FY2016, the Group’s prospects are expected to improve markedly. This positive outlook is supported by the strong cumulative sales of RM6.2 billion secured in FY2014 and FY2015 which



Launch of #AnakAnakMalaysia Campaign

has enabled EW Berhad to carry forward a high level of unbilled progress billings amounting to RM4.16 billion as at 31 October 2015.

Building up the EcoWorld brand

Over the last two years, we have invested heavily in building up the EcoWorld brand with the aim of connecting and reaching out to our customers and target markets more effectively. Now that we have 12 EcoWorld Galleries spread out in the Klang Valley, Iskandar Malaysia, Penang and Singapore, we are better able to showcase the full spectrum of our product offerings to prospective customers. These dedicated galleries are complemented by six large-scale Show Villages through which we have been able to demonstrate to our buyers what a Signature EcoWorld township looks and feels like.

The EcoWorld brand received a boost in August and September with the #AnakAnakMalaysia campaign launched in collaboration with the Star Media Group to celebrate Merdeka and Malaysia Day. The month-long initiative saw 481,000

#AnakAnakMalaysia wristbands distributed nationwide together with copies of *The Star* newspaper and also through all our EcoWorld Galleries. This innovative campaign was enthusiastically embraced throughout the country and it was heartwarming to hear people from every strata of our multicultural society positively express their love for the nation on air and across multiple print and social media channels.

This rich cultural diversity that we enjoy in Malaysia is something unique to us that we should be very proud of. The #AnakAnakMalaysia band is a simple reminder to all of us that we are Malaysians first and we need to stand together as one.

Engaging with the Community

At EcoWorld, community engagement is an important aspect of our business and we strive to live up to our mission of Being a Caring and Responsible Organisation Which Actively Contributes Back to Society.

This core value which defines who we are was amply demonstrated when EcoWorld came to the aid of several villages after heavy floods devastated the East Coast in December 2014.

A total of seven relief missions were made over the course of six months to help clean up schools and homes as well as provide food and basic necessities to the flood victims. This staff-led initiative saw 150 members of Team EcoWorld consistently giving up their weekends to make the long trip there and back to

help their fellow Malaysians in a time of desperate need. Apart from working alongside the villagers to encourage them to get back up on their feet, our staff also donated more than RM80,000 of their own money which they used for the relief missions.

In keeping with our aim to inculcate a spirit of caring throughout the organisation, our charitable arm, the Eco World Foundation launched the Eco World Foundation Volunteers Club in the three regions of Klang Valley, Iskandar Malaysia and Penang. We now have over 300 volunteers that regularly carry out the Foundation's charitable work and we are extremely proud of them for their willingness to commit their time and energy to support the Foundation's cause.

The Eco World Foundation also hosted the Eco World Foundation Appreciation Dinner 2015 in September to thank



Eco World Foundation Appreciation Dinner



Launch of Polis Bantuan EcoWorld

and honour our many supporters and donors who generously contributed more than RM7.81 million to fund the Foundation’s activities. The dinner was a lively affair with special appearances by professional artistes. However, the highlight of the night was the in-house performance by EcoWorld’s talented staff who came together to put up a harmonious choir ensemble along with a symbolic and energetic dance extravaganza.

In September, EW Berhad had a groundbreaking ceremony for the first parcels of affordable homes in Eco Majestic under the state’s Rumah SelangorKu initiative. We are proud and delighted to be part of the Selangor Government’s initiative to increase the number of homes that are affordable and attainable by all in the state.

In October, the Group achieved another milestone with the launch of our own auxiliary police unit. With its 46-strong personnel to date, Polis Bantuan EcoWorld is ready to serve EcoWorld’s communities at our projects in the Klang Valley, Iskandar Malaysia and Penang thereby reinforcing the focus on security which is an integral part of EcoWorld’s brand promise.

Industry recognition

On the talent management front, the Group is delighted to be named one of Malaysia’s eight best employers at the AON Hewitt Best Employers Malaysia 2015 Awards which is a significant achievement, particularly by a young company. This award is a testament to the great teamwork, high people engagement scores and strong leadership demonstrated in EW Berhad. It is also an important vote of confidence by our own people who are the key drivers in enabling us to realise our vision of “Creating Tomorrow & Beyond”.

We were also privileged to be honoured by The Edge Malaysia as the Best Performing Stock at The Edge Billion Ringgit Club Corporate Awards 2015.

EW Berhad has indeed come a long way over the last two years. This is due in large part to management’s depth and wealth of experience combined with strong capabilities of the young and energetic team led by our President and CEO, Dato’ Chang Khim Wah. On this note, the Board would like to congratulate Dato’ Chang for being recognised as The Edge Malaysia Outstanding Property CEO 2015. We are confident that this prestigious award will spur him and Team EcoWorld to achieve greater heights in the years to come.

New appointments

On behalf of the Board, I wish to extend our heartfelt appreciation to Tan Sri Abdul Rashid Abdul Manaf, our previous Chairman, for having laid such a solid foundation which has provided EW Berhad with a remarkable head start in our quest to achieve strong and sustained growth. His decision to remain on the Board as the Founder / Non-Independent and Non-Executive Director of the Group will enable us to continue to benefit from his wealth of wisdom, experience and knowledge.

We would also like to welcome Dato’ Voon Tin Yow as an Executive Director and Dato’ Noor Farida Binti Mohd Ariffin as an Independent Non-Executive Director of the Company with effect from 20 March 2015. Both these exceptional individuals require no introduction, having distinguished themselves in the property development industry and legal fraternity respectively. Their appointment onto the Board will add further depth and strength to the Group as we will work with management to set the strategic direction, goals and targets which will allow EW Berhad to forge ahead to secure its position as a top-ranked property developer in every sphere of its operations.

In closing, I would like to thank all our customers, business associates and shareholders for your strong support, confidence and belief in the EcoWorld brand. We will certainly do our utmost to deliver on all our promises and grow our market share in order to further strengthen the Group as we pursue our vision of Creating Tomorrow & Beyond.

THE GROUP IS DELIGHTED TO BE NAMED ONE OF MALAYSIA’S EIGHT BEST EMPLOYERS AT THE AON HEWITT BEST EMPLOYERS MALAYSIA 2015 AWARDS WHICH IS A SIGNIFICANT ACHIEVEMENT, PARTICULARLY BY A YOUNG COMPANY



**DATO' CHANG
KHIM WAH**

*President and
Chief Executive Officer*

Dear Valued Shareholders,

**IT HAS BEEN ANOTHER YEAR OF RAPID
GROWTH FOR ECO WORLD DEVELOPMENT
GROUP BERHAD AND I AM PLEASED TO
REPORT THAT THE GROUP SUCCESSFULLY
ACHIEVED OUR SALES TARGET OF
RM3 BILLION FOR THE FINANCIAL YEAR**

THE SALES RECORDED IN FY2015 CAME FROM FOUR PROJECTS IN THE KLANG VALLEY WHICH CONTRIBUTED RM1.579 BILLION; SIX PROJECTS IN ISKANDAR MALAYSIA WHICH CONTRIBUTED RM1.213 BILLION AND TWO PROJECTS IN PENANG CONTRIBUTING RM224 MILLION TO TOTAL GROUP SALES

The Klang Valley remains the most important market for developers due to the depth and breadth of demand which exist here consistent with its position as Malaysia's financial, business and economic heartland.

However, the Group has also enjoyed sustained interest in all our developments in Iskandar Malaysia despite soft market conditions because of our wide variety of landed residential homes and commercial/industrial properties.

Our projects have continued to perform well due to several factors. As part of the EcoWorld brand promise, all our projects are strategically located in fast-growing or

mature corridors with good accessibility to major highways, employment centres, educational and recreational amenities.

There is also a strong demand for homes within well-planned gated and guarded communities offering products and design concepts which meet customers' lifestyle needs and aspirations. Understanding this, we determined at the very outset to create EcoWorld Signature projects with a strong emphasis on security and a host of meticulously crafted unifying features.

For our townships, these include majestic entrance statements, spectacular landscaped roundabouts, serene lakes, waterways, scenic parks, gardens, beautifully designed gazebos and other project markers that have become part of the EcoWorld DNA. As each development has been unveiled with this DNA seamlessly executed and consistently delivered on the ground, the EcoWorld brand has been reinforced across our target markets.



Eco Botanic

We are deeply gratified that our customers have given us a huge vote of confidence based on what they have seen and experienced so far. To further strengthen the brand and extend our market reach, we will continue to innovate and raise the benchmark not only in product but also in service quality.

Strengthening brand awareness

In January 2015, the Group organised the EcoWorld Starlight 2015 series of free concerts headlined by international superstar Wang Leehom as a gesture of appreciation to our customers and supporters. The concerts started in Penang to introduce the EcoWorld brand up north and continued at our newly opened show villages at Eco Spring in Iskandar Malaysia and Eco Majestic in the Klang Valley. Close to 75,000 people made up of purchasers and members of the public thronged the three venues which greatly increased our database of registrants for launches planned in subsequent months.

As part of our efforts to expand our international customer base, we also opened the EcoWorld Gallery @ Singapore in May 2015. Strategically located on St. Martin's Drive close to Orchard Road, this will enable EW Berhad to better serve our growing Singaporean customer base whilst also increasing our opportunities to reach out to a much wider international audience.

During the second half of the year, we introduced our EcoWorld Under the Windmills Festival featuring a wide variety of large and creatively decorated windmills to draw visitors to our show villages in Iskandar Malaysia, the Klang Valley and Penang. This simple yet innovative series of fun-filled events



EcoWorld Starlight 2015

attracted more than 400,000 visitors to our project sites from May to December 2015. In addition to our own customers and registrants, we were especially pleased to note that many came in response to invitations sent out on social media following the success of our #AnakAnakMalaysia campaign which had significantly boosted our social media presence.

Growing our market share

The year in review saw several new projects launched. On 13 June 2015, the Group concurrently launched four new projects.

Eco Sanctuary, the Group's first luxury township in the Klang Valley, features landed terraced villas, semi-dees and bungalows offering the best in modern eco-living. Eco Terraces, the Group's maiden launch in Penang offers exclusive low-density apartments nestled within beautifully landscaped greenery set against a naturally occurring waterfall. Down south in Iskandar Malaysia, the revised master plans for Eco Tropics and Eco Business Park III were also unveiled.

Thereafter in September 2015, the Group launched its first EcoWorld Signature township on the Penang mainland called Eco Meadows. The freehold 76.5-acre development in Bukit Tambun attracted significant interest with its offerings of low-density fully strata gated and guarded homes with clubhouse facilities and 29 acres of commercial precincts. This has allowed us to tap into the growing popularity of this fast-rising locale following the opening of the Second Penang Bridge and the increasing number of businesses and industries relocating to the mainland.

The overwhelming response to our new launches was supported by the opening of impressive new sales galleries and extensive show villages at each project location. This enabled us to comprehensively display the overall concepts, detailed master plans and unique architectural language of individual units comprised in each EcoWorld Collection.

Delivering our brand promise

As part of our commitment to add value to our developments, we are continuously working to improve infrastructure and connectivity to our developments. In Semenyih, we spent about RM10 million upgrading the Bandar Tasik Kesuma junction that leads into Eco Majestic's East Gate entrance prior to the opening of the show village.

In March 2015, we completed the Red Carpet Bridge at the North Gate entrance which redefined accessibility into the township with access made easier and more direct. The bridge is part of a new link road from the Semenyih Toll (Exit 2102) that will shorten travelling time considerably for those coming to Eco Majestic, avoiding much of the heavy traffic on Jalan Semenyih.

We are also working hard on opening the dedicated LEKAS-Eco Majestic Interchange that is expected to be completed in the second quarter of 2016. This dedicated

THE
OVERWHELMING
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THE OPENING
OF IMPRESSIVE
NEW SALES
GALLERIES AND
EXTENSIVE SHOW
VILLAGES AT
EACH PROJECT
LOCATION



The opening of Eco Majestic's Red Carpet Bridge

WE ARE PROUD TO SHARE THAT WE HAVE SUCCESSFULLY TRANSPLANTED MORE THAN 1,500 TREES AT OUR PROJECT SITES THUS FAR

interchange is about 5km from the current Semenyih Toll (Exit 2102) and will lead straight into the township's commercial precinct. The new interchange will further reduce travel time from Eco Majestic to Kuala Lumpur to 30 minutes. This will vastly improve the quality of life of the township's residents and will also benefit the surrounding areas, both economically and environmentally.

At Eco Sky on Jalan Ipoh, the Group completed our upgrading of a 3-acre green reserve adjacent to the development. This was based on an agreement with DBKL to upgrade and beautify the existing reserve and turn it into a public park. We are pleased to share that after the completion of our tree preservation and replanting efforts, the number of trees have significantly increased from around 500 to over 900. The upgrading works included construction of garden walkways, par course stations, garden benches, lightings and signage.

Aptly called Laman @ Eco Sky, this public park is our contribution to the community living in the vicinity of Taman Wahyu. We are conscious of the fact that green areas are becoming rare in cities today and we hope that the park will provide our future residents and their neighbours with a recreation space that they will be able to enjoy with their families for years to come. In addition to Laman @ Eco Sky, we will also be building a new covered walkway to connect Eco Sky to the Taman Wahyu KTM station as part of our overall commitment to ensure the well-being of our residents and the community in this area.

Green conscience

Our aim at EcoWorld is to not only build sustainably but also do our bit in environmental preservation as part of our ongoing commitment to society.



An upcycled tree



ECOFESTIVAL 2015 TOOK PLACE AT OUR PROJECT SITES IN PENANG, ISKANDAR MALAYSIA AND THE KLANG VALLEY, SPREADING THE MESSAGE OF UPCYCLING

Our tree transplanting efforts in our various project sites have been fruitful thus far. In Eco Majestic, over 100 acres have been set aside as green zones and recreational areas, and to date a total of 350 trees have been transplanted in the township with each tree tagged and registered with individual GPS coordinates before and after transplanting to keep track of their growth.

Down south, our tree transplanting efforts have been ongoing since the start of our first project with one of the oldest transplanted trees standing tall in the middle of our very first signature roundabout in Eco Botanic. Today, we are proud to share that we have successfully transplanted a total of 287 trees in Eco Botanic, 50 trees in Eco Spring & Eco Summer and 225 trees in Eco Tropics.

In Eco Sanctuary, the Group made a meaningful effort in conserving the surrounding environment when planning for the project. Engaging the expertise of the Forest Research Institute of Malaysia (FRIM), the team managed to start an inventory on some 1,263 trees from 80 species and identified and tagged 1,067 trees from 52 plant species for transplanting efforts. To date, 650 trees have been transplanted to create a mature boulevard and park area.

The "eco" emphasis of the project did not stop at the ample green spaces provided – it also includes other amenities like cycling and walking paths as well as green designs of the homes. These include a North-South orientation, large windows for cross ventilation and fittings such as solar water heater, LED streetlights,

rainwater harvesting tank and recycling compartments.

In the month of June, we celebrated World Environment Day with a unique and upbeat spin. EcoFestival 2015 took place at our project sites in Penang, Iskandar Malaysia and the Klang Valley, spreading the message of upcycling. Through various art installations and attractions in EcoFestival, we hope to shed light on upcycling as a way to create a positive difference for the environment. The Group is also walking the talk on upcycling, having successfully built our EcoWorld Gallery @ Eco Sky out of 27 used shipping containers to create a contemporary sales gallery and show unit. Following this success, other EcoWorld galleries have also adopted the use of containers as extensions of the current structures.



Staff engagement and development

Whilst we take pride in crafting products that affirm our commitment to creating world-class eco-living, we also place a strong emphasis on employee engagement. This past year, the Group continued to invest substantially in our people. With more than 60% of our staff made up of Gen Y, we have customised several programmes to develop their talents as we believe that the future of EcoWorld lies with this new generation.

We launched the EcoWorld Leadership Development Programme (EWLDP) as a platform to develop young leaders within the company and equip them with tools to enhance their leadership skills and competencies. Part of the programme entailed participants working in groups and picking a CSR activity which they had to carry out. I am pleased to report that we have managed to nurture future leaders who are caring, responsible and actively giving back to society.

In line with our mission to provide unmatched product and service quality, we have also refined our training programmes to better equip our people to achieve the high standards expected of us. We have a comprehensive series of practical training modules for our technical staff covering the entire development process from inception, planning, design, construction and supervision of works until the handover stage to customers. For our frontliners, we have established the EcoWorld Service Standard which recognises that whilst each customer and project may be uniquely different, our commitment to excellence in service must remain the same.

Exciting times ahead

Moving forward, EW Berhad is forging ahead with some exciting launches in FY2016. One of them is the Bukit Bintang City Centre (BBCC) which we are developing jointly with UDA Holdings Berhad and the Employees Provident Fund Board. BBCC’s unique entertainment offer will be complemented by six luxury residential towers, strata-offices, a 4-star hotel and an iconic 80-storey Signature Tower. To reflect EcoWorld’s commitment to sustainability, green lungs have been threaded into BBCC’s design to enhance biodiversity and restore nature into urban inner-city developments.

Down south in Iskandar Malaysia, the Group will be launching Eco Business Park II in FY2016 to continue increasing our share of this growing market segment in the Senai Corridor. This will be EcoWorld’s third fully gated and guarded business park in Iskandar Malaysia offering business owners and

**EW BERHAD IS
MAINTAINING ITS
SALES TARGET AT
RM4
BILLION
FOR FY2016 AND
WE HAVE SET
A NEW SALES
TARGET FOR
FY2017 OF
RM4.5 BILLION**



Bukit Bintang City Centre

investors one-stop industrial solutions with modern facilities and services, including high-speed broadband and space customisation options.

Apart from the two new projects, EW Berhad’s plans for FY2016 include completion of the acquisition of several sizeable parcels of land announced earlier and the finalisation of the masterplans for the developments. These are Eco Forest in Semenyih, Eco Gardens and Eco Business Park V in Ijok, and Eco Marina in Batu Kawan.

On the corporate front, EW Berhad also announced our plans to take up to a 30% stake in Eco World International Berhad’s (EWI) proposed Initial Public Offering (IPO), subject to the approval of the relevant authorities and the Company’s non-interested shareholders.

EWI currently owns a 75% stake in three projects in London, United Kingdom, namely Embassy Gardens Phase 2 located in the Nine Elms regeneration area, Warden London situated next to Canary Wharf and London City Island Phase 2 on the Leamouth Peninsula in East London. It also owns one project in West Sydney, Australia, called West Village, Parramatta.

All four developments were launched in 2015, and have achieved strong sales of £554 million in total as at 31 October 2015. Support for the launches came from not just Malaysian customers but also global and home country buyers for every project.

EWI’s success in Malaysia, London and Sydney has created a strong platform for mutual collaboration to position EcoWorld as a global property brand. By working together, we will also be able to deepen and broaden our technical capabilities and expertise in design and innovation. This will generate better insights and spur creativity for the development of new products to delight property purchasers. All this will set the stage for the EcoWorld brand to grow from strength to strength thus providing us with a significant competitive advantage in promoting our Malaysian projects to our customers.

For 2016, whilst we acknowledge that there may be external headwinds which are beyond our control, we believe that the sound foundation which we have worked hard to put in place over the last two years will see us through. Accordingly, EW Berhad is maintaining its sales target at RM4 billion for FY2016, and we have set a new sales target for FY2017 of RM4.5 billion.

Sales for the upcoming year will be anchored by the Group’s 11 ongoing projects which are primarily in the landed township and business park segments. The proposed launch of Eco Business Park II in Iskandar Malaysia will also contribute towards the target set as well as the Group’s proportionate share of sales from our 40% stake in BBCC and the proposed 30% stake in EWI.

We therefore look forward to the year ahead with confidence and optimism, and will do our very best to reward our customers, shareholders, financiers, business associates and partners for your unwavering support and belief in us as we continue in our quest of Creating Tomorrow & Beyond.

THE YEAR 2015 SAW EW BERHAD SIGNIFICANTLY INCREASE ITS LANDBANK FROM THE PREVIOUS YEAR, WITH 4,128 ACRES NOW AMASSED IN THE KLANG VALLEY (ECO CENTRAL), 2,926 ACRES IN ISKANDAR MALAYSIA (ECO SOUTH) AND 390 ACRES IN PENANG (ECO NORTH)



Eco Tropics

A series of robust marketing activities was deployed in the year under review to draw in crowds to EcoWorld Galleries and to boost community awareness of products featured in the EcoWorld Collection. The EcoWorld Starlight Chinese New Year Concert held in January 2015 (featuring international singer-songwriter Wang Leehom, magician Daniel Craven and local songbirds Melody Tan and Najwa Latiff) attracted over 70,000 visitors. The Under the Windmills festival brought in crowds of over 400,000 to the Group’s galleries and show villages at Eco Central, Eco South and Eco North.

During the year, the Limited Editions series of homes, which comprises a range of specially-designed 2-storey terraced park homes, was introduced. These park homes are architecturally diverse, ranging from classic designs inspired by the black and white houses of the Straits era to clean line contemporary residences. What they have in common is the seamless integration of the built and natural elements to create extended garden and living spaces with green features such as natural lighting and good ventilation. A total of only 1,144 units of such homes will be offered in five of EW Berhad’s projects, namely:

- Belleza and Hermosa in Eco Sanctuary, Selangor
- The Chateau in Eco Botanic, Iskandar Malaysia
- The Alton in Eco Summer, Iskandar Malaysia
- Northampton Terraces in Eco Meadows, Penang
- Mellowood in Eco Majestic, Semenyih

The following is a breakdown of sales achieved for the year under review according to region:

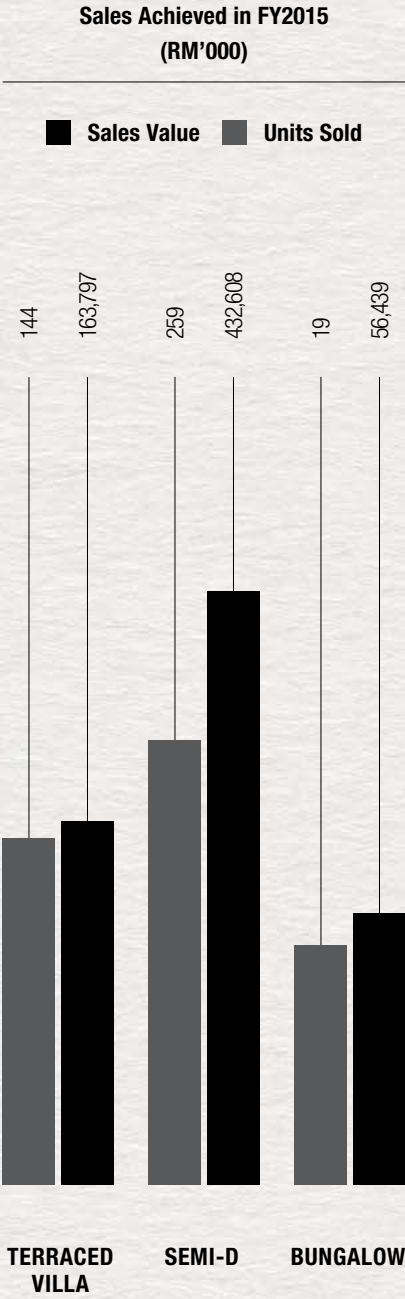
ECO CENTRAL

ECO SANCTUARY



EW Berhad’s maiden high-end flagship township in Shah Alam, Selangor was launched in June 2015. Capitalising on the mature Kota Kemuning population catchment, Eco Sanctuary features contemporary designs which 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.

