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ECOWORLD

CREATING TOMORROW & BEYOND

ECO WORLD DEVELOPMENT GROUP BERHAD

(Registration No. 197401000725 (17777-V))

(Incorporated in Malaysia)

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

**STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The resolutions in respect of the above proposals will be tabled at the 48th Annual General Meeting of the Company ("**AGM**") which will be held as a virtual meeting at the Broadcast Venue.

The Notice of the 48th AGM, Form of Proxy, Administrative Guide for the 48th AGM and this document are available online at the Company's corporate website at <https://bit.ly/EcoWorldAGM>.

Date and time of the 48th AGM : Thursday, 24 March 2022 at 3.00 p.m. or at any adjournment thereof

Broadcast Venue of the 48th AGM : Bukit Bintang City Centre Sales Gallery
No. 2, Jalan Hang Tuah,
55100 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Online Meeting Platform : Securities Services e-Portal at <https://sshsb.net.my/>

Last date and time for lodging the Form of Proxy : Tuesday, 22 March 2022 at 3.00 p.m.

This document is dated 23 February 2022

DEFINITIONS

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

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting of our Company
Board	:	Board of Directors of EcoWorld Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time
Director	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Group
EcoWorld Malaysia or Company	:	Eco World Development Group Berhad
EcoWorld Malaysia Group or Group	:	EcoWorld Malaysia and our subsidiaries
EcoWorld Malaysia Shares or Shares	:	Ordinary shares in EcoWorld Malaysia
Existing Warrants	:	Existing warrants 2015/2022 at an exercise price of RM2.08 each, which will expire on 25 March 2022, being the last market day of the exercise period
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
LPD	:	31 January 2022, being the latest practicable date prior to the printing of this document
Major Shareholders	:	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of shares, is: (a) 10% or more of the total number of voting shares in our Company; or (b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.

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

DEFINITIONS (Cont'd)

New Warrants	:	588,873,676 warrants to be issued pursuant to the Proposed Bonus Issue of Warrants, based on the total number of 2,944,368,381 issued Shares as at the LPD and assuming none of the outstanding Existing Warrants as at the LPD are exercised into new Shares prior to the entitlement date to be determined and announced later
Persons Connected	:	Shall have the same meaning as in Chapter 1.01 of the Listing Requirements
Proposed Bonus Issue of Warrants	:	Proposed bonus issue of New Warrants on the basis of one New Warrant for every five existing EcoWorld Malaysia Shares held by the entitled shareholders, as announced by our Company on 17 January 2022
Proposed Shareholders' Mandate	:	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions to be entered into by our Group from the date of the forthcoming 48 th AGM to the next AGM
Proposed Share Buy-Back	:	Proposed renewal of authority for EcoWorld Malaysia to purchase up to 10% of its total number of issued Shares
Recurrent Related Party Transaction	:	Related Party Transaction involving recurrent transaction of a revenue or trading nature that is necessary for the day-to-day operations and is in the ordinary course of business of our Group
Related Party	:	Director, Major Shareholder or Person Connected with such Director or Major Shareholder
Related Party Transaction	:	Transaction entered into by EcoWorld Malaysia and our subsidiaries which involves the interest, direct or indirect, of the Related Party
VWAP	:	Volume weighted average market price

Currency

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

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

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

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

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NOTICE OF 48TH AGM AND FORM OF PROXY	- AVAILABLE AT ECOWORLD MALAYSIA'S CORPORATE WEBSITE AT https://bit.ly/EcoWorldAGM
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PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

ECOWORLD

CREATING TOMORROW & BEYOND
ECO WORLD DEVELOPMENT GROUP BERHAD
(Registration No. 197401000725 (17777-V))
(Incorporated in Malaysia)

Registered Office:

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

23 February 2022

Board of Directors:

Tan Sri Abdul Rashid Bin Abdul Manaf *(Founder & Non-Independent Non-Executive Director)*
Tan Sri Dato' Sri Liew Kee Sin *(Executive Chairman)*
Dato' Leong Kok Wah *(Non-Independent Non-Executive Deputy Chairman)*
Dato' Chang Khim Wah *(Executive Director, President & Chief Executive Officer)*
Liew Tian Xiong *(Executive Director, Deputy President & Deputy Chief Executive Officer)*
Datuk Heah Kok Boon *(Executive Director & Chief Financial Officer)*
Tang Kin Kheong *(Senior Independent Non-Executive Director)*
Dato' Idrose Bin Mohamed *(Independent Non-Executive Director)*
Dato' Haji Obet Bin Tawil *(Independent Non-Executive Director)*
Dato' Noor Farida Binti Mohd Ariffin *(Independent Non-Executive Director)*
Low Mei Ling *(Independent Non-Executive Director)*
Lim Hiah Eng (Mrs Lucy Chong) *(Independent Non-Executive Director)*
Sar Sau Yee *(Independent Non-Executive Director)*

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

We had on 31 March 2021, obtained shareholders' mandate for our Group to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public. The existing shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 48th AGM unless it is renewed at the forthcoming 48th AGM.

In relation thereto, we had on 10 February 2022, announced our intention to seek your approval for the Proposed Shareholders' Mandate at the forthcoming 48th AGM.

The purpose of this circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming 48th AGM. The Notice of the 48th AGM and the Form of Proxy are available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>.

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

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING 48TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Introduction

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

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

The principal activity of our Company is investment holding whilst our subsidiaries are principally involved in property development, investment holding, property investment holding, project management, property management services, business of building materials, provision of consultancy and property development project management services.