Phase 1 offered 711 units (including terraced villas, semi-detached houses, and bungalows) of which 422 were sold with a total sales value of RM652.8 million. Eco Sanctuary’s latest launch is The Parque Residences, a luxurious low-density condo development. Up next will be Sanctuary City, a 62-acre commercial precinct with the first phase featuring 100 units of 3-storey shop offices.



ECO CENTRAL

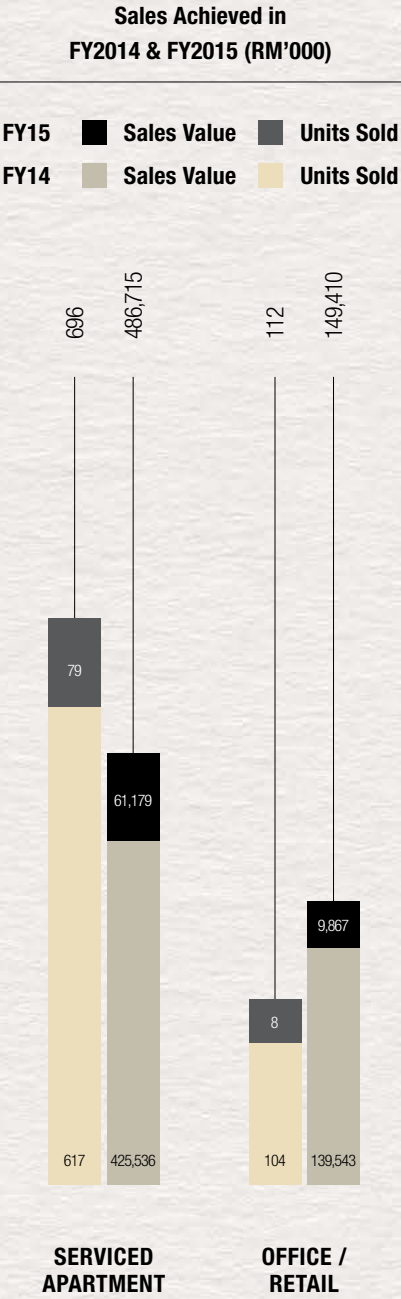
ECO SKY



The 9.6-acre Eco Sky in Taman Wahyu, off Jalan Ipoh in Kuala Lumpur was the first project launched under the EcoWorld brand in the Klang Valley. Eco Sky continues to attract buyers with its “360° Living” concept.

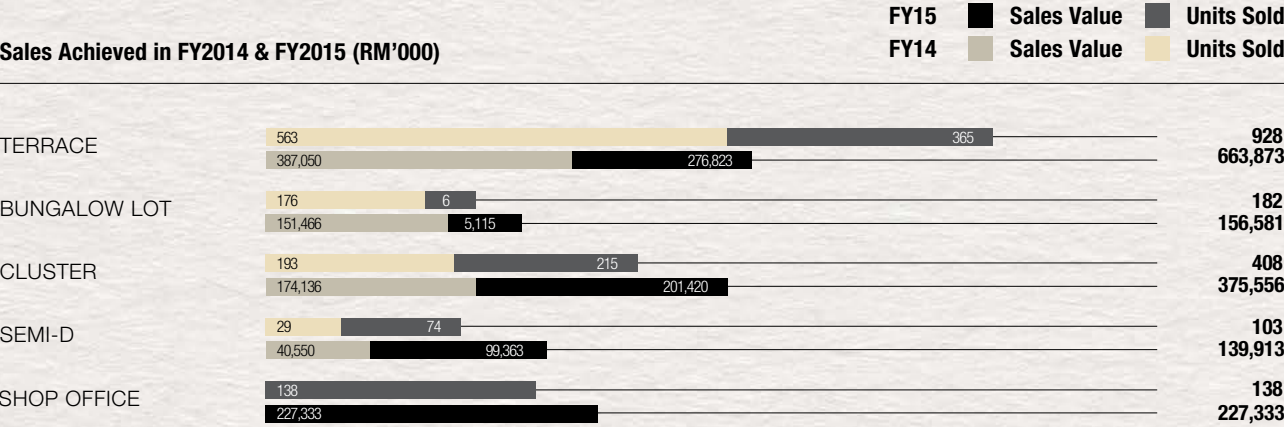
In 2015, as part of the Group’s community enrichment efforts, RM1 million worth of upgrading works were completed on a 3-acre green reserve adjacent to the project. The park, which has been named “Laman @ Eco Sky”, was opened to the public in August 2015. Under an agreement with Dewan Bandaraya Kuala Lumpur, EW Berhad has pledged to maintain the park for the next three years with the option of extending it for two more years.

A new covered walkway will also be completed to connect Eco Sky to the Taman Wahyu KTM station. With this commitment to value creation, Eco Sky has seen a take-up rate of approximately 70% since its launch in December 2013, recording a cumulative sales of RM636.1 million.



ECO CENTRAL

ECO MAJESTIC



Eco Majestic continues to grow from strength to strength, with a total of 798 units sold in the year under review, translating to a sales value of RM810.1 million. The opening of the Red Carpet Bridge, a 118-metre link road so named because of its red interlocking concrete pavers, has greatly improved connectivity via the new Exit 2102 of the LEKAS (Lebuhraya Kajang-Seremban) Highway. The completion in mid-2016 of the Eco Majestic Interchange, situated at the project’s south-western flank to provide direct access to LEKAS, will further enhance value for future residents of the township.

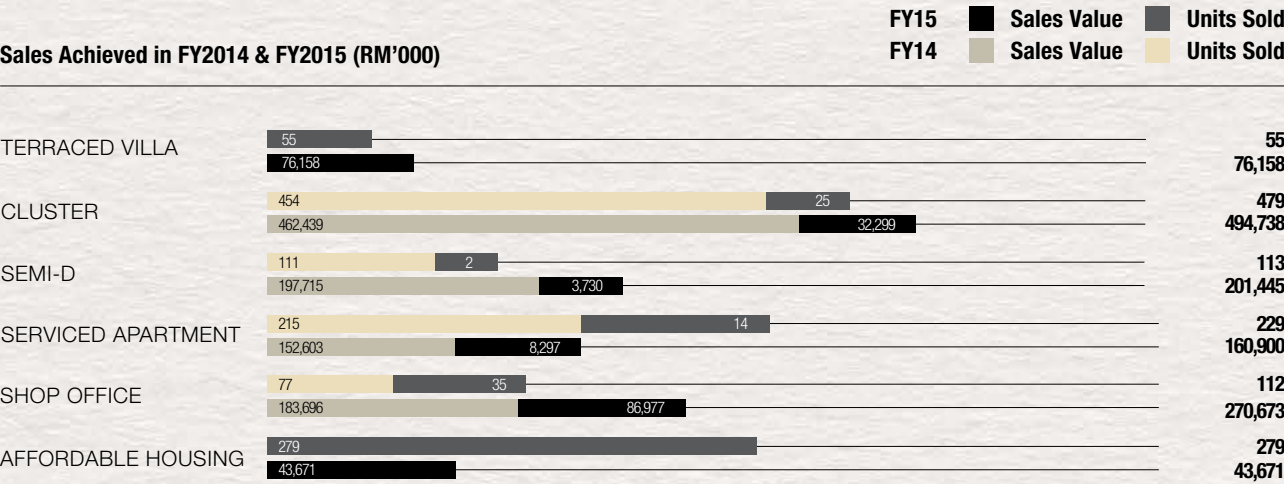
Products launched in 2015 by Eco Majestic included terraced homes, cluster homes, semi-dees and shop offices. The Mellowood park homes, part of the Limited Editions range, were previewed in October 2015 and have been well received, thereby setting a new price benchmark for properties in Semenyih.

ECO SOUTH

ECO BOTANIC



Sales Achieved in FY2014 & FY2015 (RM'000)



EW Berhad's first entrant in Iskandar Malaysia, Eco Botanic, continues to draw interest from purchasers both locally and internationally. Phase 1 of the project comprising 624 units of clusters and semi-dees was launched in September 2013. Phase 2 of Eco Botanic was launched in the third quarter of 2015 and comprised 145 units of 2 ½ -storey super-linked houses inspired by classic English country homes with high ceilings.

Within Eco Botanic is a lifestyle and business enclave known as Eco Nest and Eco Boulevard. Eco Nest is a freehold serviced apartment comprising three residential towers with 472 units available. Eco Nest is surrounded by Eco Boulevard which is made up of premium shop office lots inspired by English colonial buildings. Eco Nest and Eco Boulevard enjoy a ready market catchment due to the strategic location right next to EduCity.

For the financial year under review, Eco Botanic sold 410 units with a sales value of RM251.1 million.

ECO SOUTH

ECO SPRING & ECO SUMMER



Sales Achieved in FY2014 & FY2015 (RM'000)



Eco Spring & Eco Summer, located on a 613.8-acre freehold piece of land, performed well with 412 units sold in FY2015.

These twin eco-townships located at the heart of the mature Tebrau corridor feature terraced houses, cluster homes and semi-detached homes. The sophisticated beauty of the European-inspired design concepts at Eco Spring and the amalgamation of contemporary and traditional country home designs for Eco Summer have managed to capture the hearts of homebuyers. Total sales recorded by the twin townships for FY2015 stood at RM402.4 million.

ECO SOUTH

ECO BUSINESS
PARK I, II & III



Eco Business Park I (launched in May 2014) and Eco Business Park III (launched in June 2015) have both received tremendous support from business owners, thanks to their innovative and highly functional designs which are modelled after business parks found in Singapore. Gated and guarded, these freehold business parks offer one-stop industrial solutions with modern facilities and services including high-speed broadband and space customisation.

The cluster and semi-detached factory units are built to maximise efficiency while maintaining the green surroundings. The factory units are designed to be multi-purpose, whether as warehouse spaces, galleries, retail outlets or even showrooms. The locations of Eco Business Park I and Eco Business Park III are ideal given their proximity to major ports, airports, railways and highways.

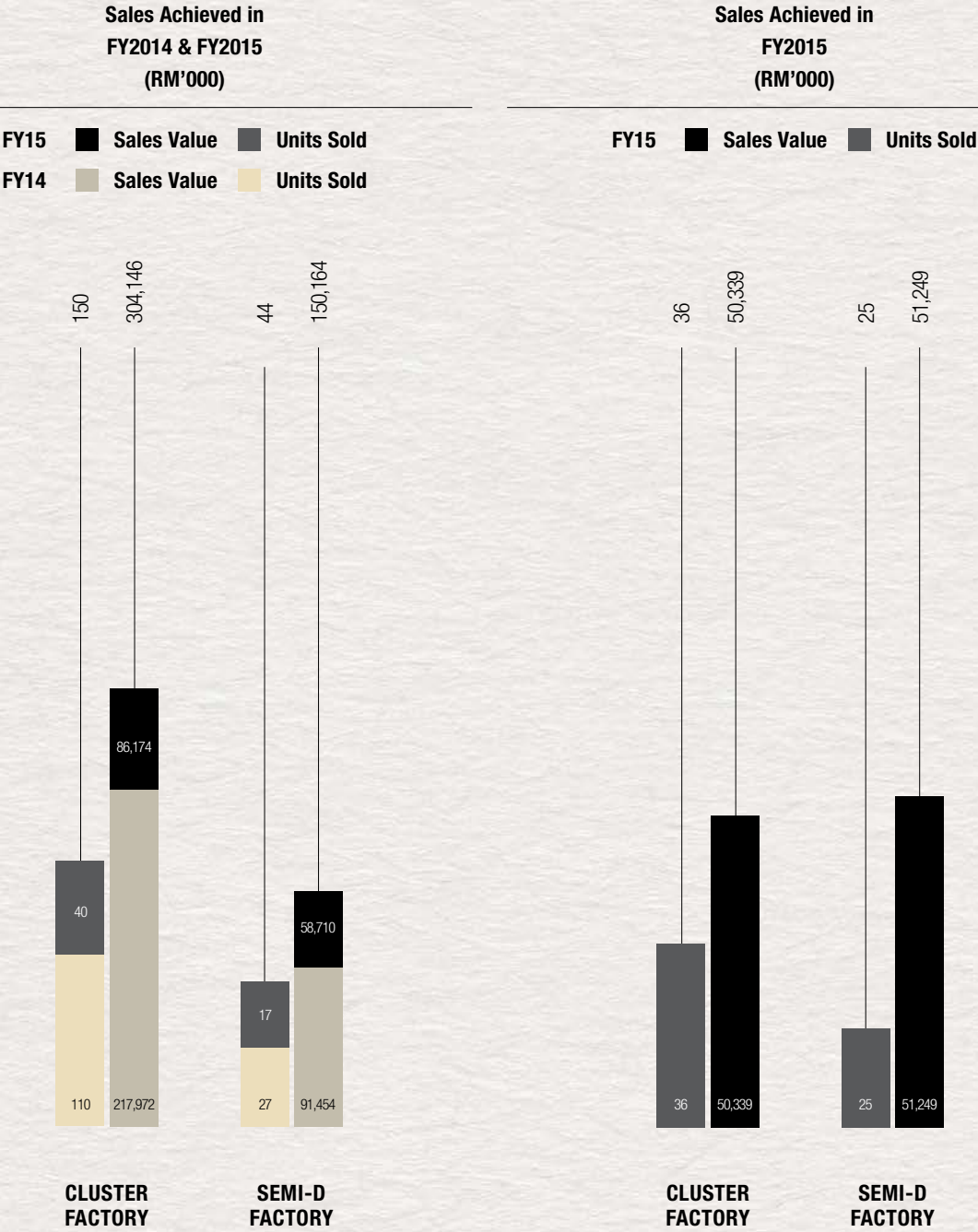
For the financial year under review, Eco Business Park I sold 57 units whereas Eco Business Park III sold 61 units, representing a sales value of RM144.9 million and RM101.6 million respectively.

A new gated and guarded industrial park, Eco Business Park II, is planned for launch in 2016 once the new interchange connecting Eco Business Park II to the Senai-Desaru Expressway has been completed.

ECO SOUTH

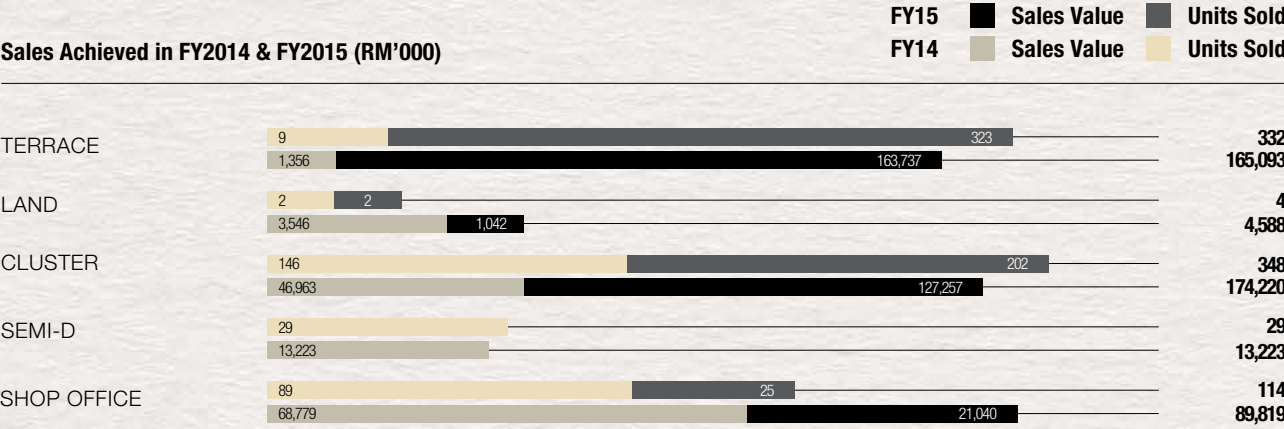
ECO BUSINESS
PARK I

ECO BUSINESS
PARK III



ECO SOUTH

ECO TROPICS



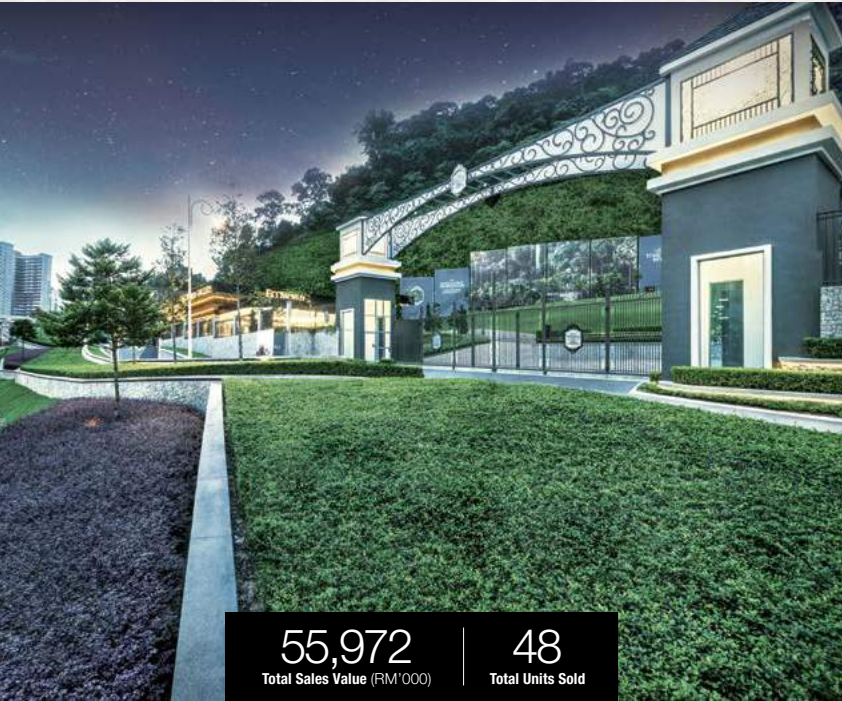
Eco Tropics, which draws inspiration from popular New York summer holiday destination The Hamptons of Long Island, has introduced a new standard of living to the emerging Pasir Gudang corridor with its beautiful landed homes.

Access to Eco Tropics has been enhanced with upgrades to the New Pasir Gudang Coastal Highway, Senai-Desaru Expressway and Pasir Gudang Highway. To further improve connectivity, a new interchange linking Eco Tropics to the Senai-Desaru Expressway is currently in progress and is expected to be completed in the fourth quarter of 2016.

With 750 units launched in FY2015, the project achieved a total sales value of RM313.1 million.

ECO NORTH

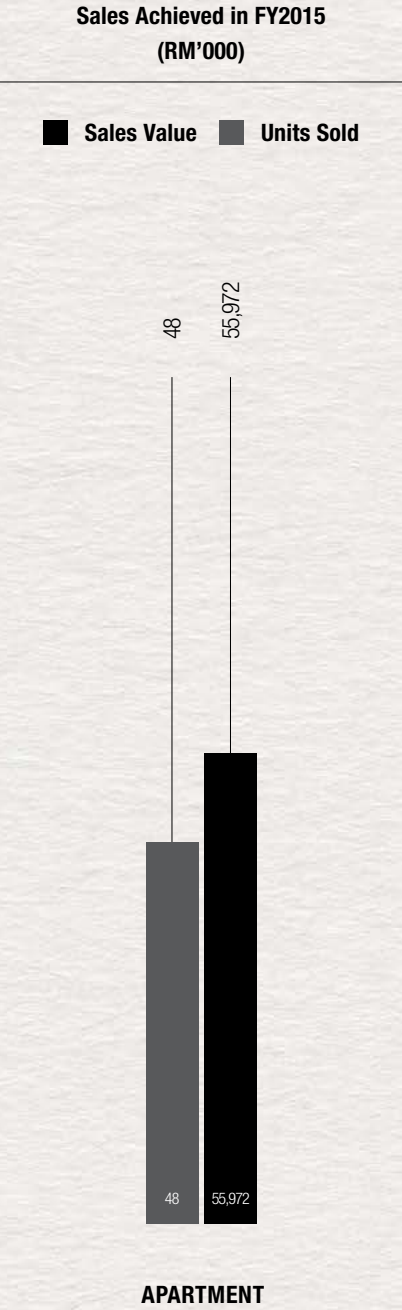
ECO TERRACES



A luxury freehold high-rise niche development, Eco Terraces brings a breath of fresh air to Paya Terubong. This low-density project offers only 333 units within a single 33-storey condominium block. More than two-thirds of the land will be maintained as green open spaces with a wide range of amenities made available to fulfil the lifestyle needs of residents.

Being EW Berhad's first foray into the Penang property market, Eco Terraces is designed to showcase the Group's commitment to quality workmanship and high standards of luxury eco-living. Infrastructure upgrading works along Jalan Paya Terubong leading into Eco Terraces have already been initiated.

In June 2015, 233 units in Eco Terraces were launched and 48 units have been sold, capturing a sales value of RM56.0 million.



ECO NORTH

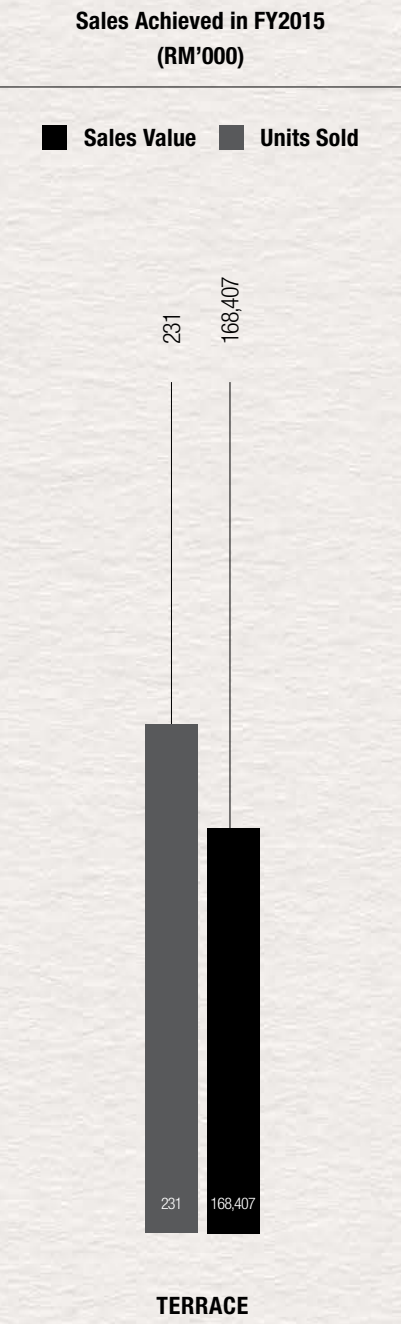
ECO MEADOWS



The first phase of Eco Meadows, a gated and guarded development in Bukit Tambun, was launched in September 2015. The Northampton Terraces Collection, which is part of the Limited Editions homes, is reminiscent of British royal residences surrounded by lush greenery.

A strata-titled freehold development, this project offers amenities such as an exclusive clubhouse as well as security features which appeal to future residents.

The launch of Eco Meadows received strong support from the public and of the 295 units launched, 231 units were sold in less than 2 months for a total sales value of RM168.4 million.



UPCOMING PROJECTS

Bukit Bintang City Centre

The Bukit Bintang City Centre (BBCC) project, located in the heart of the Golden Triangle, promises to be a fully integrated development incorporating residential, retail, offices and entertainment. The project is a joint development by EW Berhad, UDA Holdings Berhad and the Employees Provident Fund Board, and is proposed to be launched in FY2016.

With a land area measuring 19.4 acres (GDV of RM8.782 billion), this is the last large prime parcel of city centre real estate poised for urban regeneration.

Apart from the site's historic significance and its strategic location, BBCC enjoys excellent connectivity, with direct connections to the LRT and Monorail via the Hang Tuah stations, and immediate access to four major highways (MRR2, MEX, Federal Highway and KL-Seremban Highway). The future KL118 MRT station is only a 500-metre walk away while multiple underpasses and pedestrian bridges will be constructed in the project to enhance accessibility.

Eco Forest

The 492.7-acre Eco Forest in Semenyih is planned to be launched in FY2017 building on the success of Eco Majestic which is located a mere 5km away. The location of Eco Forest is ideal as it is connected to various highways and expressways such as LEKAS, SKVE and SILK and situated near tertiary educational institutions such as UTAR, University of Nottingham, UNITEN, UKM and UPM. As for recreational activities, Broga Hills (a popular hiking destination) is a mere stone's throw away.

Eco Gardens & Eco Business Park V

Located on several parcels of leasehold lands measuring 2,198.4 acres, Eco Gardens and Eco Business Park V are set to revitalise the district of Ijok, Kuala Selangor. Eco Gardens is planned to be a 1,400-acre mixed eco-township consisting of mainly landed and affordable first as well as upgrader homes.

Eco Business Park V, a 518-acre industrial hub, will introduce the concept of gated and guarded green industrial parks to the Klang Valley to emulate the success of the Group's Eco Business Parks located in Iskandar Malaysia.

In addition, 280 acres have been set aside for an affordable range of homes to be called Laman Indah. This will include Rumah Selangorku homes complete with requisite amenities to enhance the living standards of residents. Its location next to Eco Business Park V provides a potential source of manpower to support the growth of industries and facilitate job creation in the state.

The combined GDV is estimated at more than RM15 billion over a 15-year development period. Subject to the sale and purchase agreements for the acquisition of the land being rendered unconditional, Eco Gardens and Eco Business Park V are proposed to be launched in FY2017.

Eco Marina

The 299.6-acre Eco Marina in Batu Kawan, Penang with an estimated GDV of RM10 billion, is a proposed mixed development with a resort-like environment to take advantage of the land's natural topography and its 2.5km-long coastline. In addition to residential and commercial parcels, the township will also be equipped with a 150-acre international standard golf course on the south-eastern side of the development. This large expanse of golfing greens will complement stunning views of the Straits of Malacca on the site's northern boundary to further enhance the project's unique waterfront living experience.



EcoWorld's vision of "Creating Tomorrow & Beyond" is not limited to crafting beautiful and sustainable developments for future generations; it encompasses our commitment to give back to society by being a responsible corporate citizen.

"TO TRULY EMBRACE OUR VISION OF 'CREATING TOMORROW & BEYOND', ECOWORLD DOES MORE THAN BUILD DISTINCTIVE AND SUSTAINABLE PRODUCTS THAT CONTINUE TO PROVIDE VALUE FOR FUTURE GENERATIONS"

We take it further by creating a positive difference in our communities – be it within the company, the environment or for disadvantaged Malaysians who need a helping hand.

EW Berhad's corporate social responsibility (CSR) arm is the Eco World Foundation, which was launched in September 2014. The Foundation champions education for underprivileged school children nationwide. Through its flagship programme The Eco World Foundation Students Aid Programme (SAP), it provides financial assistance to about 3,000 underprivileged primary, secondary and tertiary students with the objective of keeping these children of all races in school.

SAP reaches out to students in Kuala Lumpur, Selangor, Penang, Johor, Sabah, Perlis, Kedah and Pahang. With a budget of RM5 million per year, the programme adopts a holistic approach by addressing every aspect of a primary

student's educational requirements, from equipping them for the new school year and arranging meals in school to paying their school and tuition fees. Students who achieve good results in the Ujian Pencapaian Sekolah Rendah (UPSR) examination are also eligible to apply for continued assistance under the SAP to secondary education and subsequently the tertiary level as well.



9 JAN
Eco World Foundation sends volunteers to help clean up SJKC Yuk Chai in Kuala Krai, Kelantan

10 JAN
Eco World Foundation rewards UPSR top scorers

24 JAN
The UPSR Excellence Award Ceremony in Kota Kinabalu

15 FEB
Eco World Foundation hands over canteen tables and benches to SJK(T) Bentong, Pahang

3 MAR
Eco World Foundation donates tables and chairs worth RM186,300 to eight schools in the Klang Valley and two schools in Perlis and Johor Bahru, respectively

31 MAR
Eco World Foundation gives 200 sets of student desk and chairs to SJK(C) Foon Yew 1, Johor Bahru



14 MAY
Eco World Foundation launches Volunteers Club in Klang Valley

12 JUNE
Eco World Foundation launches Volunteers Club in Johor Bahru

29 JULY
Eco World Foundation launches Volunteers Club in Penang

19 SEPT
A colourful night at the Eco World Foundation Appreciation Dinner 2015

10 OCT
Eco World Foundation Volunteers Club paints school building and basketball court of SJKC Ton Fah, Selangor

28 OCT
Eco World Foundation Volunteers Club paints mural and sets up library in SJKC Bagan Pasir, Selangor

31 OCT
The Eco World Foundation conducts its annual home visits



THROUGHOUT DECEMBER 2014 RIGHT UNTIL BEGINNING OF 2015, THE EAST COAST OF MALAYSIA WAS BADLY AFFECTED BY FLOODS WHICH HIT THE REGION HARD



FLOOD RELIEF MISSIONS

Homes, schools and buildings were inundated by rising waters and the livelihoods of many were destroyed. EcoWorld was quick to spring into action by sending a total of 150 EcoWorld volunteers on seven separate missions to Kelantan over a span of six months.

The volunteers, under the guidance of the Malaysia Elite Disaster Rescue Forces, not only helped rebuild Kampung Manek Urai but provided moral support to flood victims in rebuilding their lives.

A total of RM80,000 was raised by EcoWorld employees for the villagers and six house cabins worth RM8,000



each were also donated by EcoWorld staff. These cabins offered shelter for those displaced by the floods while one cabin served as a clinic to provide healthcare and advice to victims.

The missions also received strong support from caring purchasers and the public who made their way to EcoWorld Galleries to drop off essential items and food stuff that were needed. The Eco World Foundation also contributed RM150,000 to the Tabung Bencana NSTP-Media Prima and the Federal Territories Foundation for the flood victims.

IN JANUARY 2015, THE ECOWORLD LEADERSHIP DEVELOPMENT PROGRAMME (EWLDP) WAS LAUNCHED AS A PLATFORM TO DEVELOP YOUNG LEADERS WITHIN THE COMPANY AND EQUIP THEM WITH TOOLS TO ENHANCE THEIR LEADERSHIP SKILLS AND COMPETENCIES



ECOWORLD LEADERSHIP DEVELOPMENT PROGRAMME



As part of the EWLDP, participants were placed into groups and tasked with identifying and executing CSR initiatives with a focus on educational, healthcare, welfare or environmental themes. This programme was aimed at instilling in future EcoWorld leaders the culture of being caring, responsible and actively giving back to society. Projects that are proven to be successful under this initiative would be considered for further exploration beyond the EWLDP as long as they are sustainable and add value to EcoWorld and the community.

- **Pre-School Classroom Makeover**

The "Classroom Makeover" project was initiated at Sekolah Jenis Kebangsaan Tamil Masai in Masai, Johor to convert a pre-existing classroom into a pre-school, thereby creating opportunities for early education for young underprivileged children in the surrounding community. The pre-school classroom, furnished in the style of a 21st century classroom, was handed over successfully on 14 September 2015.

- **Make-a-Raya-Wish Campaign**

In the spirit of giving during the holy month of Ramadhan, the team organised a "Make-a-Raya-Wish" campaign for the children from Rumah Anak Yatim

& Miskin Kuala Langat where the children were given presents based on their own wish lists.

The second instalment of the CSR project with the orphanage was designed to instil a culture of responsibility and hard work in the children. A spring cleaning activity was conducted by EcoWorld volunteers together with the children involving painting, assembly of new furniture, repairing of utilities and general cleaning. The focus was placed on the living conditions of the children and to teach them to take pride in their home and keep it clean.

- **The Bookworm Project**

The objective of The Bookworm Project was to cultivate the reading habit among children by creating a conducive environment for children to read and by providing quality reading materials. The school which was selected to be the beneficiary of this project was SJK (C) Bagan Pasir, Tanjung Karang, Selangor, located in a fishing village.

A book donation drive was initiated to collect suitable reading materials for children between the ages of 5 and 12. The project committee also worked on designing a new resource centre for the school which is different from a regular library. With the sponsorship of Insato Furniture Sdn Bhd, a cosy and comfortable reading space was created for the children.

The project committee also planned to organise periodic reading and storytelling sessions with the children to boost their reading skills.

- **EcoWorld Pinwheel Project**

In an effort to educate the public on upcycling, EcoWorld volunteers were gathered to help make upcycled pinwheels by hand for distribution to visitors at the Eco Majestic “Under the Windmills” festival. A pinwheel workshop was also set up on-site to teach young children to make pinwheels using recycled paper. Over 1,500 pinwheels were successfully made and distributed to the public over a period of four weeks.

The team also built on the upcycle initiative by creating a windmill sculpture entirely made out of recycled bottles. Water bottle collection sites were set up to gather used water bottles from all EcoWorld Galleries and offices. The finished sculpture, made from 1,180 empty water bottles and stood 6.5 feet high with a diameter of 3.3 feet, was completed and displayed at Eco Majestic Sales Gallery.

- **L’art Est Eco**

The L’art Est Eco (“Art is Eco”) project, a collaborative effort with Lim Kok Wing University, was to provide a platform to students of the University to create sculptures from unwanted household items. Recyclable items were collected from the public and channelled to the students for use in their sculptures in accordance with the theme of the 12 Chinese Zodiac animals.

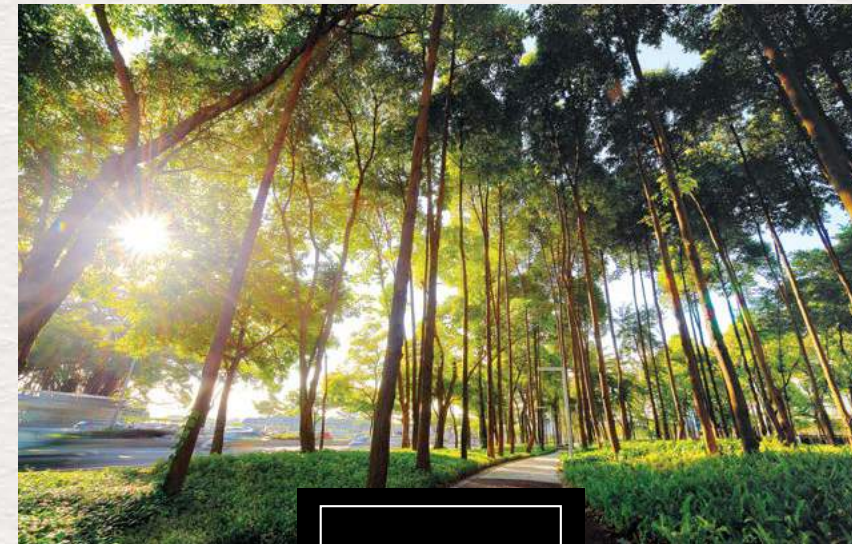
The objective of the project was to educate the public on enhancing the value of unwanted items by upcycling. The sculptures were put on display at the EcoWorld Gallery @ Eco Majestic in Semenyih where visitors were able to view them and show their children the creative value of upcycling day-to-day waste materials.



From waste to art



EcoWorld Pinwheel Project



OUR COMMITMENT TO GREEN LIVING

For our customers and the community at large, EcoWorld will organise green talks, campaigns and events to encourage the public to get actively involved in conservation activities. Sharing of Green Tips and ideas for recycling / upcycling will be done via our social media channels. Feedback from the community will also be solicited via surveys and social media to obtain suggestions for enhancements to our greening activities.

- **Green Research & Development**

With Green R&D, we solidify our commitment to achieving sustainability by investing in research and developing intelligence to achieve our greening goals. Action items include R&D with external parties such as research institutions and industry leaders on specific items, conducting studies on sustainable construction methodologies and participating in Green Professional Bodies locally and abroad.

We believe that the building and sharing of knowledge will go a long way towards our shared goal of conserving the Earth’s precious resources.

- **Green Image**

The main focus of this strategy is to ensure that the EcoWorld branding is in line with the company’s vision and mission. Green Corners will be set up at our sales galleries to showcase all efforts to “green” that particular project. We also intend to develop a green section on the EcoWorld website to share green initiatives with the public.

The EcoWorld Green Council has established the Green Realisation Plan which focuses on four Key Strategic Thrusts as follows:

- **Green Projects**

The objective of the Green Project element is to ensure that our projects meet a minimum green standard. Of the 14 action items identified to achieve this objective, Green Certification has been made mandatory. Masterplans for all developments are required to achieve at minimum, a “Certified” rating from any internationally-recognised green standard certification body. In terms of individual parcels/buildings, it is mandatory to achieve a minimum “3-star” rating under the Eco World Green Standard.

Among other action items under the Green Project strategy, we aim to increase the usage of sustainable materials (i.e. Green Label or sustainably sourced) as well as recycled/reclaimed materials. In the spirit of conservation, solar powered lighting will be installed at parks and all show villages, whereas sales galleries and club houses will be equipped with rainwater harvesting features.

- **Green Awareness**

Under this key area, EcoWorld aims to raise awareness and educate our staff and customers on “going green”. A Green Campaign for staff with programmes such as Recycling Day and Green IDEAS campaign was held to inculcate a green mindset in all EcoWorld staff. We endeavour to promote a green office environment by encouraging staff to maintain small plants as well as conserve energy and paper.

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

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

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

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

The Board is responsible for developing and agreeing with the President and Chief Executive Officer (“President & CEO”), the Group’s corporate objectives, and the goals and targets to be met by Management.

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. Management meets regularly to discuss and resolve operational issues. The President & CEO briefs the Board on business operations and management initiatives during board meetings.

Clear roles and responsibilities

In line with its overall responsibility for the proper conduct of the Group’s business, the Board is responsible for establishing the Group’s goals and strategic directions, setting goals and targets for Management and monitoring the achievement of those goals and targets. 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 and Non-Executive Directors.

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

- Review and adopt a strategic plan, as developed by Management, taking into account the sustainability of the Company’s business, with attention given to the environmental, social and governance aspects of the business;
- Oversee the conduct of the Company’s business, including monitoring the performance of Management to determine whether the business is being properly managed;

- Identify principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- Put succession planning in place by ensuring that all candidates appointed to senior management positions are of sufficient calibre and that there are programmes to provide for the orderly succession of senior management;
- Review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company’s continued ability to compete effectively in the marketplace;
- Oversee the development and implementation of a shareholder communications policy;
- Review the adequacy and integrity of the Company’s management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and
- Oversee the Group’s adherence to high standards of conduct or ethics and corporate behaviour, including the Code of Ethics for Directors.

Code of Conduct and Ethics

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

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

Whilst the Company does not have a formal whistle-blowing policy, the Code contains provisions which encourage all employees to report any genuine concerns without fear of reprisal. The Company also has a strong corporate culture which prizes team spirit, integrity, commitment, accountability and excellence as core EcoWorld Values. Management actively promotes and inculcates these values throughout the Group via regular engagement, dialogue and training programmes. The Code and EcoWorld Values guide the formulation of the Group’s Policies and Procedures statements which all employees are required to adhere to, failure of which will result in appropriate action being taken.

Promote sustainability

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

The corporate social responsibility statement is set out on pages 50 to 57 of this Annual Report.

Access to information and advice

Board papers together with the agenda are circulated in a timely manner prior to scheduled board meetings. This is to ensure that the Directors are given sufficient time to read the Board papers and seek any clarification that they may need from Management 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 the board meetings.

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

The Chairmen of the Board Committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, 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.

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

The Board Charter also sets out processes and procedures for convening Board meetings. 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.

PRINCIPLE 2: STRENGTHEN COMPOSITION

Nomination Committee

A Nomination Committee has been formed to assist 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 and Independent Non-Executive Directors.

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

- To recommend to the Board, candidates for any directorships proposed to be filled by the shareholders or the Board;
- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

- To evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular proposed appointment. In identifying suitable candidates, the Nomination Committee shall:
 - (a) consider candidates from a wide range of backgrounds;
 - (b) consider candidates on merit, against objective criteria with due regard 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 access on an annual basis the independence of the Independent Non-Executive Directors;

- To review the results of the directors' performance evaluation process;

- To give consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;

- To review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- To keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and

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

The Nomination Committee comprises the following 4 Non-Executive Directors, the majority of whom are Independent Directors:-

- (a) Dato' Idrose Bin Mohamed (Chairman, Independent Non-Executive Director);
- (b) Tan Sri Lee Lam Thye (Member, Non-Independent Non-Executive Director);
- (c) Tang Kin Kheong (Member, Senior Independent Non-Executive Director); and
- (d) Dato' Noor Farida Binti Mohd Ariffin (Member, Independent Non-Executive Director) (*appointed on 21 May 2015*).

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

Board Composition

At present, the Board consists of 12 members of whom 4 are Executive Directors, 4 are Non-Independent Non-Executive Directors, 3 are Independent Non-Executive Directors and 1 Senior Independent Non-Executive Director. Thus, the requirement under Paragraph 15.02 of the MMLR of Bursa Securities that at least 2 Directors or 1/3 of the Board, whichever is higher, must be Independent Directors, 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 this Annual Report.

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

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

Criteria for recruitment and assessment

Selection of candidates for appointment as Directors will be recommended by the Directors, Senior Management or external parties. The Nomination Committee will assess the suitability of the candidates before recommending the candidates to the Board for appointment.

In evaluating the suitability of candidates, the Nomination Committee 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 Independent Non-Executive Directors, 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.

To strengthen the composition of the Board, the Nomination Committee reviewed and recommended the appointment of 2 new directors during the financial year ended 31 October 2015. The Nomination Committee 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. One of the 2 candidates recommended by the Nomination Committee and appointed to the Board is a woman. The Group’s commitment to promote “Diversity at Work” is further reflected in its employee gender profile as at 31 October 2015 of 48% female to 52% male employees.

During the financial year ended 31 October 2015, the Nomination Committee undertook an evaluation process involving self-assessment by individual directors, a Board and Board Committee assessment and an assessment of the independence of the Independent Directors.

The criteria for self-assessment covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board’s effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transaction with the Group.

The Board studied the results of the evaluation and is generally satisfied with its current size, composition as well as the mix of skill sets and the independence of its Independent Non-Executive Directors.

Retirement of Directors

In accordance with the MMLR of Bursa Securities 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. The retiring directors shall be eligible for re-election at the Annual General Meeting.

Upon the recommendation by the Nomination Committee, the following Directors shall retire by rotation at the forthcoming 42nd Annual General Meeting of the Company pursuant to Article 80 of the Articles of Association and being eligible, have offered themselves for re-election:

- (a) Dato’ Leong Kok Wah;
- (b) Tan Sri Lee Lam Thye; and
- (c) Dato’ Idrose Bin Mohamed.

Additionally, the following Directors who were appointed during the financial year shall retire at the forthcoming 42nd Annual General Meeting pursuant to Article 87 of the Articles of Association and being eligible, have offered themselves for re-election:

- (a) Dato’ Voon Tin Yow; and
- (b) Dato’ Noor Farida Binti Mohd Ariffin.

REMUNERATION COMMITTEE

Board remuneration policies and procedures

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

The Remuneration Committee’s principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The Remuneration Committee also recommends the Executive Directors’ remuneration and benefits based on their individual performances and that of the Group.

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

The Remuneration Committee comprises the following 4 Directors, the majority of whom are Independent Directors:

- (a) Dato’ Voon Tin Yow (Chairman, Executive Director) (*appointed on 21 May 2015*);
- (b) Dato’ Idrose Bin Mohamed (Member, Independent Non-Executive Director);
- (c) Tang Kin Kheong (Member, Senior Independent Non-Executive Director); and
- (d) Dato’ Noor Farida Binti Mohd Ariffin (Member, Independent Non-Executive Director) (*appointed on 21 May 2015*).

Directors' Remuneration

The range of remuneration received by Directors who held office at the end of the financial year ended 31 October 2015 is set out as below. The Company opts not to disclose the remuneration of individual Directors as the Company believes that this information will not add significantly to the understanding and evaluation of the Company’s governance.

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

Component	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Directors' Fees	-	1,118
Salary and Bonus	7,288	-
Allowance	550	1,099
Benefits in kind	214	4,062
EPF	674	-
Total	8,726	6,279

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	-
RM50,000 to RM100,000	-	1
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	1
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	1
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	3
RM400,001 to RM450,000	-	1
RM900,001 to RM950,000	1	-
RM3,500,001 to RM3,550,000	1	-
RM4,050,001 to RM4,100,000	1	-
RM4,250,000 to RM4,300,000	-	1

PRINCIPLE 3 : REINFORCE INDEPENDENCE

Annual Assessment of Independence

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

Based on the assessment carried out during the financial year ended 31 October 2015, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

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

Tenure of Independent Directors

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

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

Chairman and President & CEO

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

Non-Independent Chairman

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

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

Although the Board does not comprise a majority of Independent Directors, there is a majority of Non-Executive Directors, i.e. 8 out of 12. Their majority presence also provides reasonably effective checks and balances within the Board. Being a Non-Executive Director, the Chairman is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgment.

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

PRINCIPLE 4 : FOSTER COMMITMENT

Time commitment

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

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company.

Board meetings

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

A total of 6 Board meetings were held during the financial year ended 31 October 2015. The attendance record of each Director is as follows:

Directors	Total Meetings Attended	Percentage of Attendance (%)
Tan Sri Abdul Rashid Bin Abdul Manaf	6/6	100
Tan Sri Dato’ Sri Liew Kee Sin	6/6	100
Dato’ Leong Kok Wah	6/6	100
Dato’ Chang Khim Wah	6/6	100
Datuk Heah Kok Boon	6/6	100
Mr. Liew Tian Xiong	6/6	100
Tan Sri Lee Lam Thye	6/6	100
Mr. Tang Kin Kheong	6/6	100
Dato’ Idrose Bin Mohamed	6/6	100
Dato’ Haji Obet Bin Tawil	5/6	83
Dato’ Voon Tin Yow (Appointed on 20/03/2015)	3/3	100
Dato’ Noor Farida Binti Mohd Ariffin (Appointed on 20/03/2015)	3/3	100

All the Directors complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 31 October 2015 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

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

Directors’ Training

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

During the financial year ended 31 October 2015, the Directors attended the following training programmes and seminars to keep abreast of relevant changes in law, regulations, business environment, risk management, general economic and industry developments:

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Tan Sri Abdul Rashid Bin Abdul Manaf	<ul style="list-style-type: none">Board Chairman Series: The Role of ChairmanBoard Chairman Series Part 2: Leadership Excellence from the Chair	<div>12 November 2014</div> <div>27 July 2015</div>
Tan Sri Dato’ Sri Liew Kee Sin	<ul style="list-style-type: none">Judge for EY World Entrepreneur of the Year, held at MonacoCEO Talk: Dato’ Idris Jala – Transformational LeadershipYoung Entrepreneurs’ Conference 2015 (Kuala Lumpur) by Alliance Bank *	<div>3 - 7 June 2015</div> <div>19 August 2015</div> <div>27 September 2015</div>
Dato’ Leong Kok Wah	<ul style="list-style-type: none">Enterprise Risk Management BriefingThe Interplay between Corporate Governance (“CG”), Non-Financial Information & Investment Decision – What Boards of Listed Companies Need to KnowMIRA Conference 2015 - Malaysia's changing business landscape. Be prepared	<div>29 April 2015</div> <div>22 September 2015</div> <div>27 October 2015</div>
Dato’ Chang Khim Wah	<ul style="list-style-type: none">Leadership Insight Series – Built to LastEcoWorld Leadership Development Programme – Mentor Readiness WorkshopAon Hewitt’s Best Employers - Malaysia 2015 Awards Ceremony & Learning Conference(i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to understand implementation of the CodeCEO Talk: Dato’ Idris Jala – Transformational Leadership	<div>11 November 2014</div> <div>16 February 2015</div> <div>19 March 2015</div> <div>9 July 2015</div> <div>19 August 2015</div>
Dato’ Voon Tin Yow	<ul style="list-style-type: none">(i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the CodeCEO Talk: Dato’ Idris Jala – Transformational Leadership	<div>9 July 2015</div> <div>19 August 2015</div>

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Datuk Heah Kok Boon	• Leadership Insight Series – Built to Last	11 November 2014
	• EcoWorld Leadership Development Programme – Mentor Readiness Workshop	16 February 2015
	• (i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the Code	9 July 2015
	• Technical Brief on IFRS 15 Revenue from Contracts with Customers	30 July 2015
	• CEO Talk : Dato’ Idris Jala – Transformational Leadership	19 August 2015
	• Advocacy Sessions on Management Discussion & Analysis for CEO & CFO	30 September 2015
	• Workshop for Chief Financial Officers, Internal Auditors & Risk Officers - Enhanced Understanding of Risk Management and Internal Controls	6 October 2015
Mr. Liew Tian Xiong	• Leadership Insight Series – Built to Last	11 November 2014
	• EcoWorld Leadership Development Programme (Leaders Group) – Leading Self	5 & 6 February 2015
	• EcoWorld Leadership Development Programme (Leaders Group) – Leading Others	11 & 12 May 2015
	• (i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the Code	9 July 2015
	• CEO Talk : Dato’ Idris Jala – Transformational Leadership	19 August 2015
Mr. Tang Kin Kheong	• Audit Committee Conference 2015 – Rising to New Challenges	24 March 2015
	• Audit Oversight Board Conversation with Audit Committees	7 May 2015
	• Risk Management & Internal Control Workshop: Is Our Line of Defence Adequate and Effective?	11 June 2015
	• (i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the Code	9 July 2015
	• Bursa Malaysia CG Breakfast Series with Directors: How to Maximise Internal Audit	9 September 2015
Tan Sri Lee Lam Thye	• (i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the Code	9 July 2015
	• Board of Directors’ Workshop	30 September 2015

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Dato’ Idrose Bin Mohamed	• Audit Committee Conference 2015 – Rising to New Challenges	24 March 2015
	• Risk Management & Internal Control Workshop: Is Our Line of Defence Adequate and Effective?	8 June 2015
	• Bursa Malaysia CG Breakfast Series with Directors: How to Maximise Internal Audit	9 September 2015
Dato’ Haji Obet Bin Tawil	• Risk Management & Internal Control Workshop: Is Our Line of Defence Adequate and Effective	11 June 2015
	• (i) New Expectation for Directors in Running Companies under the Proposed New Companies Bill 2013; and (ii) Using CG Guide (2nd edition) to Understand Implementation of the Code	9 July 2015
Dato’ Noor Farida Binti Mohd Ariffin	• Capital Market Director Programme	11 June 2015

* Attended as speaker.

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

PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

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

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

The Responsibility Statement by the Directors pursuant to MMLR of Bursa Securities is set out in page 73 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

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

The Audit Committee considered the non-audit services provided by the external auditors during the financial year ended 31 October 2015 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors.

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

A summary of activities of the Audit Committee during the financial year under review is set out in the Audit Committee Report on pages 79 to 80 of this Annual Report.

PRINCIPLE 6 : 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 Risk Management Committee (“RMC”) was formed on 20 November 2014 to assist the Board in identifying, mitigating and monitoring critical risks highlighted by business units. The RMC comprises the following members:

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

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

The Statement on Risk Management and Internal Control as set out in pages 81 to 83 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal Audit Function

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

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

The activities of the internal auditors during the financial year are set out in the Audit Committee Report set out on page 80.

PRINCIPLE 7 : ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate disclosure policies and procedures

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

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

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 Report provide an insightful interpretation of the Group's performance, operations, prospects and other matters affecting the Company's business and/or 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 Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports. Copies of the Company's Investor Relation presentations are also available in the Company's website.

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 corporate@ecoworld.my.

PRINCIPLE 8 : STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Dialogue with Shareholders

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

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

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

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

Poll Voting

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

Effective Communication and Proactive Engagement

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

The practice of disclosure of information is not established just to comply with the requirements of the MMLR of Bursa Securities, but also to adopt the best practices recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders.

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

During the financial year under review, the Company participated in several investor conferences/roadshows locally and aboard and had 120 meetings with over 300 financial analysts, brokers and fund managers. A total of 7 local and foreign research houses and brokerages contribute to the Bloomberg earnings estimates for the Company.

Where possible, the Group also provides additional disclosures of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

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

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that 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 judgments and estimates have been made; and
- all applicable approved accounting standards in Malaysia have been adhered to.

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

The Directors have general responsibilities for taking such steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

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

- (a) Proceeds totalling RM1,371.6 million were raised under Share Subscription exercise which was completed on 6 February 2015. The proceeds were fully utilised as part payment of the purchase consideration for the Development Rights Acquisition.
- (b) Proceeds totalling RM788.0 million were raised under the Rights Issue Shares with Warrants exercise which was completed on 31 March 2015. The proceeds were fully utilised for repayment of bank borrowings to part finance the Development Rights Acquisition, repayment of short-term borrowings drawn down to part finance the Total Reimbursable Sum, to part finance proposed land acquisitions and estimated expenses for the corporate proposals.
- (c) Proceeds totalling RM638.3 million were raised under the private placement which was completed on 19 May 2015. The status of the utilisation of these proceeds as at 31 October 2015 is as set out below:

	Proposed utilisation (RM'mil)	Actual utilisation (RM'mil)	Reallocation (RM'mil)	Balance unutilised (RM'mil)	Intended time frame for utilisation from completion date
Purpose					
To part finance or repay any short-term bank borrowings to be drawn down to part finance the Total Reimbursable Sum*	250.0	(223.5)	(26.5)	-	Fully utilised within 3 months
Future land acquisitions and investments and/or general working capital	381.6	(295.6)	26.5	112.5	Within 12 months
Estimated expenses for the private placement	6.7	(6.7)	-	-	Fully utilised within 3 months
Total	638.3	(525.8)	-	112.5	

Notes:

* The Total Reimbursable Sum refers to the total development expenditure incurred by the relevant subsidiaries of Eco World Development Sdn. Bhd. prior to the Development Rights Payment Date which are to be assumed by the relevant subsidiaries of the Group, after taking into account the agreed balance sheet assets and liabilities to be transferred to such subsidiaries of the Group pursuant to the respective Development Rights Agreements.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Other than warrants, the Company did not issue any options or convertible securities to any parties during the financial year under review.

A total of 525,392,340 free detachable warrants 2015/2022 were issued during the financial year ended 31 October 2015. None of the warrants were exercised during the financial year.

SANCTIONS AND/OR PENALTIES

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

NON-AUDIT FEES

The amount of non-audit fee incurred for the services provided by the external auditors and their member firms to the Group for the financial year ended 31 October 2015 amounted to RM50,000 (2014: RM223,900).

VARIATION IN RESULTS

There were no material variations between the audited results for the financial year ended 31 October 2015 and the unaudited results previously announced.

PROFIT GUARANTEE

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

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period except as disclosed in Note 34 of the financial statements.

MEMBERSHIP OF THE AUDIT COMMITTEE

MR. TANG KIN KHEONG

Chairman
Senior Independent Non-Executive Director

DATO’ HAJI OBET BIN TAWIL

Member
Independent Non-Executive Director

DATO’ IDROSE BIN MOHAMED

Member
Independent Non-Executive Director

DATO’ NOOR FARIDA BINTI MOHD ARIFFIN

Member
Independent Non-Executive Director
(Appointed on 21 May 2015)

MEETINGS

The Audit Committee held six (6) meetings during the financial year ended 31 October 2015. The attendance of each Audit Committee member was as follows:-

	Attendance
Mr. Tang Kin Kheong (Chairman)	6/6
Dato’ Idrose Bin Mohamed	6/6
Dato’ Haji Obet Bin Tawil	5/6
Dato’ Noor Farida Binti Mohd Ariffin (Appointed on 21 May 2015)	2/2

COMPOSITION AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition

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

In this respect, the Board adopts the definition of “independent director” as set out in the Main Market Listing Requirements (“**MLLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any practice notes issued thereto.

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

- (a) must be a member of the Malaysian Institute of Accountants (“**MIA**”); or
- (b) if he is not a member of MIA, he must have at least 3 years of working experience and:
 - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

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

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

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

Chairman

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

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

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

Meetings

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

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

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

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

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

Quorum

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

Minutes

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

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

Authority

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

- (a) have explicit authority to investigate any matter within its terms of reference, and the resources to do so. All employees shall be directed to co-operate as requested by the Audit Committee;
- (b) have full and unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management;
- (c) obtain independent professional advice and secure the attendance of outsiders with relevant experience at its meetings, if necessary;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any); and
- (e) convene meetings with the external auditors, without the attendance of other directors or employees of the Company, whenever deemed necessary.

Duties and Responsibilities

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

- (a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
- (b) To discuss with the external auditors before the audit commences, their audit plan, the nature and scope of the audit;
- (c) To review the external auditors' management letter and management's response;
- (d) To ensure that assistance is given by employees to the external auditors;
- (e) To consider the major findings of internal investigations and management's response;
- (f) To review the quarterly and year-end financial statements of the Group, focusing particularly on:
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (g) To report the findings from its review of financial reporting and internal control matters, and other material matters to the Board;
- (h) To discuss problems and reservations arising from the external auditors' interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);

- (i) To do the following, in relation to the internal audit function:
 - review the adequacy of the scope, functions and resources of the internal auditors, and that they have the necessary authority to carry out their work;
 - review the annual internal audit plan and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal auditors;
 - review the performance of the internal auditors;
 - approve any appointment or termination of senior staff members of the in-house internal audit department; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (j) To determine the remit of the internal audit function;
- (k) To review the effectiveness of the risk management process;
- (l) To consider any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (m) To verify that allocation under any employee share plan or employee share option scheme is in compliance with the criteria stipulated in the by-laws of such plans or schemes;
- (n) To consider other matters as instructed by the Board; and
- (o) To consider and examine such other matters as the Audit Committee considers appropriate.

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

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

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee carried out the following activities:

1. Financial statements

- (a) Reviewed the quarterly financial reports before they were presented to the Board for approval; and
- (b) Reviewed the year-end financial statements of the Group and obtained assurance that the financial reporting and disclosure requirements of the relevant authorities had been duly complied with.

2. Matters relating to External Audit

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

- (b) Reviewed with the external auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board of Directors;
- (c) Reviewed with the external auditors, their evaluation of the system of internal controls, their management letter setting out internal control recommendations and management’s response thereto; and
- (d) Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment and audit fee.

3. Matters relating to Internal Audit

- (a) Reviewed the internal auditors’ annual audit plan to ensure adequate scope and coverage of the Group’s activities based on identified and assessed key risk areas;
- (b) Reviewed the internal auditors’ observations, recommendations for improvements and management’s response thereto. Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports; and
- (c) Monitored the outcome of the follow-up audits conducted to ascertain all agreed upon action plan was adequately implemented to address the key risks.

4. Matters relating to Risk Management

Reviewed the updates on the risk profile and summary of risk presented by the Risk Management Committee.

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by Group Corporate Governance which reports directly to the Audit Committee on its activities based on the approved annual plan.

The internal audit activities carried out for the financial year includes, inter alia, the following:

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

The Internal Audit reports incorporating the audit observations, audit recommendations and management action plans were issued to the Audit Committee.

The total cost incurred in maintaining the internal audit function for the financial year ended 31 October 2015 was RM2.3 million.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

INTRODUCTION

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

Set out below is the Board of Directors’ Statement on Risk Management and Internal Control for the financial year ended 31 October 2015 issued in compliance with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

BOARD RESPONSIBILITY

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

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

INTERNAL AUDIT FUNCTION

The internal audit function is undertaken by the in-house internal audit department, named Group Corporate Governance, which reports to the Audit Committee on the adequacy and effectiveness of the risk management and internal control systems.

A description of the activities of Group Corporate Governance during the financial year ended 31 October 2015 can be found in the Audit Committee Report included in this Annual Report.

RISK MANAGEMENT

There is an ongoing process for identifying, evaluating, monitoring and managing significant risks faced by the Group throughout the financial year.

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 at least 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 Group Corporate Governance. In particular, Group Corporate Governance 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.
- Detailed review of actual performance compared with budget, with detailed explanations provided for major variances.

- Continuous development of Group information technology platforms as an effective means of communication and knowledge sharing.
- Ongoing 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’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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 October 2015.

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

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.

This statement was approved by the Board of Directors on 15 February 2016.

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 October 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	43,856	41,751
Profit attributable to:		
Owners of the Company	43,952	41,751
Non-controlling interests	(96)	-
	43,856	41,751

CHANGE OF FINANCIAL YEAR END

In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period to 31 October 2014 so as to be coterminous with the financial year end of Eco World Development Holdings Sdn. Bhd., the major shareholder of the Company. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial year.

DIVIDENDS

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

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 October 2015.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, 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 for doubtful debts was required.

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

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, 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 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 that would render the values attributed to the current assets in the financial statements of the Group and 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 methods of valuation of assets or liabilities of the Group and 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 and the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability that has arisen since the end of the financial year.

No contingent or other liability has become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and 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 the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

Other than the changes in accounting policy as disclosed in Note 2.2.1 to the financial statements, the results of the operations of the Group and the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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 the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company completed a Share Split by subdividing each existing fully paid-up ordinary share of RM1.00 each into two ordinary shares of RM0.50 each credited as fully paid-up. As a result, the Company’s issued and paid-up share capital increased from 253,317,000 ordinary shares of RM1.00 each to 506,634,000 ordinary shares of RM0.50 each.

Following the Share Split as aforementioned, the Company completed the following issuance of shares:-

- (i) Issuance of 806,846,852 new ordinary shares of RM0.50 each pursuant to a share subscription agreement entered into among the Company, Eco World Development Holdings Sdn. Bhd. and Sinarmas Harta Sdn. Bhd. at an issue price of RM1.70 per ordinary share;
- (ii) Renounceable Rights Issue of 656,740,426 new ordinary shares of RM0.50 each (“Rights Shares”) at an issue price of RM1.20 per Rights Share, together with 525,392,340 free detachable Warrants on the basis of 1 Rights Share for every 2 existing ordinary shares held and 4 free Warrants for every 5 Rights Shares subscribed for; and
- (iii) Issuance of 394,044,000 new ordinary shares of RM0.50 each pursuant to a Private Placement exercise at an issue price of RM1.62 per ordinary share.

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

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

FREE DETACHABLE WARRANTS 2015/2022

On 31 March 2015, 525,392,340 free detachable Warrants were issued pursuant to the renounceable Rights Issue on the basis of 4 free Warrants for every 5 Rights Shares subscribed for.

The salient terms of the Warrants 2015/2022 are disclosed in Note 19 to the financial statements.

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

DIRECTORS

The directors of the Company in office since the date of the last 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	Appointed on 20 March 2015
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	Appointed on 20 March 2015

DIRECTORS’ INTERESTS IN SHARES AND WARRANTS

According to the register of directors’ shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 31 October 2015 were as follows:-

	Number of ordinary shares of					
	RM1.00 each			RM0.50 each		
	At	Share	Date of			At
	1.11.2014	Split	appointment	Bought	Sold	31.10.2015
	’000	’000	’000	’000	’000	’000
The Company						
Eco World Development Group Berhad						
Direct interests						
Liew Tian Xiong	88,781	88,781	-	88,781	-	266,343
Dato’ Chang Khim Wah	1,530	1,530	-	5,590	-	8,650
Datuk Heah Kok Boon	191	191	-	1,227	-	1,609
Dato’ Voon Tin Yow *	-	-	4,000	10,066	-	14,066
Tan Sri Lee Lam Thye	-	-	-	2,000	-	2,000
Deemed/ indirect interests						
Tan Sri Abdul Rashid bin Abdul Manaf	51,010	51,010	-	1,298,867	(897,622)	503,265 [@]
Dato’ Leong Kok Wah	51,010	51,010	-	2,056,002	(897,622)	1,260,400 ^{@#}
Tan Sri Dato’ Sri Liew Kee Sin	-	-	-	20,000	-	20,000 [^]

	Number of Warrants 2015/2022 issued pursuant to the Deed Poll dated 17 February 2015 exercisable at any time from 27.03.2015 to 26.03.2022			
	At date of appointment/ 01.11.2014 '000	Granted '000	Disposed '000	At 31.10.2015 '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 interests				
Tan Sri Abdul Rashid bin Abdul Manaf	-	202,177	-	202,177 [@]
Dato’ Leong Kok Wah	-	363,547	-	363,547 ^{@#}

Notes:

[@] Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 (“the Act”)

[#] Deemed interested by virtue of his interest in Sinarmas Harta Sdn. Bhd. pursuant to Section 6A of the Act

[^] Indirect interest by virtue of his spouse interest in the Company pursuant to Section 134 of the Act

^{*} Appointed on 20 March 2015

By virtue of their substantial interest in shares in the Company, Tan Sri Abdul Rashid bin Abdul Manaf and Dato’ Leong Kok Wah are deemed to have interest in the shares in all the subsidiaries to the extent the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors, or the fixed salary of a full-time employee of the Company as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen from those transactions disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors:

.....
DATO’ CHANG KHIM WAH
Director

Shah Alam

Date: 10 December 2015

.....
DATUK HEAH KOK BOON
Director

STATEMENTS OF FINANCIAL POSITION

As at 31 October 2015

			Group		Company	
	Note	31.10.2015 RM'000	31.10.2014 RM'000 Restated	1.10.2013 RM'000 Restated	31.10.2015 RM'000	31.10.2014 RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	5	176,433	4,195	1,161	356	387
Investment properties	6	17,288	-	-	-	-
Land held for property development	7	3,708,541	296,087	295,292	-	-
Investment in subsidiaries	8	-	-	-	218,130	170,767
Investment in a joint venture	9	-	-	-	-	-
Other receivables	10	12,900	-	-	2,340,594	-
Deferred tax assets	11	35,488	147	-	-	-
Total non-current assets		3,950,650	300,429	296,453	2,559,080	171,154
Current assets						
Property development costs	12	1,693,135	39,090	80,727	-	-
Gross amount due from customer	13	1,054	3,962	-	-	-
Inventories	14	25,410	49,562	39,570	-	-
Current tax assets		14,601	10,295	-	-	160
Trade and other receivables	15	298,061	45,481	29,097	796,991	263,775
Other current assets	16	436,716	186,490	10,410	2,020	14,890
Cash and bank balances	17	517,176	43,423	25,244	226,115	15,872
Total current assets		2,986,153	378,303	185,048	1,025,126	294,697
TOTAL ASSETS		6,936,803	678,732	481,501	3,584,206	465,851

As at 31 October 2015

			Group		Company	
	Note	31.10.2015 RM'000	31.10.2014 RM'000 Restated	1.10.2013 RM'000 Restated	31.10.2015 RM'000	31.10.2014 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	18	1,182,132	253,317	253,317	1,182,132	253,317
Share premium		1,662,972	22	22	1,662,972	22
Warrants reserve	19	194,395	-	-	194,395	-
Foreign currency translation reserve		992	(6)	-	-	-
Retained earnings/ (accumulated losses)		116,384	72,531	65,383	11,166	(30,585)
Shareholders' funds		3,156,875	325,864	318,722	3,050,665	222,754
Non-controlling interests		-	(3)	2,500	-	-
Total equity		3,156,875	325,861	321,222	3,050,665	222,754
Non-current liabilities						
Loans and borrowings	20	1,264,305	141,354	4,688	209,063	141,354
Other payables	21	485,535	-	-	-	-
Deferred tax liabilities	11	48,865	54,718	56,885	9	-
Total non-current liabilities		1,798,705	196,072	61,573	209,072	141,354
Current liabilities						
Loans and borrowings	20	436,040	99,321	47,460	310,000	99,321
Trade and other payables	22	1,211,904	41,781	36,816	12,876	2,422
Progress billings		321,325	15,697	10,731	-	-
Current tax liabilities		11,954	-	3,699	1,593	-
Total current liabilities		1,981,223	156,799	98,706	324,469	101,743
TOTAL LIABILITIES		3,779,928	352,871	160,279	533,541	243,097
TOTAL EQUITY AND LIABILITIES		6,936,803	678,732	481,501	3,584,206	465,851

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

STATEMENTS OF
COMPREHENSIVE INCOME

For the financial year ended 31 October 2015

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
Revenue	23	1,712,061	148,395	-	8,600
Cost of sales	24	(1,300,163)	(106,079)	-	-
Gross profit		411,898	42,316	-	8,600
Other income	25	19,862	1,891	115,068	6,385
Selling and marketing expenses		(147,249)	(11,462)	-	-
Administrative expenses		(188,194)	(17,681)	(23,032)	(7,778)
Operating profit		96,317	15,064	92,036	7,207
Finance costs	26	(20,343)	(2,972)	(31,724)	(5,592)
Share of results in joint venture, net of tax		(2,056)	-	-	-
Profit before taxation	27	73,918	12,092	60,312	1,615
Income tax expense	30	(30,062)	(4,914)	(18,561)	(1)
Profit after taxation		43,856	7,178	41,751	1,614
Other comprehensive income/ (expense), net of tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		998	(6)	-	-
Other comprehensive income/ (expense) for the year/ period, net of tax		998	(6)	-	-
Total comprehensive income for the financial year/ period		44,854	7,172	41,751	1,614

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:					
Owners of the Company		43,952	7,181	41,751	1,614
Non-controlling interests		(96)	(3)	-	-
		43,856	7,178	41,751	1,614
Total comprehensive income attributable to:					
Owners of the Company		44,950	7,175	41,751	1,614
Non-controlling interests		(96)	(3)	-	-
		44,854	7,172	41,751	1,614
Earnings per ordinary share (sen)					
- basic/ diluted	31	2.64	1.42 *		

* Restated to take into account 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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2015

		← Non-distributable		→ Distributable					
		Share capital	Share premium	Foreign currency translation reserve	Warrants reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
At 1 October 2013		253,317	22	-	-	65,383	318,722	2,500	321,222
Other comprehensive expense, net of tax									
Foreign currency translation		-	-	(6)	-	-	(6)	-	(6)
Total other comprehensive expense, net of tax		-	-	(6)	-	-	(6)	-	(6)
Profit after taxation for the financial period									
Total comprehensive income for the financial period		-	-	-	-	7,181	7,181	(3)	7,178
Transactions with owners									
Dividends on ordinary shares	32	-	-	-	-	(2,533)	(2,533)	-	(2,533)
Dilution of equity interest in a subsidiary		-	-	-	-	-	-	*	*
Acquisition of non-controlling interest		-	-	-	-	2,500	2,500	(2,500)	-
Total transactions with owners		-	-	-	-	(33)	(33)	(2,500)	(2,533)
At 31 October 2014		253,317	22	(6)	-	72,531	325,864	(3)	325,861

* Represents RM18

For the financial year ended 31 October 2015

		← Non-distributable		→ Distributable					
		Share capital	Share premium	Foreign currency translation reserve	Warrants reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
At 1 November 2014		253,317	22	(6)	-	72,531	325,864	(3)	325,861
Other comprehensive income, net of tax									
Foreign currency translation		-	-	998	-	-	998	-	998
Total other comprehensive income, net of tax		-	-	998	-	-	998	-	998
Profit after taxation for the financial year		-	-	-	-	43,952	43,952	(96)	43,856
Total comprehensive income for the financial year		-	-	998	-	43,952	44,950	(96)	44,854
Transactions with owners									
Acquisition of non-controlling interest		-	-	-	-	(99)	(99)	99	-
Issuance of ordinary shares	18								
- Share Subscription		403,423	968,217	-	-	-	1,371,640	-	1,371,640
- Rights Issue with Warrants		328,370	265,323	-	194,395	-	788,088	-	788,088
- Private Placement		197,022	441,329	-	-	-	638,351	-	638,351
Share issuance expenses		-	(11,919)	-	-	-	(11,919)	-	(11,919)
Total transactions with owners		928,815	1,662,950	-	194,395	(99)	2,786,061	99	2,786,160
At 31 October 2015		1,182,132	1,662,972	992	194,395	116,384	3,156,875	-	3,156,875

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 October 2015

		← Non-distributable →			Distributable (Accumulated losses)/ Retained earnings	Total equity
Note	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	RM'000	RM'000	RM'000
Company						
At 1 October 2013	253,317	22	-	(29,666)		223,673
Total comprehensive income for the financial period	-	-	-	1,614		1,614
Transactions with owners						
Dividends on ordinary shares	32	-	-	-	(2,533)	(2,533)
Total transactions with owners		-	-	-	(2,533)	(2,533)
At 31 October 2014		253,317	22	-	(30,585)	222,754
Total comprehensive income for the financial year						
		-	-	-	41,751	41,751
Transactions with owners						
Issuance of ordinary shares	18	-	-	-	-	-
- Share Subscription		403,423	968,217	-	-	1,371,640
- Rights Issue with Warrants		328,370	265,323	194,395	-	788,088
- Private Placement		197,022	441,329	-	-	638,351
Share issuance expenses		-	(11,919)	-	-	(11,919)
Total transactions with owners		928,815	1,662,950	194,395	-	2,786,160
At 31 October 2015		1,182,132	1,662,972	194,395	11,166	3,050,665

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

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
Cash Flows From Operating Activities:					
Profit before taxation		73,918	12,092	60,312	1,615
Adjustments for:-					
Depreciation		17,200	455	96	43
Prepaid development expenditure written off		958	-	-	-
Impairment of investment in a subsidiary		-	-	10,094	-
Interest expense		20,343	2,972	31,724	5,592
Interest income		(13,034)	(1,634)	(115,068)	(6,385)
Property, plant and equipment written off		16	54	-	-
Gain on disposal of property, plant and equipment		-	(26)	-	-
Share of results in a joint venture		2,056	-	-	-
Bargain purchase gain from acquisition of a subsidiary		(176)	-	-	-
Rental income		(134)	-	-	-
Unrealised gain on foreign exchange		(22)	-	-	-
		101,125	13,913	(12,842)	865
Changes in working capital:-					
Property development costs		8,325	15,913	-	-
Gross amount due from customers		2,908	(3,962)	-	-
Inventories		23,656	20,021	-	-
Receivables		(329,716)	(25,059)	4,688	(12,317)
Payables		519,151	8,610	1,213	1,475
		325,449	29,436	(6,941)	(9,977)
Interest paid		(68,718)	(7,583)	-	-
Interest received		4,185	1,342	172	*
Rental received		134	-	-	-
Net income taxes paid		(64,060)	(21,222)	(16,799)	(1)
Net cash flows from/ (used in) operating activities					
		196,990	1,973	(23,568)	(9,978)

* Represents RM58

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
Cash Flows From Investing Activities:					
Purchase of property, plant and equipment		(69,060)	(3,908)	(65)	(430)
Purchase of investment properties		(307)	-	-	-
Proceeds from disposal of property, plant and equipment		68	391	-	-
Acquisition of shares in an existing subsidiary	41	#	-	#	-
Acquisition of shares in subsidiaries		-	-	^	*
Acquisition of Development Rights	40	(1,814,450)	-	-	-
Acquisition of subsidiaries, net of cash acquired	41	(164,322)	-	-	-
Payment for deferred land cost		(484,209)	-	-	-
Subscription of additional shares in subsidiaries		-	-	(7,500)	(750)
Subscription of ordinary shares in a joint venture	16	(2,000)	-	(2,000)	-
Additions to land held for property development		(691,695)	(2,885)	-	-
Development expenditure paid		(20,418)	(1,041)	-	-
Deposit refunded for acquisition of land		6,344	-	6,344	-
Deposit paid for acquisition of:-					
- land		(179,881)	(75,945)	-	(6,344)
- Development Rights		-	(88,809)	-	-
Interest received		8,671	292	8,512	38
Advances to a joint venture		(12,722)	-	(12,722)	-
Advances to subsidiaries		-	-	(2,808,438)	(202,502)
Placement of deposits, sinking fund, debts service reserve and escrow accounts		(73,707)	-	(400)	-
Net cash flows used in investing activities		(3,497,688)	(171,905)	(2,816,269)	(209,988)

* Represents RM39

^ Represents RM12

Represents RM18

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
Cash Flows From Financing Activities:					
Proceeds from issuance of shares by a subsidiary to non-controlling interest		-	*	-	-
Proceeds from issuance of ordinary shares		2,798,079	-	2,798,079	-
Payment of share issuance expenses		(11,919)	-	(11,919)	-
Drawdown of bank borrowings		1,859,450	242,791	836,209	242,791
Repayment of bank borrowings		(954,006)	(37,839)	(558,769)	-
Advances from subsidiaries		-	-	11,667	-
Interest paid		-	-	(25,587)	(4,442)
Dividends paid to shareholders of the Company		-	(2,533)	-	(2,533)
Net cash flows from financing activities		3,700,604	202,419	3,049,680	235,816
Net Change In Cash And Cash Equivalents		399,906	32,487	209,843	15,850
Effect Of Changes In Exchange Rate		140	^	-	-
Cash And Cash Equivalents At The Beginning Of The Financial Year/ Period		43,423	10,936	15,872	22
Cash And Cash Equivalents At The End Of The Financial Year/ Period		443,469	43,423	225,715	15,872

* Represents RM18

^ Represents RM771

	Note	Group		Company	
		Year ended	13 months ended	Year ended	13 months ended
		31.10.2015 RM'000	31.10.2014 RM'000	31.10.2015 RM'000	31.10.2014 RM'000
Cash and cash equivalents included in the statements of cash flows comprise the following amounts:-					
Deposits	17	256,602	5,543	225,240	386
Cash and bank balances	17	260,574	37,880	875	15,486
		517,176	43,423	226,115	15,872
Less: Cash and deposits maintained in debts service reserve account, sinking fund and escrow account		(71,067)	-	-	-
Deposits pledged to banks as security for banking facilities		(2,640)	-	(400)	-
		443,469	43,423	225,715	15,872

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

1. GENERAL INFORMATION

The Company is principally engaged in business as an investment holding company. The principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

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.

In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period to 31 October 2014 so as to be coterminous with the financial year end of Eco World Development Holdings Sdn. Bhd., the major shareholder of the Company. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial year.

The financial statements have been authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 December 2015.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and the Company have been prepared in accordance with the Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Changes in accounting policies/ Adoption of Amendments/ Improvements to FRSs and New IC Interpretation

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

2.2.1 Departure from FRSIC Consensus 17 - Development of Affordable Housing

In previous financial periods, the Group recognised a provision for foreseeable losses for affordable housing in accordance with *FRSIC Consensus 17 - Development of Affordable Housing (“FRSIC 17”)*. FRSIC 17 was issued by the Malaysian Institute of Accountants on 24 November 2011.

Previously, in the application of FRSIC 17:-

- Foreseeable losses were computed based on the cost of constructing affordable houses net of selling prices dictated by the local authority approving the master plan for the whole development project;
- Foreseeable losses were provided in full based on the approved master and building plan; and
- Foreseeable losses were capitalised as an asset in the form of common costs for development of premium housing.

2. BASIS OF PREPARATION (CONT'D.)

2.2 Changes in accounting policies/Adoption of Amendments/Improvements to FRSs and New IC Interpretation (Cont'd.)

2.2.1 Departure from FRSIC Consensus 17 - Development of Affordable Housing (Cont'd.)

During the current financial year, 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 cost of the entire development project and will continue to do so.

The Group has accordingly departed from FRSIC 17 effective from the current financial year. The departure has been applied retrospectively and comparative figures going back to 1 October 2013 (being the earliest prior period presented as if the departure had been in effect) have been restated in Note 42 to the financial statements.

The departure has had no effect on the financial results and cash flows of the Group for previous financial periods or for the current financial year. Neither is it expected to affect the financial results and cash flows of future financial years.

Had the Group continued to apply FRSIC 17 as before, the provision for foreseeable losses for affordable housing as at 31 October 2015 would have been RM297 million and the corresponding total of land held for property development and property development costs would have been higher by the same amount.

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

Amendments/ Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement
FRS 140	Investment Property

New IC Interpretation

IC Interpretation 21	Levies
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The adoption of the above amendments/ improvements to FRSs and new IC Interpretation did not have any significant effect on the financial statements of the Group and the Company.

2. BASIS OF PREPARATION (CONT'D.)

2.3 New FRS and amendments/ improvements to FRSs that have been issued, but which are yet to be effective

The Group and the Company have not adopted the following new FRSs and amendments/ improvements to FRSs that have been issued, but which are 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 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosures of interests In Other Entities	1 January 2016
FRS 14	Regulatory Deferral Accounts	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 134	Interim Financial Reporting	1 January 2016
FRS 138	Intangible Assets	1 January 2016

Due to the complexity of these new FRS and amendments/ improvements to FRSs, the financial effects of their adoption are currently still being assessed by the Group and the Company. A brief discussion on the significant new FRS and amendments/ improvements to FRSs 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 statement 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 statement of financial position.

2. BASIS OF PREPARATION (CONT'D.)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but which are yet to be effective (Cont'd.)

FRS 9 Financial Instruments (Cont'd.)

Key requirements of FRS 9:- (Cont'd.)

- 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 7 Financial Instruments: Disclosures

Amendments to FRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/ liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not remeasured if the joint operator retains joint control.

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 (CONT'D.)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but which are yet to be effective (Cont'd.)

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the limited circumstances:-

- when the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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 new MASB approved accounting standards, MFRSs (“MFRSs Framework”).

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 Interpretation 15 - Agreements for the Construction of Real Estate (“Transitioning Entities”). Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Transitioning Entities are given an option to defer the adoption of MFRSs Framework until annual periods beginning on or after 1 January 2018.

2. BASIS OF PREPARATION (CONT'D.)

2.4 MASB Approved Accounting Standards, MFRSs (Cont'd.)

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

The MASB has also issued *MFRS 15 - Revenue from Contracts with Customers*, *Amendments to MFRS 116 and MFRS 141 - Agriculture: Bearer Plants*. MFRS 15 is effective for annual periods beginning on or after 1 January 2018 while the MFRS 141 amendments are effective for annual periods beginning on or after 1 January 2016.

The relevant standards under the MFRS Framework that will be applicable to the Group are as follows:-

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 these 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:-

- Identify the contracts with a customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- 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 assessing the impact of the adoption of this standard.

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.

2. BASIS OF PREPARATION (CONT'D.)

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 the entity operates (“the functional currency”).

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

2.6 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

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 the revenue and expenses during the reporting period. It also requires the Group to exercise their judgement in the process of applying the Group’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 which involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

- (i) 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 the acquirees and has the ability to affect those returns through its power over the acquirees. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control as mentioned above.

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

3.1 Basis of consolidation (Cont'd.)

(i) Subsidiaries and business combination (Cont'd.)

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

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

For a new acquisition, 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. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; 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 (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

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.

For business combination, the Group measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Subsequently, the assets acquired, liabilities assumed or incurred, and equity instruments issued in the business combination are measured in accordance with relevant FRS for those items, depending on their nature.

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 the resulting gain or loss, if any, 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 to retained earnings where such treatment would be appropriate if that interest were disposed of directly.

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

3.1 Basis of consolidation (Cont'd.)

(i) Subsidiaries and business combination (Cont'd.)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value 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 ownership 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.

(ii) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(iii) 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.

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

3.2 Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:-

- A joint arrangement is classified as a “joint operation” when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as “joint venture” when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with *FRS 11 Joint Arrangement*.

The Group has assessed the nature of its joint arrangement and determined it to be joint venture and accounted for its interest in the joint venture using the equity method.

Unrealised gains arising from transactions with equity-accounted joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3 Separate financial statements

In the Company’s statement of financial position, investments in subsidiaries are measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

3.4 Foreign currency transactions and operations

- (i) 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 each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

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

3.4 Foreign currency transactions and operations (Cont'd.)

- (i) Translation of foreign currency transactions (Cont’d.)

Non-monetary items denominated in foreign currencies that are carried at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

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

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).

- (ii) Translation of foreign operations

The assets and liabilities of foreign operations denominated in functional currency different from 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 the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserve related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

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

3.5 Financial instruments

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

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 policy applicable to the nature of the host contract.

(i) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(a) 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 is 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 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.

The Group has not designated any financial assets at fair value through profit or loss.

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 in accordance with Note 3.13(i) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

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

3.5 Financial instruments (Cont'd.)

(i) Subsequent measurement (Cont'd.)

(a) Financial assets (Cont'd.)

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(i) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

The Group has not designated any financial assets at held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available for sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(i) to the financial statements.

The Group has not designated any financial assets at available-for-sale financial assets.

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

3.5 Financial instruments (Cont'd.)

(i) Subsequent measurement (Cont'd.)

(b) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities 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 equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

The Group has not designated any financial liabilities at fair value through profit or loss.

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.

(ii) 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.

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

3.5 Financial instruments (Cont'd.)

(iii) 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:-

- a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(iv) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had 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 is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) 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.

3.6 Property, Plant and Equipment and Depreciation

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition of measurement of impairment losses is in accordance with Note 3.13(ii) to the financial statements.

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

3.6 Property, Plant and Equipment and Depreciation (Cont'd.)

Recognition and measurement (Cont'd.)

Cost of assets 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, and the costs of dismantling and removing the items 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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.19 to the financial statements.

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

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

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.

Depreciation

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

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Building	2% - 10%
Motor vehicles	16% - 20%
Office equipment and fittings	10% - 33%
Other assets	10% - 20%

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

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 (CONT'D.)

3.7 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 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 assets.

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.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

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.

Any upfront lease payments are classified as land use rights within intangible assets.

3.8 Investment properties

Investment properties comprise freehold land and building which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transactions costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as 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 the retirement or disposal.

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

3.9 Inventories

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

Cost includes:-

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined on specific identification basis with reference to the specific costs incurred and an allocation of any non-specific costs based on the relative sale value of the property development.

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

3.10 Land held for property development

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

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

3.11 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as infrastructure costs and the cost of constructing affordable houses net of estimated selling prices.

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

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.

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

3.11 Property development costs (Cont'd.)

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.

3.12 Cash and cash equivalents

Cash and cash equivalents consist of cash and cash equivalents comprise 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 amount of cash and which are subject to an insignificant risk of changes in value.

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

3.13 Impairment of assets

- (i) Impairment of financial assets

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and 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.

Loans and receivables and held-to-maturity investments

The Group and the Company first assess 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 there is no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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

3.13 Impairment of assets (Cont'd.)

- (i) Impairment of financial assets (Cont'd.)

Loans and receivables and held-to-maturity investments (Cont'd.)

The amount of 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 the impairment loss decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an 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.

Loan together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

Unquoted equity instruments carried at cost

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 shall not be reversed.

- (ii) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period 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 goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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 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.

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

3.13 Impairment of assets (Cont'd.)

- (ii) Impairment of non-financial assets (Cont'd.)

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 for assets that are assets previously revalued with the revaluation taken to other comprehensive income. In this case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

An impairment loss in respect of goodwill is not reversed. 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.

3.14 Current versus non-current classification

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

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

All other assets are classified as non-current.

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

3.14 Current versus non-current classification (Cont'd.)

A liability is current when:-

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

The Group classifies all other liabilities as non-current.

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

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

3.16 Employee benefits

(i) 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 where the employees have rendered their services to the Group and the Company.

(ii) Defined contribution plans

As required by law, the Group and the Company 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 period in which the employees render their services.

3.17 Provisions

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

Provisions are determined by discounting the 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 (CONT'D.)

3.18 Revenue and other income

(i) 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.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of properties under development

Revenue from sale of properties is accounted for by the stage of completion method in respect of the property units sold. The stage of completion method is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method. The stage of completion method is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

(ii) Other income

Management fees

Management fees are recognised on an accrual basis, net of goods and services tax.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Dividend income

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

3.19 Borrowing costs

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.

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

3.20 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.

(i) 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 reporting period, and any adjustment to tax payable in respect of previous financial years.

(ii) 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 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 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.

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

3.20 Income tax (Cont'd.)

(ii) Deferred tax (Cont'd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 intends to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(iii) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax except:-

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

3.21 Segment reporting

Segment reporting in the financial statements is presented on the same basis as it is used by the Group internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenues, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

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

3.22 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.

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

3.23 Fair value measurements

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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are 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 the identical assets or liabilities that the Group 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 recognises 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 AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

(i) Prepaid development expenditure (Note 16)

The Group has entered into several proposed acquisitions of land which are pending completion, and has incurred development expenditures and transaction costs which include professional fees and borrowing related expenses in relation to these proposals.

The Group has capitalised these costs in anticipation that these proposals will be completed in due course. In the event that there is objective evidence that any proposed acquisition will not be completed, the related development expenditure and transaction costs will be recognised in profit or loss.

(ii) Property development (Note 12)

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

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.

(iii) Impairment of Loans and Receivables (Note 10 and 15)

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

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

(iv) Income Taxes (Note 30)

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

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

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

(v) Deferred tax assets (Note 11)

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

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

(vi) Depreciation of property, plant and equipment (Note 5)

The cost of an item of property, plant and equipment is depreciated on the straight-line method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied.

(vii) Investment in joint venture (Note 9)

The Company, UDA Holdings Berhad and Employees Provident Fund Board invested in BBCC Development Sdn. Bhd. ("BBCC") with a shareholding of 40%, 40% and 20% respectively. In the contractual arrangement, decision about the relevant activities of BBCC requires unanimous consent from all the parties sharing control and the Company has rights to the net assets of BBCC. Judgement is required to determine that the Company has joint control over BBCC and thus regards it as a joint venture arrangement and accounts for its interest using the equity method.

(viii) Valuation of warrant reserve (Note 19)

The Company measures the value of warrants by reference to the fair value at the date they are issued. The estimation of fair value requires determining the most appropriate valuation model.

This estimate also requires the determination of the most appropriate inputs to the valuation model such as volatility, risk free interest rate, warrant life, and certain other assumptions.

(ix) Acquisition of Development Rights (Note 40)

The acquisition of Development Rights has been accounted for as a business combination based on an assessment of the terms of the Development Rights Agreements. In arriving at this conclusion, significant judgement was exercised when assessing the overall substance of the transaction.

For purposes of the purchase price allocation exercise, estimates were applied in the determination of fair values of the underlying assets acquired and liabilities assumed.

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

(x) Departure from FRSIC Consensus 17 "Development of Affordable Housing" (Note 2.2.1)

During the current financial year, 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.

(xi) Capitalisation of borrowing costs in land held for property development (Note 7)

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 undertaken 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 development of a land in multiple phases is a single development as a whole.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2015	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 2014	-	-	3,863	2,004	1,201	212	7,280
Additions:-							
- Acquisition of Development Rights	11,108	20,697	-	-	-	-	31,805
- Acquisition of subsidiaries (Note 41)	50,252	14,222	2,925	7,972	5,526	7,563	88,460
- Others	2,361	11,835	14,014	12,951	14,274	13,625	69,060
Disposals	-	-	(803)	-	-	-	(803)
Written off	-	-	-	(12)	(5)	-	(17)
Reclassification to land held for property development (Note 7)	-	-	-	-	-	(44)	(44)
Reclassification to property development cost (Note 12)	-	-	-	-	-	(168)	(168)
Reclassification	-	-	-	1,530	12,089	(13,619)	-
Exchange differences	-	-	101	-	411	-	512
At 31 October 2015	63,721	46,754	20,100	24,445	33,496	7,569	196,085
Accumulated depreciation							
At 1 November 2014	-	-	1,520	1,046	519	-	3,085
Depreciation for the financial year	-	2,183	3,575	4,981	6,461	-	17,200
Disposals	-	-	(735)	-	-	-	(735)
Written off	-	-	-	-	(1)	-	(1)
Exchange differences	-	-	20	-	83	-	103
At 31 October 2015	-	2,183	4,380	6,027	7,062	-	19,652
Net book value as at 31 October 2015							
	63,721	44,571	15,720	18,418	26,434	7,569	176,433

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group 2014	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 October 2013	3,918	1,597	718	-	6,233
Additions	1,978	977	741	212	3,908
Disposals	(2,033)	(20)	(2)	-	(2,055)
Written off	-	(550)	(256)	-	(806)
At 31 October 2014	3,863	2,004	1,201	212	7,280
Accumulated depreciation					
At 1 October 2013	3,015	1,494	563	-	5,072
Depreciation for the financial period	175	120	160	-	455
Disposals	(1,670)	(19)	(1)	-	(1,690)
Written off	-	(549)	(203)	-	(752)
At 31 October 2014	1,520	1,046	519	-	3,085
Net book value as at 31 October 2014					
	2,343	958	682	212	4,195

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company 2015	Office equipment and fittings RM'000	Other assets* RM'000	Total RM'000
Cost			
At 1 November 2014	195	235	430
Additions	-	65	65
At 31 October 2015	195	300	495
Accumulated depreciation			
At 1 November 2014	16	27	43
Depreciation for the financial year	46	50	96
At 31 October 2015	62	77	139
Net book value at 31 October 2015	133	223	356
2014			
Cost			
At 1 October 2013	-	-	-
Additions	195	235	430
At 31 October 2014	195	235	430
Accumulated depreciation			
At 1 October 2013	-	-	-
Depreciation for the financial period	16	27	43
Disposals	-	-	-
At 31 October 2014	16	27	43
Net book value at 31 October 2014	179	208	387

* 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 RM108,292,000 (2014: RM Nil) have been charged to secure banking facilities granted to the Group (Note 20).

6. INVESTMENT PROPERTIES

	Group 2015 RM'000	2014 RM'000
At cost		
At 1 November 2014/ 1 October 2013	-	-
Additions:-		
- Acquisition of Development Rights	16,981	-
- Others	307	-
At 31 October	17,288	-
<i>Represented by:</i>		
Freehold land	17,288	-
Fair value	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 the valuation performed by a registered independent valuer having appropriate recognised professional qualification and recent experiences in the locations and category of properties being valued.

The investment properties have been charged to secure banking facilities granted to the Group (Note 20).

7. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2015 RM'000	2014 RM'000 Restated
At beginning of the financial year/ period, as previously reported		
- freehold land	263,851	263,851
- development costs	39,201	37,684
	303,052	301,535
Effect of change in accounting policy (Note 42):-		
- development costs	(6,965)	(6,243)
At beginning of the financial year/ period, as restated		
- freehold land	263,851	263,851
- development costs	32,236	31,441
	296,087	295,292
Add: Costs incurred during the financial year/ period		
- freehold land	17,756	-
- leasehold land	485,280	-
- development costs	310,699	2,885
Add: Acquisition of development rights during the financial year/ period (Note 40)		
- freehold land	2,759,356	-
- development costs	368,057	-
Reclassification from property, plant and equipment (Note 5)		
- development costs	44	-
Transfer to property development costs (Note 12)		
- freehold land	(329,252)	-
- leasehold land	(67,209)	-
- development costs	(130,960)	(2,090)
Costs recognised as an expense		
- freehold land	(1,317)	-
At the end of the financial year/ period		
- freehold land	2,710,394	263,851
- leasehold land	418,071	-
- development costs	580,076	32,236
At 31 October	3,708,541	296,087

7. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

Included in the land held for property development during the financial year/ period is:-

	Group Year ended 31.10.2015 RM'000	13 months ended 31.10.2014 RM'000
Borrowing costs	79,832	-

Land held for property development with a carrying amount of RM3,708,541,000 (2014: RM296,087,000) have been charged to secure banking facilities granted to the Group (Note 20).

8. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM'000	2014 RM'000
Unquoted shares - at cost	178,267	170,767
Capital contribution to subsidiary companies, at cost	49,957	-
Less: Impairment losses	(10,094)	-
At 31 October	218,130	170,767

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.

Arising from an assessment of the underlying value of its investment in subsidiaries, the Company noted that the recoverable amount of a subsidiary amounting to RM6,891,000 was lower than the carrying amount of the investment. Accordingly, the Company recognised an impairment loss of RM10,094,000 on that subsidiary.

8. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows:-

	Effective proportion ownership/ voting rights		Principal activities
	2015 %	2014 %	
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
Eco Sky Sdn. Bhd.	100	100	Property development
Eco Majestic Development Sdn. Bhd. (formerly known as Majestic Blossom Sdn. Bhd.)	100	100	Property development and property investment holding
Eco Botanic Sdn. Bhd. (formerly known as Trinity Lake 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. (formerly known as Evergreen Upstream Sdn. Bhd.)	100	100	Property development
Eco Business Park 1 Sdn. Bhd.	100	100	Property development
Natural Esplanade Sdn. Bhd.	100	40	Dormant

8. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows:- (Cont'd.)

	Effective proportion ownership/ voting rights		Principal activities
	2015 %	2014 %	
Pingat Stabil Sdn. Bhd.	100	100	Dormant
Arah Selasih Sdn. Bhd.	100	100	Dormant
Rentas Prestasi Sdn. Bhd.	100	100	Dormant
Eco World Development Management Sdn. Bhd. (formerly known as Sendi Prestasi Sdn. Bhd.)	100	100	Dormant
Eco World Trading Sdn. Bhd.	100	100	Supplying of building materials
Eco World IBS Sdn. Bhd.	100	100	Trading and manufacturing 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. ("MISB")	100	-	Investment holding
Matlamat Bakat Sdn. Bhd. ("MBSB")	100	-	Investment holding
Eco Macalister Development Sdn. Bhd.	100	-	Property development and property investment holding
Eco World Project Management Sdn. Bhd.	100	-	Property development project management
Eco World Property Services Sdn. Bhd.	100	-	Property management services
Melia Spring Sdn. Bhd. ("MSSB")	100	-	Investment holding

8. INVESTMENT IN SUBSIDIARIES (CONT'D.)

- a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows:- (Cont'd.)

	Effective proportion ownership/ voting rights		Principal activities
	2015 %	2014 %	
<i>Held through MBSB</i>			
Teraju Pasifik Sdn. Bhd.	100	100	Dormant
<i>Held through MISB</i>	100	-	Property development
Paragon Pinnacle Sdn. Bhd.			
<i>Held through MSSB</i>			
Jasa Hektar Sdn. Bhd.	100	-	Property development
<i>Held through FAPSB</i>			
Eco Tropics Development Sdn. Bhd. ("ETSB")	100	100	Property development
<i>Held through ETSB</i>			
Focal Aims Realty Sdn. Bhd.	100	100	Dormant
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

* Incorporated in Singapore

9. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares - at cost	*	-	*	-
Share of post-acquisition results and reserves	(2,056)	-	-	-
	(2,056)	-	*	-
Less: Amount recognised as obligation (Note 22)	2,056	-	-	-
	-	-	*	-

* Represents RM12

The Group has a contractual obligation to contribute funds to BBCC until its development projects are completed. Thus, 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.

Details of the joint venture are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights		Principal activity	Financial year ended
		2015 %	2014 %		
BBCC Development Sdn. Bhd. [^]	Malaysia	40	-	Property development and investment holding	31 December

[^] Audited by an audit firm other than Messrs Baker Tilly Monteiro Heng

9. INVESTMENT IN A JOINT VENTURE (CONT'D.)

- (a) The assets and liabilities of the joint venture as at 31 October 2015 and its revenue and results for the financial period since investing in the joint venture up to 31 October 2015 are as follows:-

	BBCC RM'000
31.10.2015	
Assets and liabilities	
Non-current assets	1,023,195
Current assets	4,201
Non-current liabilities	(672,454)
Current liabilities	(356,083)
Net assets	(1,141)
Included in the assets and liabilities are:-	
Cash and cash equivalents	4,201
Non-current financial liabilities (excluding trade and other payables and provision)	-
Current financial liabilities (excluding trade and other payables and provision)	(25)
31.10.2015	
Results	
Loss for the financial period	(5,141)
Other comprehensive income	-
Total comprehensive loss	(5,141)
Included in the total comprehensive income is:	
Revenue	-
Depreciation	(39)
Interest expense	-
Income tax expense	-

9. INVESTMENT IN A JOINT VENTURE (CONT'D.)

- (a) The assets and liabilities of the joint venture as at 31 October 2015 and its revenue and results for the financial period since investing in the joint venture up to 31 October 2015 are as follows:- (Cont'd.)

	BBCC RM'000
Reconciliation of net assets to carrying amount	
Share of the net assets at the acquisition date	*
Fair value adjustments	-
Share of the net assets at fair value	-
Goodwill on acquisition	-
Cost of investment	*
Share of post-acquisition losses	(2,056)
Share of post-acquisition other comprehensive income reserves	-
Less: Amount recognised as obligation (Note 22)	2,056
Carrying amount in the statement of financial position	-
Group's share of results	
Group's share of profit or loss from:	
- Continuing operations	(2,056)
Group's share of other comprehensive income	-
Group's share of total comprehensive loss	(2,056)

* Represents RM12

- (b) Significant restrictions

The joint venture cannot distribute its profit unless approvals are obtained from the joint venture partners.

10. OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	-	-	2,327,694	-
Amount due from a joint venture	12,900	-	12,900	-
	12,900	-	2,340,594	-

(a) Amount due from subsidiaries

The amounts due from subsidiaries represents unsecured advances which are not expected to be settled within the next twelve months. These advances bear interest at rates ranging from 4.94% to 5.61%.

(b) Amount due from a joint venture

The amount due from a joint venture represents unsecured advances which are not expected to be settled within the next twelve months. These advances bear interest at 7.85%.

11. DEFERRED TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year/ period	54,571	56,885	-	-
Acquisition of subsidiaries (Note 41)	486	-	-	-
Recognised in profit or loss (Note 30)	(41,680)	(2,314)	9	-
At the end of the financial year/ period	13,377	54,571	9	-
Presented after appropriate offsetting as follows:-				
Deferred tax assets	(35,488)	(147)	-	-
Deferred tax liabilities	48,865	54,718	9	-
	13,377	54,571	9	-

11. DEFERRED TAXATION (CONT'D.)

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

(a) Deferred tax assets

	Unused tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Group			
At 1 November 2014	(234)	-	(234)
Acquisition of subsidiaries	(980)	-	(980)
Recognised in profit or loss	(17,950)	(582)	(18,532)
At 31 October 2015	(19,164)	(582)	(19,746)
At 1 October 2013	-	-	-
Recognised in profit or loss	(234)	-	(234)
At 31 October 2014	(234)	-	(234)

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	
	2015	2014
	RM'000	RM'000
Unutilised tax losses	(11,848)	(61)
Unabsorbed capital allowances	(1,140)	-
Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	678	-
Others	2,175	(2)
At 31 October	(10,135)	(63)

11. DEFERRED TAXATION (CONT'D.)**(b) Deferred tax liabilities**

	Property development RM'000	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
Group				
At 1 November 2014	54,367	311	127	54,805
Acquisition of subsidiaries	-	1,466	-	1,466
Recognised in profit or loss	(24,589)	1,568	(127)	(23,148)
At 31 October 2015	29,778	3,345	-	33,123
At 1 October 2013	56,814	71	-	56,885
Recognised in profit or loss	(2,447)	240	127	(2,080)
At 31 October 2014	54,367	311	127	54,805
Company				
At 1 November 2014	-	-	-	-
Recognised in profit or loss	-	9	-	9
At 31 October 2015	-	9	-	9
At 1 October 2013/ 31 October 2014	-	-	-	-

12. PROPERTY DEVELOPMENTS COSTS

	Group 2015 RM'000	2014 RM'000 Restated
At beginning of the financial year/ period, as previously reported		
- freehold land	41,307	49,673
- development costs	55,215	84,731
	96,522	134,404
Effect of change in accounting policy (Note 42):-		
- development costs	(1,160)	(1,485)
At beginning of the financial year/ period, as restated		
- freehold land	41,307	49,673
- development costs	54,055	83,246
	95,362	132,919
Add: Costs incurred during the financial year/ period		
- freehold land	20,404	-
- development costs	1,181,148	66,915
Add: Acquisition of development rights during the financial year/ period (Note 40)		
- freehold land	905,241	-
- development costs	206,806	-
Closing of completed projects		
- freehold land	-	(500)
- development costs	-	(76,840)
Transfer from land held for development (Note 7)		
- freehold land	329,252	-
- leasehold land	67,209	-
- development costs	130,960	2,090
Reclassification from property, plant and equipment (Note 5)		
- development costs	168	-
Reclassification to inventories		
- freehold land	(155)	(7,866)
- development costs	-	(21,356)
At the end of the financial year/ period		
- freehold land	1,296,049	41,307
- leasehold land	67,209	-
- development costs	1,573,137	54,055
	2,936,395	95,362

12. PROPERTY DEVELOPMENTS COSTS (CONT'D.)

	Group	
	2015	2014
	RM'000	RM'000
		Restated
Cumulative costs recognised in profit or loss		
At beginning of the financial year/ period	(56,272)	(52,192)
Recognised during the financial year/ period	(1,186,988)	(81,420)
Closing of completed projects	-	77,340
At the end of the financial year/ period	(1,243,260)	(56,272)
Property development costs as at 31 October		
- freehold land	1,026,511	28,404
- leasehold land	67,209	-
- development costs	599,415	10,686
	1,693,135	39,090

Included in the property development costs during the financial year/ period is:-

	Group	
	Year	13 months
	ended	ended
	31.10.2015	31.10.2014
	RM'000	RM'000
Borrowing costs	23,400	1,266

Property development costs with a carrying amount of RM1,693,135,000 (2014: RM39,090,000) have been charged to secure banking facilities granted to the Group (Note 20).

13. GROSS AMOUNT DUE FROM CUSTOMER

	Group	
	2015	2014
	RM'000	RM'000
Aggregate construction contract costs incurred to-date	8,371	3,962
Add: Attributable profits	-	-
	8,371	3,962
Less: Progress billings	(7,317)	-
	1,054	3,962

14. INVENTORIES

Inventories comprise completed properties held for sale stated at cost.

During the financial year/ period, inventories recognised as cost of sales of the Group amounted to RM24,010,000 (2014: RM20,636,000).

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Trade receivables - third parties	279,684	42,763	-	-
Amount due from a joint venture	81	-	-	-
Total trade receivables	279,765	42,763	-	-
Other receivables				
Other receivables - third parties	14,015	1,730	23	1,049
Amount due from subsidiaries	-	-	796,963	262,721
Deposits	4,281	988	5	5
Total other receivables	18,296	2,718	796,991	263,775
Total trade and other receivables	298,061	45,481	796,991	263,775

(a) Trade receivables

The normal credit terms granted to house buyers range from 21 to 90 days (2014: 21 to 90 days). Interest is charged on overdue accounts at 10% (2014: 10%).

Credit terms granted to other receivables 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.

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

(a) Trade receivables (Cont'd.)

Ageing analysis of trade receivables

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

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	117,534	19,419
Past due but not impaired		
1 to 30 days past due	86,182	7,420
31 to 60 days past due	19,895	5,113
61 to 90 days past due	25,070	8,707
91 to 120 days past due	17,100	862
More than 120 days past due	13,984	1,242
	162,231	23,344
	279,765	42,763

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) Amount due from subsidiaries

The amounts due from subsidiaries which arose from advances is unsecured, repayable on demand and bear interest at rates ranging from 4.94% to 5.61% (2014: 3.00% to 5.46%).

16. OTHER CURRENT ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits for acquisition of development lands	214,969	75,945	-	6,344
Accrued billings in respect of property development costs	193,929	6,098	-	-
Prepaid development expenditures	24,211	15,050	-	8,526
Prepayments	1,607	324	20	20
Deposits for acquisition of Development Rights	-	88,809	-	-
Deposit for subscription of shares in joint venture	2,000	-	2,000	-
Accrued rebates	-	264	-	-
	436,716	186,490	2,020	14,890

17. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	260,574	37,880	875	15,486
Deposits with licensed banks	256,602	5,543	225,240	386
Cash and bank balances	517,176	43,423	226,115	15,872

17. CASH AND BANK BALANCES (CONT'D.)

Included in cash and bank balances are the following:-

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 *	118,887	14,855	-	-
Cash and deposits maintained in debts service reserve account, sinking fund and escrow accounts	71,067	-	-	-
Deposits pledged to banks as security for banking facilities	2,640	-	400	-

* *Restricted from general use*

The effective interest rate for the Group's and the Company's deposits range from 1.9% to 3.35% (2014: 3.2%). All deposits have maturity periods of less than a year (2014: 1 month or less).

18. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Authorised:				
At the beginning of the financial year/ period				
shares of RM1 each	300,000	300,000	300,000	300,000
Share Split	300,000	-	-	-
Created during the financial year/ period				
shares of RM0.50 each	3,400,000	1,700,000	-	-
At the end of the financial year/ period of				
RM0.50/ RM1 each	4,000,000	2,000,000	300,000	300,000
Issued and fully paid:				
At the beginning of the financial year/ period				
shares of RM1 each	253,317	253,317	253,317	253,317
Share Split	253,317	-	-	-
Issuance of ordinary shares pursuant to				
- Share Subscription	806,847	403,423	-	-
- Rights Issue	656,740	328,370	-	-
- Private Placement	394,044	197,022	-	-
At the end of the financial year/ period of				
RM0.50/ RM1 each	2,364,265	1,182,132	253,317	253,317

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.

19. WARRANTS RESERVE**Free Detachable Warrants 2015/2022**

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.

19. WARRANTS RESERVE (CONT'D.)

Free Detachable Warrants 2015/2022 (Cont'd.)

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 in accordance with the terms and provisions of the Deed Poll;
- (e) Subject to the provisions in the Deed Poll, the exercise price and the number of Warrants held by each Warrant holder shall from time to time be adjusted by the Company in consultation with the approved adviser and certified by the auditors appointed by the Company; and
- (f) 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. The Warrant holders will not have any participating rights in such issues unless and until the Warrant holders exercise their Warrants into new shares of the Company or otherwise resolved by the Company in general meeting.

20. LOANS AND BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current Secured				
Revolving credits	130,000	-	50,000	-
Term loans	46,040	99,321	-	99,321
	176,040	99,321	50,000	99,321
Unsecured				
Revolving credits	260,000	-	260,000	-
	436,040	99,321	310,000	99,321
Non-current Secured				
Term loans	1,038,475	141,354	209,063	141,354
Bridging loans	225,830	-	-	-
	1,264,305	141,354	209,063	141,354
Total loans and borrowings	1,700,345	240,675	519,063	240,675
	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Represented by:-				
Current				
- not later than one year	436,040	99,321	310,000	99,321
Non-current				
- later than one year but not later than five years	1,143,640	141,354	209,063	141,354
- later than five years	120,665	-	-	-
	1,700,345	240,675	519,063	240,675

The loans and borrowings are secured by:-

- (i) Legal charges over the Group's freehold land and buildings (Note 5), investment properties (Note 6), land held for property development (Note 7) and property development costs (Note 12);
- (ii) Assignment of part of the proceeds from the Proposed Rights Issue that was eventually completed on 31 March 2015;
- (iii) A specific debenture over the fixed and floating assets of certain subsidiary companies; and
- (iv) Legal charges over the Group's and Company's cash and bank balances (Note 17).

20. LOANS AND BORROWINGS (CONT'D.)

The range of interest rates at the reporting date are as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Revolving credit	4.85 – 5.36	-	4.85 – 5.30	-
Term loans	5.13 – 5.70	5.29	5.18	5.29
Bridging loans	5.05 – 5.61	-	-	-

21. OTHER PAYABLES

Other payables represent land costs payable under deferred payment terms that have been derived based on discounted cash flows. The discount rate used ranged from 5.00% to 5.63%.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
		Restated		
Current				
Trade payables				
Third parties	365,251	16,573	-	-
Accruals	114,731	15,902	-	-
	479,982	32,475	-	-
Other payables				
Other payables	81,260	3,194	1,069	977
Payroll liability	1,490	832	-	-
Land costs payable	561,005	-	-	-
Deposit received	193	197	-	-
Accruals	75,918	5,083	2,786	1,415
Advances received from contract customer	10,000	-	-	-
Obligation under joint arrangement (Note 9)	2,056	-	-	-
Amount owing to a subsidiary	-	-	9,021	30
	731,922	9,306	12,876	2,422
Total trade and other payables	1,211,904	41,781	12,876	2,422

22. TRADE AND OTHER PAYABLES (CONT'D.)**(a) Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

(b) Land costs payable

Land costs payable which is under deferred payment terms have been derived based on discounted cash flows ranging from 5.00% to 5.63%.

(c) Amount owing to a subsidiary

The amount owing to the subsidiary represents unsecured non-trade advances which are repayable on demand and bear interest rate of 3.53% (2014: interest free).

23. REVENUE

	Group		Company	
	Year	13 months	Year	13 months
	ended	ended	ended	ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Sale of properties	1,614,884	144,366	-	-
Construction contracts	4,410	3,962	-	-
Sale of other goods	92,767	67	-	-
Dividend income from subsidiaries	-	-	-	8,600
	1,712,061	148,395	-	8,600

24. COST OF SALES

	Group	
	Year ended	13 months ended
	31.10.2015	31.10.2014
	RM'000	RM'000
Property development costs	1,210,178	102,056
Construction contracts	4,410	3,962
Cost of other goods sold	85,575	61
	1,300,163	106,079

25. OTHER INCOME

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- subsidiaries	-	-	106,540	6,347
- joint venture	178	-	178	-
- deposits	8,671	292	8,178	38
- overdue account	509	1,049	-	-
- others	3,676	293	172	*
Gain on disposal of plant and equipment	-	26	-	-
Bargain purchase gain from acquisition of a subsidiary	176	-	-	-
Net gain from compulsory disposal of land	2,266	-	-	-
Rental income	134	-	-	-
Unrealised gain on foreign exchange differences	22	-	-	-
Sundry income	4,230	231	-	-
	19,862	1,891	115,068	6,385

* Represents RM58

26. FINANCE COSTS

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Term loan interest	15,444	2,360	22,893	5,592
Revolving credit interest	1,926	236	7,312	-
Interest payable to a subsidiary	-	-	73	-
Others	2,973	376	1,446	-
	20,343	2,972	31,724	5,592

27. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:-

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
After charging:-				
Auditors' remuneration				
- statutory audits				
- current year	341	160	70	40
- prior year	49	-	17	-
- other services	16	24	16	11
Depreciation of plant and equipment (Note 5)	17,200	455	96	43
Directors' remuneration (Note 29)	18,736	1,887	7,369	1,418
Impairment of investment in a subsidiary (Note 8)	-	-	10,094	-
Plant and equipment written off (Note 5)	16	54	-	-
Prepaid development expenditure written off	958	-	-	-
Rental expense				
- office	6,055	580	-	-
- others	569	66	-	-
Realised foreign exchange loss	262	8	-	-
Employee benefits expense (Note 28)	110,389	4,886	-	-
Professional fees relating to mandatory take over offer by Eco World Development Holdings Sdn. Bhd.	-	799	-	799
Donation to Eco World Foundation	1,000	1,000	-	1,000

28. EMPLOYEE BENEFITS EXPENSE

	Group	
	Year ended	13 months ended
	31.10.2015	31.10.2014
	RM'000	RM'000
Salaries and allowances	87,837	4,055
Defined contribution plan	10,689	519
Social security contributions	319	9
Staff welfare	11,544	303
	110,389	4,886

29. DIRECTORS' REMUNERATION

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

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Executive directors				
Salaries, bonus and other emoluments	10,154	445	-	-
Defined contribution plan	999	24	-	-
Estimated monetary value of benefits-in-kind	214	-	-	-
	11,367	469	-	-
Non-executive directors				
Other emoluments	1,129	648	1,129	648
Fees	2,178	770	2,178	770
Estimated monetary value of benefits-in-kind	4,062	-	4,062	-
	7,369	1,418	7,369	1,418
Total directors' remuneration (Note 27 and 34 (c))	18,736	1,887	7,369	1,418

30. TAXATION

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current tax				
- current year	68,449	7,236	18,544	-
- prior year	3,293	(8)	8	1
	71,742	7,228	18,552	1
Deferred tax (Note 11)				
- current year	(39,191)	(1,719)	(3)	-
- prior years	(2,489)	(595)	12	-
	(41,680)	(2,314)	9	-
	30,062	4,914	18,561	1

Current tax is calculated at the Malaysian statutory income tax rate of 25% (2014: 25%).

Deferred tax for the current financial year is calculated at 24% which is the statutory income tax rate which will take effect from the year of assessment 2016.

The reconciliations from the tax amount at the statutory income tax rate to the tax expense recognised in the income statement is as follows:-

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	73,918	12,092	60,312	1,615
Tax at applicable statutory tax rate of 25%	18,480	3,023	15,078	404
Tax effects arising from:				
- non-taxable income	(2,165)	-	(2,165)	(2,150)
- non-deductible expenses	8,882	2,478	5,628	1,746
- deferred tax asset not recognised	2,432	16	-	-
- differential in tax rates	1,629	-	-	-
- under/ (over) accrual in prior year	804	(603)	20	1
Tax expense for the year/ period	30,062	4,914	18,561	1

31. EARNINGS PER SHARE

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

The weighted average number of ordinary shares in issue for the previous financial period has been restated to reflect the Share Split during the year.

	Group	
	Year ended	13 months ended
	31.10.2015	31.10.2014
	RM'000	RM'000
Profit after taxation attributable to owners of the Company	43,952	7,181
Weighted average number of ordinary shares:-	'000	'000
Issued ordinary shares at beginning of financial period/ year	253,317	253,317
Effect of issuance of ordinary shares pursuant to:		
- Share Split	253,317	253,317
- Shares Subscription	592,425	-
- Rights Issue	386,847	-
- Private Placement	179,209	-
Weighted average number of ordinary shares in issue	1,665,115	506,634
Basic earnings per ordinary share (sen)	2.64	1.42 [^]

[^] Restated to take into account 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

31. EARNINGS PER SHARE (CONT'D.)

Diluted earnings per share has been calculated by dividing the Group profit after tax attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:-

	Group	
	Year ended	13 months ended
	31.10.2015	31.10.2014
	RM'000	RM'000
Profit after taxation attributable to owners of the Company	43,952	7,181
Weighted average number of ordinary shares for basic earnings per share	'000 1,665,115	'000 506,634
Effect of dilution:		
- effect of potential exercise of Warrants	*	-
Weighted average number of ordinary shares for diluted earnings per share	1,665,115	506,634
Diluted earnings per ordinary share (sen)	2.64	1.42 [^]

* 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.

[^] Restated to take into account 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.

Diluted earnings per share for the previous financial period is equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

32. DIVIDENDS

A first and final dividend of 1 sen per ordinary share amounting to RM2,533,170 was paid on 23 April 2014 in respect of the financial year ended 30 September 2013.

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 October 2015.

33. COMMITMENTS AND CONTINGENT LIABILITIES**(a) Capital commitments**

- (i) The Group and the Company have made commitments for the following capital expenditure:-

	Group	
	2015	2014
	RM'000	RM'000
Approved and contracted for:-		
Acquisition of development land		
- Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor	-	423,607
- Mukim Beranang, Daerah Ulu Langat, Selangor	202,798	202,798
- Mukim Ijok, Daerah Kuala Selangor	1,157,709	-
Acquisition of property, plant and equipment	2,087	3,138
Net contractual commitment for acquisition of development rights	-	1,687,367 *
Acquisition of subsidiaries	-	#
	1,362,594	2,316,910

* *The gross contractual commitment for the acquisition of Development Rights is RM3,785.8 million as stated in Note 40. After taking into consideration the deposits paid and the Group's obligation to repay existing land loans and unpaid land costs of RM88.8 million and RM2,009.6 million respectively, the net contractual commitment is RM1,687.4 million.*

Represents RM4

- (ii) On 21 April 2015, the Company accepted a Letter of Award from the Penang Development Corporation ("PDC") for the proposed development of 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang for a total consideration of RM796.3 million of which an initial deposit of RM168.8 million (inclusive of 6% GST) has been paid.

(b) Operating lease commitments – as lessee

The Group has entered into non-cancellable operating lease arrangements. The leases have tenures of 1-3 years, with option to renew upon expiry.

Future minimum rental payables at the reporting date are as follows:-

	Group	
	2015	2014
	RM'000	RM'000
Not later than 1 year	3,522	2,100
Later than 1 year but not later than 3 years	351	1,925
	3,873	4,025

33. COMMITMENTS AND CONTINGENT LIABILITIES (CONT'D.)**(c) Contingent liabilities**

The guarantees provided by the Company in connection with the performance and discharge of obligations assumed by its subsidiaries under and pursuant to the acquisition of Development Rights as disclosed in Note 40 are as follows:-

	Company	
	2015	2014
	RM'000	RM'000
Secured	1,863,005	-
Unsecured	432,342	-
	2,295,347	-

Nominal amount of RM1,863,005,000 (2014: RM Nil) is secured by legal charges over the subsidiaries' freehold land and buildings (Note 5), investment properties (Note 6), land held for property development (Note 7) and property development costs (Note 12).

34. SIGNIFICANT RELATED PARTY DISCLOSURES**(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 entities.

Related parties of the Group include:-

- (i) Company's holding company;
- (ii) Entities having significant influence over the Group;
- (iii) Subsidiaries;
- (iv) Associates;
- (v) Joint ventures;
- (vi) Entities in which directors have substantial financial interests; and
- (vii) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**(b) Significant related party transactions and balances**

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	Year ended	13 months ended	Year ended	13 months ended	2015	2014	2015	2014
	31.10.2015	31.10.2014	31.10.2015	31.10.2014	RM'000	RM'000	RM'000	RM'000
Transactions with:- subsidiary companies								
Dividend income	-	-	-	8,600	-	-	-	-
Interest receivable	-	-	106,540	6,347	-	-	112,552	6,347
Interest payable	-	-	73	-	-	-	73	-
Transactions with:- a joint venture								
Advances	12,722	-	12,722	-	12,722	-	12,722	-
Sales of building materials	81	-	-	-	81	-	-	-
Interest receivable	178	-	178	-	178	-	178	-

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**(b) Significant related party transactions and balances (Cont'd.)**

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	Year ended	13 months ended	Year ended	13 months ended	2015	2014	2015	2014
	31.10.2015	31.10.2014	31.10.2015	31.10.2014	RM'000	RM'000	RM'000	RM'000
A company in which certain directors have interests *								
Deposits paid for the acquisition of development rights	-	88,809	-	-	-	-	-	-
Acquisition of development rights	1,789,423 #	-	-	-	-	-	-	-
Acquisition of Eco Macalister Development Sdn. Bhd.	^	-	-	-	-	-	-	-
Acquisition of Eco World Project Management Sdn. Bhd.	^	-	-	-	-	-	-	-
Total reimbursable sum paid	222,817	-	-	-	-	-	-	-
Purchase of plant and equipment	10,493	-	-	-	-	-	-	-
Interest paid	1,447	-	-	-	-	-	-	-

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

^ Represents RM2

After deducting the Group's obligation to repay existing land loans and unpaid land costs totalling RM1,907.6 million.

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

(b) Significant related party transactions and balances (Cont'd.)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	Year ended	13 months ended	Year ended	13 months ended				
	31.10.2015	31.10.2014	31.10.2015	31.10.2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sales of development properties to directors	8,356	-	-	-	1,726	-	-	-
Sales of development properties to companies in which certain directors have interest	30,749	-	-	-	11,063	-	-	-
Sales of development properties to immediate family members of certain directors	12,190	-	-	-	(51)	-	-	-
Rental paid to a company in which a director has interest	360	-	-	-	-	-	-	-
Commission charged to a company in which certain directors have interest	1,289	-	-	-	1,424	-	-	-
Sales of development properties to directors of subsidiary companies	3,584	-	-	-	155	-	-	-

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year/ period is as follows:-

	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	17,372	1,507	1,129	648
Defined contribution plan	1,639	32	-	-
Fees	2,185	770	2,178	770
Benefit-in-kind	4,295	-	4,062	-
	25,491	2,309	7,369	1,418
Included in the key management personnel remuneration is:-				
	Group		Company	
	Year ended	13 months ended	Year ended	13 months ended
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 29)	18,736	1,887	7,369	1,418

35. FINANCIAL INSTRUMENTS

(a) Financial risk management and objectives

The Group's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, foreign currency exchange risk, liquidity and cash flow risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

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

35. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Financial risk management and objectives (Cont'd.)

(i) Credit risk

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

The Group minimises and monitors its credit risk by dealing with creditworthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group 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 maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

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

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:-

- (i) the carrying amount of each class of financial assets recognised in the statements of financial position;
- (ii) the nominal amount of RM678,300,000 (2014: RM86,000,000) relating to corporate guarantees provided by the Company to a licensed financial institutions on credit facilities of the subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

As at the reporting date, there was no indication that the subsidiaries will default on repayment.

The fair value of the above financial guarantees have not been recognised since the fair value on initial recognition was not material.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 15 to the financial statements. 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.

Financial assets that are past due and impaired

There are no trade and other receivables and deposits with licensed banks that are past due and impaired.

35. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Financial risk management and objectives (Cont'd.)

(ii) Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

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

	Less than 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
2015				
Financial liabilities				
Trade and other payables*	1,219,771	533,306	-	1,753,007
Loans and borrowings	521,011	1,290,486	122,987	1,934,484
Total undiscounted financial liabilities	1,740,782	1,823,792	122,987	3,687,561
2014 (restated)				
Financial liabilities				
Trade and other payables	41,781	-	-	41,781
Loans and borrowings	102,851	166,991	-	269,842
Total undiscounted financial liabilities	144,632	166,991	-	311,623

* Excluded advances received from contract customer

35. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Financial risk management and objectives (Cont'd.)

(ii) Liquidity Risk (Cont'd.)

Analysis of financial instruments by remaining contractual maturities (Cont'd.)

	Less than 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Company				
2015				
Financial liabilities				
Trade and other payables	12,876	-	-	12,876
Loans and borrowings	336,819	230,678	-	567,497
Financial guarantee contracts	-	678,300	-	678,300
Total undiscounted financial liabilities	349,695	908,978	-	1,258,673
2014				
Financial liabilities				
Trade and other payables	2,422	-	-	2,422
Loans and borrowings	102,851	166,991	-	269,842
Financial guarantee contracts	-	86,000	-	86,000
Total undiscounted financial liabilities	105,273	252,991	-	358,264

35. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Financial risk management and objectives (Cont'd.)

(iii) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from floating rate loans and borrowings amounting to RM1,700,345,000 (2014: RM240,675,000) and RM519,063,000 (2014: RM240,675,000) respectively.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 (2014: 10) basis points lower/ higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been approximately RM774,000 (2014: RM62,000) and RM973,000 (2014: RM182,000) higher/ lower respectively, arising mainly as a result of lower/ higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(iv) Foreign currency risk

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

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

The directors believe that the impact of foreign exchange fluctuation will not significantly affect the profitability of the Group. As such, sensitivity analysis is not presented.

(b) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:-

35. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Classification of financial instruments (Cont'd.)

	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group			
2015			
Financial assets			
Trade and other receivables	310,961	-	310,961
Cash and bank balances	517,176	-	517,176
Total carrying amount	828,137	-	828,137
Financial liabilities			
Trade and other payables *	-	1,687,439	1,687,439
Loans and borrowings	-	1,700,345	1,700,345
Total carrying amount	-	3,387,784	3,387,784
2014			
Financial assets			
Trade and other receivables	45,481	-	45,481
Cash and bank balances	43,423	-	43,423
Total carrying amount	88,904	-	88,904
Financial liabilities			
Trade and other payables	-	41,781	41,781
Loans and borrowings	-	240,675	240,675
Total carrying amount	-	282,456	282,456

* Excluded advances received from contract customer

35. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Classification of financial instruments (Cont'd.)

	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
2015			
Financial assets			
Trade and other receivables	3,137,585	-	3,137,585
Cash and bank balances	226,115	-	226,115
Total carrying amount	3,363,700	-	3,363,700
Financial liabilities			
Trade and other payables	-	12,876	12,876
Loans and borrowings	-	519,063	519,063
Total carrying amount	-	531,939	531,939
2014			
Financial assets			
Trade and other receivables	263,775	-	263,775
Cash and bank balances	15,872	-	15,872
Total carrying amount	279,647	-	279,647
Financial liabilities			
Trade and other payables	-	2,422	2,422
Loans and borrowings	-	240,675	240,675
Total carrying amount	-	243,097	243,097

35. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Fair value of financial instruments

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:-

(i) Cash and bank balances, trade and other receivables and payables

The carrying amounts of cash and bank balances, trade and other current receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments. The fair value of non-current land costs payable is estimated by discounting future cash flow using current lending rates for similar types of arrangements.

(ii) Borrowings

The carrying amounts of the current portion of 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.

(d) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, the lowest level input that is significant to the fair value measurement as a whole:-

- (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).

35. FINANCIAL INSTRUMENTS (CONT'D.)

(d) Fair value measurement (Cont'd.)

Except for non-current land costs payable, the carrying amounts of the financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values.

	Fair value of financial instruments not carried at fair value			
	Amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2015				
Group				
Non-current				
Land costs payable	485,535	-	-	485,535

Policy on transfer between levels

The fair value of asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year/ period ended 31 October 2015 and 2014, there was no transfer between the fair value measurement hierarchy.

36. SEGMENT REPORTING

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

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that it maintains healthy capital ratio in order to support its business, enable future developments and maximise shareholders' value.

The Group reviews and manages the capital structure regularly and make adjustment to address changes in the economic environment and risk characteristic inherent in its business operation. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders.

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

37. CAPITAL MANAGEMENT (CONT'D.)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings (Note 20)	1,700,345	240,675	519,063	240,675
Less: Cash and bank balances (Note 17)	(517,176)	(43,423)	(226,115)	(15,872)
Net debt	1,183,169	197,252	292,948	224,803
Total equity attributable to the owners of the Company	3,156,875	325,864	3,050,665	222,754
Net gearing ratio	0.37	0.61	0.10	1.01

The Group and certain subsidiaries are required to comply with certain debt equity ratio and interest coverage ratio in respect of the term loans, bridging loans and revolving credit facilities.

Gearing ratios are not governed by Financial Reporting Standards and their definitions and calculations may vary between reporting entities.

38. SIGNIFICANT EVENTS

(l) The following are the corporate proposals previously announced by the Group that were completed during the financial year:-

(a) Eco Sanctuary Land Acquisition

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

The Eco Sanctuary Land Acquisition was completed on 31 March 2015;

38. SIGNIFICANT EVENTS (CONT'D.)

(l) The following are the corporate proposals previously announced by the Group that were completed during the financial year:- (Cont'd.)

- (b) - Eco Macalister Sdn. Bhd. Acquisition
- Eco World Project Management Sdn. Bhd. Acquisition
- Development Rights Acquisition
- Subscription of shares in the Company by Eco World Development Holdings Sdn. Bhd. and Sinarmas Harta Sdn. Bhd.
- Rights Issue
- Private Placement of shares

On 6 February 2015, the Company announced the completion of the following:-

- (aa) the acquisition of Eco Macalister Development Sdn. Bhd. (formerly known as Bintang Dedikasi Sdn. Bhd.), a wholly-owned subsidiary of Eco World Development Sdn. Bhd. ("EW Sdn. Bhd."), for a cash consideration of RM2.00;
- (bb) the acquisition of Eco World Project Management Sdn. Bhd., a wholly-owned subsidiary of EW Sdn. Bhd., for a cash consideration of RM2.00;
- (cc) the acquisition of Development Rights from certain subsidiaries of EW Sdn. Bhd. for an aggregate net consideration of RM1,789.4 million after taking into consideration the Group's obligation to repay existing land loans and unpaid land costs totalling RM1,907.6 million; and
- (dd) the Share Subscription by Eco World Development Holdings Sdn. Bhd. and Sinarmas Harta Sdn. Bhd. of an aggregate of 806,846,852 new ordinary shares of RM0.50 each in the Company, for an aggregate cash consideration of RM1,371.6 million.

On 5 March 2015, the Company issued the Abridged Prospectus in relation to the renounceable rights issue of 656,740,426 new ordinary shares of RM0.50 each ("Rights Shares") together with 525,392,340 free detachable Warrants ("Warrants") ("the Rights Issue").

On 31 March 2015, the Company announced the completion of the Rights Issue, following the listing of 656,740,426 Rights Shares and 525,392,340 Warrants on the Main Market of Bursa Securities. Gross proceeds raised under the Rights Issue amounted to RM788,088,511.

On 19 May 2015, the Company announced the completion of the Private Placement following the listing of 394,044,000 Placement Shares on the Main Market of Bursa Securities. Gross proceeds raised under the Placement amounted to RM638,351,280.

38. SIGNIFICANT EVENTS (CONT'D.)

(I) The following are the corporate proposals previously announced by the Group that were completed during the financial year:- (Cont'd.)

- (c) Bukit Bintang City Centre Joint Venture

On 4 February 2015, the Company entered into a subscription and shareholders' agreement with UDA Holdings Berhad ("UDA"), the Employees Provident Fund Board ("EPF") and BBCC Development Sdn. Bhd. ("BBCC Development"), whereby the Company, UDA and EPF agree to invest and fund BBCC Development as the vehicle to undertake a joint development of a piece of land into a mixed residential and commercial development comprising, amongst others, a retail mall, an entertainment block, strata offices, office towers, a hotel and serviced residences, to be known as "Bukit Bintang City Centre".

The proposed joint venture was approved by shareholders at the EGM held on 19 August 2015.

The proposed joint venture became unconditional as at 30 September 2015.

(II) The following are the corporate proposals announced by the Group that were not completed as at 31 October 2015:-

- (a) Proposed Semenyih Land Acquisition

On 2 July 2014, Eco Majestic Development Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with Univas (Far East) Sdn. Bhd. ("Vendor"), for the proposed acquisition of freehold land measuring approximately 492.66 acres in Mukim Beranang, Daerah Ulu Langat, Negeri Selangor ("Semenyih Land") for a purchase consideration of RM225,331,550.

The completion of the Proposed Semenyih Land Acquisition is subject to, among others, the fulfillment of conditions precedent and the performance by the parties of their respective obligations including the removal of caveat and/ or the disposal of litigation (as the case maybe) as set out in the SPA.

In the event the removal of caveat and/ or the disposal of litigation are not achieved on or before the unconditional date, the completion of the Proposed Semenyih Land Acquisition may be extended in the manner set out in the SPA.

The Proposed Semenyih Land Acquisition was approved by shareholders of the Company at the EGM held on 12 December 2014. On 30 November 2015, the Vendor has submitted the application to the Estate Land Board for the purpose of obtaining the approval to transfer the Semenyih Land. As announced on 31 March 2015, the period for fulfillment of the conditions precedent in the SPA has been extended to 2 April 2016.

38. SIGNIFICANT EVENTS (CONT'D.)

(II) The following are the corporate proposals announced by the Group that were not completed as at 31 October 2015:- (Cont'd.)

- (b) Proposed EWI Subscription

On 16 October 2014, the Company expressed its interest to subscribe for 1,125,000,000 ordinary shares of RM0.01 each in Eco World International Sdn. Bhd. (formerly known as Eco World International Berhad) ("EWI") ("EWI Shares") together with 1,125,000,000 free detachable warrants at an indicative subscription price of RM0.50 per EWI Share for an indicative aggregate consideration of RM562.5 million. It was then the intention of EWI to apply to the relevant authorities for an IPO and listing of its securities as a Special Purpose Acquisition Company ("SPAC") on the Main Market of Bursa Malaysia Securities Berhad.

On 17 June 2015, the Board was notified by EWI of it's intention to withdraw its proposed listing application as a SPAC and to instead pursue an IPO and listing of its securities on the Main Market of Bursa Malaysia Securities Berhad via the Market Capitalisation Route ("Proposed IPO").

On 10 December 2015, the Company expressed its interest to subscribe up to 30% of EWI's enlarged share capital under the Proposed IPO, subject to the approval of the relevant authorities and the Company's shareholders.

- (c) Proposed Eco Marina Development

On 21 April 2015, the Company accepted the letter of award from the Penang Development Corporation ("PDC") in relation to the proposed development of approximately 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang.

The Proposed Eco Marina Development comprises the following:-

- (i) purchase and develop the parcel into a mixed development, for an estimated consideration of approximately RM730.93 million; and
- (ii) lease of a lease parcel for a 30-year period with an option for renewal for a further 30-year period for the development of a golf course for an estimated consideration of RM65.34 million.

As announced on 22 September 2015, PDC agreed to extend the Planning Permission Period for a period of 6 months until 26 March 2016 and the Shareholder Approval Period for a period of 3 months until 26 December 2015.

The Proposed Eco Marina Development was approved by shareholders at the EGM held on 13 October 2015.

38. SIGNIFICANT EVENTS (CONT'D.)

(II) The following are the corporate proposals announced by the Group that were not completed as at 31 October 2015:- (Cont'd.)

(d) Proposed Ijok Land Acquisition

On 22 September 2015, Paragon Pinnacle Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into the following agreements:-

- (i) a conditional sale and purchase agreement with Mujur Zaman Sdn. Bhd. ("MZSB") for the proposed acquisition of 11 pieces of land all in Mukim Ijok, District of Kuala Selangor, State of Selangor measuring in aggregate approximately 1,107.30 acres for a total cash consideration of RM578,807,856;
- (ii) a conditional sale and purchase agreement with Ringgit Exotika Sdn. Bhd. ("RESB") for the proposed acquisition of a piece of land in Mukim Ijok, District of Kuala Selangor, State of Selangor measuring in aggregate approximately 86.35 acres for a total cash consideration of RM45,136,872;
- (iii) a conditional sale and purchase agreement with Liputan Canggih Sdn. Bhd. ("LCSB") for the proposed acquisition of 10 pieces of land all in Mukim Ijok, District of Kuala Selangor, State of Selangor measuring in aggregate of approximately 527.43 acres for a total cash consideration of RM218,261,083;
- (iv) a conditional sale and purchase agreement with MZSB for the proposed acquisition of 3 pieces of land all in Mukim Ijok, District of Kuala Selangor, State of Selangor measuring in aggregate of approximately 206.51 acres for a total cash consideration of RM146,722,701; and
- (v) a conditional sale and purchase agreement with LBCN Development Sdn. Bhd. ("LDSB") for the proposed acquisition of a piece of land in Mukim Ijok, District of Kuala Selangor, State of Selangor measuring in aggregate approximately 270.81 acres for a total cash consideration of RM192,407,025.

The Proposed Ijok Land Acquisition is pending fulfillment of conditions precedent within the period commencing on the date of the SPAs and ending on 9 March 2016, or six months from the date of procurement of the Preliminary Letter. The Proposed Ijok Land Acquisition is expected to be completed in the financial year 2016.

39. SUBSEQUENT EVENT

Incorporation of Eco World Capital (L) Ltd ("EW Capital") as a wholly owned subsidiary of the Company on 2 November 2015.

40. ACQUISITION OF DEVELOPMENT RIGHTS

On 25 April 2014, certain subsidiaries had entered into conditional Development Rights Agreements ("DRA") with subsidiaries of Eco World Development Sdn. Bhd. to acquire Development Rights to develop 8 projects.

The acquisition became unconditional on 8 January 2015 and was completed on 6 February 2015 in accordance with the terms of the DRA.

In the period of 8 January 2015 to 31 October 2015, the projects acquired contributed revenue of RM1,434,947,000 and profit after tax of RM89,149,000 respectively. If the acquisitions had occurred on 1 November 2014, the Group estimates the consolidated revenue would have been RM1,799,517,000 and consolidated profit after tax for the financial year would have been RM36,701,000.

For the acquisition of Development Rights, the Group measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Subsequently, the assets acquired, liabilities assumed or incurred, and equity instruments issued in the business combination are measured in accordance with relevant FRS for those items, depending on their nature.

The fair value of assets acquired and liabilities assumed at the acquisition date is represented by the following:-

	2015 RM'000
Identifiable assets acquired and liabilities assumed	
Land held for property development	3,127,413
Property development cost	1,112,047
Other non-current asset	48,786
Trade and other receivables	111,021
Cash and bank balances	186,660
Trade and other payables	(265,560)
Progress billing	(234,784)
Unpaid land costs	(1,492,038)
Loans and borrowings	(503,626)
Identifiable net assets	2,089,919
Net cash outflow arising from acquisition of development rights	
Identifiable net assets	2,089,919
Less: Deposit paid in previous year (Note 16)	(88,809)
Purchase consideration settled in cash and cash equivalents	2,001,110
Cash and cash equivalents acquired	(186,660)
	1,814,450

41. ACQUISITION OF SUBSIDIARIES

- (a) On 8 January 2015, the Group acquired the entire issued and paid-up shares capital of Eco World Project Management Sdn. Bhd. and Eco Macalister Development Sdn. Bhd. for considerations of RM2 each.

In the period from 8 January 2015 to 31 October 2015, the subsidiaries contributed nil revenue and loss after tax of RM16,228,000.

If the acquisitions had occurred on 1 November 2014, the Group estimates that consolidated revenue would remain the same. Nevertheless, the estimated consolidated profit after tax would have been RM41,194,000.

The effect of the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date for both subsidiaries are individually immaterial. As such, the effects of the acquisitions are presented in aggregate.

Fair value of the identifiable assets acquired and liabilities recognised

	2015 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	*
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	88,460
Deferred tax assets	115
Trade and other receivables	126,768
Current tax assets	34
Cash and bank balances	8,975
Trade and other payables	(9,713)
Amount owing to Eco World Development Sdn. Bhd.	(173,297)
Loans and borrowings	(40,565)
Deferred tax liabilities	(601)
Identifiable net assets	176

* Represent RM4

41. ACQUISITION OF SUBSIDIARIES (CONT'D.)

- (a) **Fair value of the identifiable assets acquired and liabilities recognised (Cont'd.)**

	2015 RM'000
Net cash outflow arising from acquisition of subsidiaries	
Purchase consideration settled in cash and cash equivalents	*
Cash and cash equivalent acquired	8,975
Amount owing to Eco World Development Sdn. Bhd. assumed and settled	(173,297)
	(164,322)
Goodwill	
Total consideration transferred	*
Fair value of identifiable net assets	176
Bargain purchase gain recognised in profit or loss	176

* Represent RM4

- (b) On 27 March 2015, the Group acquired the remaining 60% equity interest in Natural Esplanade Sdn. Bhd. (Natural Esplanade) it did not already owned for a cash consideration of RM18. The carrying amount of Natural Esplanade net liabilities in the Group's financial statements on the date of acquisition was RM166,000. The Group recognised a decrease in retained earnings of RM99,000 and an increase in non-controlling interest at RM99,000.

The following summarises the effect of changes in the equity interest in Natural Esplanade that is attributable to owners of the Company:-

	2015 RM'000
Equity interest at the beginning of the year	(2)
Effect of increase in Company's ownership interest	(99)
Share of comprehensive loss	(70)
Equity interest at 31 October	(171)

42. CHANGES IN ACCOUNTING POLICY

As disclosed in Note 2.2.1 to the financial statements, the Group has departed from FRSIC 17 effective from the current financial year.

The effects of the adjustments are disclosed as follows:-

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Group			
Consolidated Statement of Financial Position			
31.10.2014			
Non-current assets			
Land held for property development	303,052	(6,965)	296,087
Current assets			
Property development costs	40,250	(1,160)	39,090
Non-current liabilities			
Provision for foreseeable losses	16,659	(16,659)	-
Current liabilities			
Trade and other payables	33,247	8,534	41,781
1.10.2013			
Non-current assets			
Land held for property development	301,535	(6,243)	295,292
Current assets			
Property development costs	82,212	(1,485)	80,727
Non-current liabilities			
Provision for foreseeable losses	15,330	(15,330)	-
Current liabilities			
Trade and other payables	29,214	7,602	36,816

43. COMPARATIVE FIGURES

The comparative figures for the 13 months ended 31 October 2014 have been audited by another firm of chartered accountants other than Messrs Baker Tilly Monteiro Heng.

SUPPLEMENTARY INFORMATION ON
THE DISCLOSURE OF REALISED AND
UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained earnings or accumulated losses of the Group and the Company as at 31 October are as follows:-

	Group		Company	
	2015	2014	2015	2014
	RM’000	RM’000	RM’000	RM’000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries:-				
- realised	140,271	61,345	11,175	(30,585)
- unrealised	22,321	2,876	(9)	-
	162,592	64,221	11,166	(30,585)
Total share of losses from a joint venture:-				
- realised	(2,056)	-	-	-
- unrealised	-	-	-	-
	(2,056)	-	-	-
Add: Consolidation adjustments	(44,152)	8,310	-	-
Retained earnings/ (accumulated losses) as per financial statements	116,384	72,531	11,166	(30,585)

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, **DATO’ CHANG KHIM WAH** and **DATUK HEAH KOK BOON**, being two of the directors of **ECO WORLD DEVELOPMENT GROUP BERHAD**, state that, in the opinion of the directors, the financial statements set out on pages 90 to 185 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 October 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 186 have been prepared in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

.....
DATO’ CHANG KHIM WAH
Director

Shah Alam
Date: 10 December 2015

.....
DATUK HEAH KOK BOON
Director

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **DATUK HEAH KOK BOON**, being the director primarily responsible for the financial management of **ECO WORLD DEVELOPMENT GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 90 to 185 and the supplementary information set out on page 186 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 in the state of Selangor Darul Ehsan on 10 December 2015.

Before me,

.....
Sirendar Singh
B458
Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of Eco World Development Group Berhad, which comprise the statements of financial position as at 31 October 2015 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 90 to 185.

Directors’ Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 October 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

- (a)
- In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

- (b)
- We have considered the financial statements and the auditors’ report of the subsidiary of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- (c)
- We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company’s financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d)
- The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 186 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

- (a)
- The financial statements of the Group and the Company for the financial period ended 31 October 2014 were audited by another firm of chartered accountants whose report dated 10 December 2014, expressed an unmodified opinion on those financial statements.
- (b)
- This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Dato’ Lock Peng Kuan
No. 2819/10/16(J)
Chartered Accountant

Kuala Lumpur

Date: 10 December 2015

LIST OF PROPERTIES
HELD BY THE GROUP
As at 31 October 2015

No.	Location	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1.	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Land under development and held for development	25-Apr-14	18,649,708	Freehold	1,058,918
2.	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Land under development and held for development	25-Apr-14	12,698,793	Freehold	721,186
3.	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Land under development and held for development	25-Apr-14	11,561,306	Freehold	707,148
4.	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim.	Land under development and held for development	25-Apr-14	7,179,604	Freehold	588,610
5.	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Land under development and held for development	25-Apr-14	10,007,910	Freehold	539,544
6.	Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor Darul Ehsan	Land under development and held for development	19-Mar-14	10,375,549	Leasehold Expiring: Year 2110	537,067
7.	Mukim Plentong, Daerah Johor Bahru Johor Darul Takzim	Land under development and held for development	1994	30,786,931	Freehold	387,277
8.	Mukim 9 & 14, Daerah Seberang Perai Selatan, Pulau Pinang	Land under development and held for development	25-Apr-14	2,514,998	Freehold	129,132
9.	Mukim 13, Daerah Utara-Timur, Pulau Pinang	Land under development	25-Apr-14	473,563	Freehold	105,481
10.	Mukim of Batu, Daerah Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur	Land under development	25-Apr-14	112,637	Freehold	76,287

STATISTICS ON SHAREHOLDINGS
Share Capital As At 29 January 2016

Authorised share capital	:	RM2,000,000,000
Issued share capital	:	2,364,265,278
Paid-up share capital	:	RM1,182,132,639
Class of share	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share

Distribution of shareholders as at 29 January 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	85	0.52	1,396	0.00
100 - 1,000	2,037	12.36	1,340,373	0.06
1,001 - 10,000	10,413	63.21	51,124,535	2.16
10,001 - 100,000	3,521	21.37	98,130,739	4.15
100,001 to less than 5% of issued shares	414	2.51	761,664,581	32.22
5% and above of issued shares	5	0.03	1,452,003,654	61.41
Total	16,475	100.00	2,364,265,278	100.00

STATISTICS ON SHAREHOLDINGS

Thirty (30) Largest Securities Account Holders
As At 29 January 2016

	Name of Shareholders	No. of Shares	%
1	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad For Sinarmas Harta Sdn. Bhd.	400,000,000	16.92
2	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Eco World Development Holdings Sdn. Bhd.	375,721,813	15.89
3	Sinarmas Harta Sdn. Bhd.	357,135,139	15.11
4	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	166,585,500	7.05
5	Liew Tian Xiong	152,561,202	6.45
6	CIMSEC Nominees (Tempatan) Sdn. Bhd. - Eco World Development Holdings Sdn. Bhd.	115,443,626	4.88
7	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Liew Tian Xiong	113,780,601	4.81
8	Kumpulan Wang Persaraan (Diperbadankan)	56,744,700	2.40
9	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	27,000,000	1.14
10	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tun Dato' Seri Zaki Bin Tun Azmi	26,187,500	1.11
11	HSBC Nominees (Asing) Sdn. Bhd. - Fullerton Lux Funds	20,157,250	0.85
12	How Teng Teng	20,000,000	0.85
13	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AMUNDI)	18,524,700	0.78
14	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Yayasan Hasanah (AUR-VCAM)	16,913,900	0.72
15	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AM INV)	13,228,200	0.56

STATISTICS ON SHAREHOLDINGS

Thirty (30) Largest Securities Account Holders
As At 29 January 2016

	Name of Shareholders	No. of Shares	%
16	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad For Voon Tin Yow	13,010,000	0.55
17	Eco World Development Holdings Sdn. Bhd.	12,100,000	0.51
18	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity Fd)	11,000,000	0.47
19	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AFFIN-HWG)	9,693,000	0.41
20	Tokio Marine Life Insurance Malaysia Bhd - As Beneficial Owner (PF)	8,800,000	0.37
21	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Dato' Chang Khim Wah	8,590,000	0.36
22	HSBC Nominees (Asing) Sdn. Bhd. - Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)	8,072,400	0.34
23	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Beh Kim Ling	7,819,500	0.33
24	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Trustees Berhad For Public Ittikal Fund	7,610,000	0.32
25	Teow Leong Seng	6,721,250	0.28
26	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (NOMURA)	5,667,300	0.24
27	AmanahRaya Trustees Berhad - Public Islamic Select Treasures Fund	5,340,000	0.23
28	Pertubuhan Keselamatan Sosial	5,051,300	0.21
29	HSBC Nominees (Asing) Sdn. Bhd. - BBH and Co Boston For Vanguard Global EX-U.S. Real Estate Index Fund	4,460,400	0.19
30	Citigroup Nominees (Tempatan) Sdn. Bhd. - Allianz Life Insurance Malaysia Berhad (P)	4,362,000	0.18
		1,998,281,281	84.52

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Sinarmas Harta Sdn. Bhd.	757,135,139	32.02	-	-
Eco World Development Holdings Sdn. Bhd.	503,265,439	21.29		
Mr Liew Tian Xiong	266,341,803	11.27		
Employees Provident Fund Board	213,698,700	9.04	-	-
Tan Sri Abdul Rashid bin Abdul Manaf	-	-	503,265,439*	21.29
Dato' Leong Kok Wah	-	-	1,260,400,578^	53.31
Syabas Tropikal Sdn. Bhd.	-	-	757,135,139#	32.02
*	Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 ("the Act").			
^	Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 6A of the Act.			
#	Deemed interested by virtue of its interest in Sinarmas Harta Sdn. Bhd. pursuant to Section 6A of the Act.			

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid bin Abdul Manaf	-	-	503,265,439*	21.29
Tan Sri Dato' Sri Liew Kee Sin	-	-	20,000,000^	0.85
Dato' Leong Kok Wah	-	-	1,260,400,578#	53.31
Dato' Chang Khim Wah	8,650,000	0.37	-	-
Dato' Voon Tin Yow	14,065,600	0.59	-	-
Datuk Heah Kok Boon	1,609,300	0.07	-	-
Mr Liew Tian Xiong	266,341,803	11.27	-	-
Tan Sri Lee Lam Thye	2,000,000	0.08	-	-
Mr Tang Kin Kheong	-	-	-	-
Dato' Idrose bin Mohamed	-	-	-	-
Dato' Haji Obet bin Tawil	-	-	-	-
Dato' Noor Farida binti Mohd Ariffin	-	-	-	-
*	Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Act.			
^	Deemed interested by virtue of his spouse's interest in the Company pursuant to Section 134 of the Act.			
#	Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 6A of the Act.			

No. of warrants issued : 525,392,340
Exercise price of warrants : RM2.08
Expiry date : 26 March 2022

Distribution of warrant holders as at 29 January 2016

Size of warrant holdings	No. of warrant holders	%	No. of Warrants	%
Less than 100	570	10.66	41,442	0.01
100 - 1,000	1,094	20.46	751,978	0.14
1,001 - 10,000	2,629	49.17	11,108,867	2.12
10,001 - 100,000	909	17.00	28,364,087	5.40
100,001 to less than 5% of issued warrants	142	2.66	50,554,663	9.62
5% and above of issued warrants	3	0.05	434,571,303	82.71
Total	5,347	100.00	525,392,340	100.00

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 ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tun Dato' Seri Zaki Bin Tun Azmi	5,650,000	1.08
5 AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad For Voon Tin Yow	1,336,000	0.25
6 Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Su Suit Chai	1,302,000	0.25
7 ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Dato' Chang Khim Wah	1,224,000	0.23
8 Tan Ley Khoon	1,217,800	0.23
9 Aun Chia Hong	1,200,000	0.23
10 Tokio Marine Life Insurance Malaysia Bhd - As Beneficial Owner (PF)	1,200,000	0.23
11 Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Loong Ching Hong	1,115,000	0.21
12 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	1,104,000	0.21
13 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LPF)	1,062,980	0.20
14 Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tan Siow Yee	950,000	0.18
15 Tay Koo Hui	924,400	0.18

Name of Warrant Holders		No. of Warrants	%
16	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Gan Ber Koon	900,000	0.17
17	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tun Dato' Seri Zaki Bin Tun Azmi	800,000	0.15
18	Lim Gaik Bway @ Lim Chiew Ah	747,700	0.14
19	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	685,440	0.13
20	HSBC Nominees (Asing) Sdn. Bhd. - Fullerton Lux Funds	672,280	0.13
21	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LSF)	647,600	0.12
22	HSBC Nominees (Asing) Sdn. Bhd. - Exempt AN For Coutts & Co Ltd (Sg Branch)	570,080	0.11
23	Wong Wai Lee	548,600	0.10
24	Ang Kai Chan	500,000	0.10
25	Ng Fook Kwai	500,000	0.10
26	Wong Yon Yam	496,560	0.09
27	Tan Cheng Yong	492,000	0.09
28	Teow Leong Seng	459,000	0.09
29	HSBC Nominees (Asing) Sdn. Bhd. - BBH and Co Boston For Vanguard Global EX-U.S. Real Estate Index Fund	450,320	0.09
30	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Ong Kek Seng	440,000	0.08
		461,767,063	87.89

Name	Direct	No. of Warrants held		%
		%	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^	69.20
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	-	-
Mr Liew Tian Xiong	71,024,481	13.52	-	-
Tan Sri Lee Lam Thye	-	-	-	-
Mr Tang Kin Kheong	-	-	-	-
Dato' Idrose bin Mohamed	-	-	-	-
Dato' Haji Obet bin Tawil	-	-	-	-
Dato' Noor Farida binti Mohd Ariffin	-	-	-	-

* Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 6A of the Act.
^ Deemed interested by virtue of his interest in Eco World Development Holdings Sdn. Bhd. and Syabas Tropikal Sdn. Bhd. pursuant to Section 6A of the Act.

NOTICE OF

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Second Annual General Meeting (“42nd AGM”) of Eco World Development Group Berhad will be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 24 March 2016 at 11.45 a.m. for the following purposes:

AGENDA

1.

To receive the Directors’ Report and Audited Financial Statements for the financial year ended 31 October 2015 together with the Auditors’ Report thereon.

(Please refer to Explanatory Note 1)
2.

To approve the payment of Directors’ Fees for the financial year ended 31 October 2015.

(Resolution 1)
3.

To reelect the following Directors who are retiring by rotation in accordance with Article 80 of the Articles of Association of the Company:

(a)

Dato’ Leong Kok Wah

(Resolution 2)

(b)

Tan Sri Lee Lam Thye

(Resolution 3)

(c)

Dato’ Idrose Bin Mohamed

(Resolution 4)
4.

To reelect the following Directors who are retiring in accordance with Article 87 of the Articles of Association of the Company:

(a)

Dato’ Voon Tin Yow

(Resolution 5)

(b)

Dato’ Noor Farida Binti Mohd Ariffin

(Resolution 6)
5.

To reappoint 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 BUSINESSES

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:

6.
- Ordinary Resolution 1

- Authority to issue and allot shares

THAT subject always to the Companies Act 1965 (“the Act”), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the 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 issued share capital of the Company for the time being AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

(Resolution 8)

(Please refer to Explanatory Note 2)

7.
- Ordinary Resolution 2

- Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

THAT subject to the provisions of the Listing Requirements, approval be and is hereby given to the Company, its subsidiaries and joint ventures (“EW Group”) to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature of the EW Group with specified classes of Related Parties (as defined in the Listing Requirements and as specified in Section 2.3.1 of the Company’s Circular dated 26 February 2016) which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms’ length basis on normal commercial terms of the EW Group on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company’s opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

- (a)

the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b)

the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c)

revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

(Resolution 9)

(Please refer to Explanatory Note 3)

8.
- To transact any other business of which due notice has been given.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)

Mak Chooi Peng (MAICSA 7017931)

Company Secretaries

Kuala Lumpur
26 February 2016

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 169(1) 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 6 of the Agenda - Authority to issue shares pursuant to Section 132D of the Act

The above Resolution 8 is for the purpose of seeking a renewal of the general mandate to empower the Directors of the Company pursuant to Section 132D of the Act, from the date of the above Meeting, 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 issued share capital 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 Section 132D of the Act, as granted at the Forty-First AGM of the Company held on 19 March 2015.

However, the Company issued 1,857,631,278 new ordinary shares of RM0.50 each pursuant to a fund raising exercise comprising Share Subscription, Rights Issue and Private Placement (**“Corporate Exercises”**) which was approved by its shareholders at the Extraordinary General Meeting (**“EGM”**) held on 12 December 2014. Details of the total proceeds raised from the Corporate Exercises and its utilisation are disclosed in this Annual Report.

3. Item 7 of the Agenda - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed adoption of Resolution 9 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the AGM and EGM held on 19 March 2015 and 19 August 2015 respectively. The proposed renewal of the Shareholders' Mandate will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature to facilitate transactions in the normal course of business of the Company and/or its subsidiary companies which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on normal commercial terms and not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the proposed Resolution 9 is set out in the Circular to Shareholders dated 26 February 2016.

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 March 2016 shall be eligible to attend, speak and vote at the 42nd AGM.
2. A member entitled to attend and vote at the 42nd 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 and the provisions of Section 149 (1)(b) of the Act, need not be complied with. 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 42nd AGM shall have the same rights as the member to speak at the 42nd AGM. Notwithstanding this, a member entitled to attend and vote at the 42nd AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 42nd 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 42nd 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 42nd 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 42nd AGM or any adjournment thereof.

ECO WORLD DEVELOPMENT GROUP BERHAD (Company No. 17777-V)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

CDS Account No.	No. of Shares Held

I/We, _____ NRIC / Passport / Company No. _____
(NAME IN FULL AND IN BLOCK LETTERS)

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. _____
(NAME IN FULL AND IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

or failing him/her, _____ NRIC / Passport No. _____
(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-Second Annual General Meeting **(“42nd AGM”)** of the Company to be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 24 March 2016 at 11.45 a.m. or at any adjournment thereof for/against the resolutions to be proposed thereat.

No.	Ordinary Resolutions	For	Against
1.	Approval of Directors’ Fees		
2.	Reelection of Dato’ Leong Kok Wah		
3.	Reelection of Tan Sri Lee Lam Thye		
4.	Reelection of Dato’ Idrose Bin Mohamed		
5.	Reelection of Dato’ Voon Tin Yow		
6.	Reelection of Dato’ Noor Farida Binti Mohd Ariffin		
7.	Reappointment of Messrs Baker Tilly Monteiro Heng as Auditors of the Company		
8.	Authority to issue and allot shares		
9.	Proposed Shareholders’ Mandate		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

As witness my/our hand(s) this _____ day of _____, 2016

Signature of Member/Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 March 2016 shall be eligible to attend, speak and vote at the 42nd AGM.

2. A member entitled to attend and vote at the 42nd 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 and the provisions of Section 149(1)(b) of the Companies Act 1965 need not be complied with. 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 42nd AGM shall have the same rights as the member to speak at the 42nd AGM. Notwithstanding this, a member entitled to attend and vote at the 42nd AGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the 42nd 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 42nd 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 42nd 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 42nd AGM or any adjournment thereof.

Fold this flap for sealing

Then fold here

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Affix Stamp

1st fold here

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