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

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

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

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

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, the Proposed Shareholders' Mandate, if approved, shall take effect from and including 24 March 2022, being the date of the forthcoming 48th AGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM following the 48th AGM, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held by law (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a meeting of members,

whichever is the earlier.

If the Proposed Shareholders' Mandate is approved, we are required to disclose the aggregate value of the Recurrent Related Party Transactions conducted during the financial year pursuant to the Proposed Shareholders' Mandate in our Annual Report 2022. In making such disclosure, we will provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year pursuant to the Proposed Shareholders' Mandate based on the following information:

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

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

2.2 Classes of Related Parties

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

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

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

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

Transacting party within our Group	Transacting Related Parties	Nature of transaction	Interested Related Parties	Estimated value during the validity period ⁽¹⁾ of the mandate (RM'000)	Estimated value for the preceding year's mandate (RM'000)	Actual value (RM'000)
EcoWorld Malaysia Group	Directors, Major Shareholders and/or Persons Connected with them	Sale of land or land-based properties to Related Party(ies) in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements	Directors, Major Shareholders and/or Persons Connected with them ⁽²⁾	⁽³⁾	⁽⁴⁾	2,466 ⁽⁵⁾

Notes:

- (1) Validity period refers to the period from the date of the forthcoming 48th AGM until the next AGM.
- (2) Directors, Major Shareholders and/or Persons Connected with them who intend to purchase properties sold by our Group could not be ascertained at this juncture.
- (3) There is no threshold for the approval as the estimates of the value for this category of transaction cannot be ascertained given the various types of properties sold by our Group with prices vary from project to project. However, our Group is guided by the provision in Section 3.3(a) of Practice Note 12 of the Listing Requirements, which allows our Company to procure its shareholders' mandate for disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%. In addition, as disclosed in Section 2.5 of this circular, our Group has established various procedures to monitor the Recurrent Related Party Transaction to ensure that total purchases by the Related Parties at any one point do not exceed 10% of the percentage ratios and will be carried out on an arm's length basis, on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.
- (4) As disclosed in the circular dated 26 February 2021, estimates of the value for this category of transaction cannot be ascertained. There was no threshold for the approval as the sale of properties by our Group to the Related Parties are guided by the provision in Section 3.3(a) of Practice Note 12 of the Listing Requirements. In addition, as disclosed in Section 2.5 of this circular, our Group has established various procedures to monitor the Recurrent Related Party Transactions to ensure that total purchases by the Related Parties at any one point do not exceed 10% of the percentage ratios.
- (5) Actual value of the transaction since the 47th AGM held on 31 March 2021 up to the LPD.

2.4 Amount due and owing by Related Parties

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

2.5 Review procedures in relation to Recurrent Related Party Transactions

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

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

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

- (i) a list of Related Parties will be circulated within our Group to notify that all Recurrent Related Party Transactions with the Related Parties are required to be undertaken on an arm's length basis, on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public. These include transacting at prevailing market rates/prices of the products or service providers' usual commercial terms or otherwise in accordance with applicable industry norm. Transactions refer to both sales and purchases of products or provision of services of our Group;
- (ii) any tender, quotation or contract received from or proposed to be entered with a Related Party will not be approved unless the terms offered to our Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions;
- (iii) records will be maintained by our Company to capture all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. As disclosed in Section 2.3 of this circular, the estimates of the value of this category of transaction cannot be ascertained given the various types of properties sold by our Group which vary from project to project and that the Directors, Major Shareholders and/or Persons Connected with them who intend to purchase the properties sold by our Group could not be ascertained at this juncture. Our Company will monitor all transactions to ensure that any one of the percentage ratios of the transactions does not exceed 10% in accordance with Section 3.3(a) of Practice Note 12 of the Listing Requirements;
- (iv) the internal auditors shall periodically review the guidelines and procedures in respect of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate and ascertain that the guidelines and procedures have been complied with;
- (v) records of Recurrent Related Party Transactions will be retained and compiled for review by the Audit Committee to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with and the review shall be done at every quarter together with the review of the quarterly results;
- (vi) disclosure will be made in the annual report of our Company of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, in accordance with the provisions of Paragraph 10.09 of Chapter 10 and Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements; and

- (vii) the Audit Committee has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within our Company as they deem appropriate.

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

Any member of the Audit Committee who is interested in any Recurrent Related Party Transaction shall abstain from reviewing such transaction. Any Director who has an interest (direct or indirect) in any Recurrent Related Party Transaction shall abstain from deliberation and voting on the matter. The interested Director(s) shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they or Persons Connected with them are interested.

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

2.6 Audit Committee statement

The Audit Committee of our Company has considered the procedures set out in Section 2.5 above and is of the view that:

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

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

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

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

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

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the share capital and the Major Shareholders' shareholdings in our Company, and is not expected to have any material effect on the net assets and earnings of our Group for the financial year ending 31 October 2022.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of our shareholders at the forthcoming 48th AGM to be convened.

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

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

(i) Interest in EcoWorld Malaysia Shares

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Directors and Major Shareholders				
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000 ⁽¹⁾	5.37
Dato' Leong Kok Wah	-	-	1,194,894,454 ⁽²⁾	40.58
Interested Directors				
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	224,975,439 ⁽³⁾	7.64
Dato' Chang Khim Wah	8,650,000	0.29	-	-
Liew Tian Xiong	215,780,601	7.33	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Low Mei Ling	-	-	-	-
Mrs Lucy Chong	-	-	-	-
Sar Sau Yee	-	-	15,000 ⁽⁴⁾	0.00

(ii) Interest in Existing Warrants

	Direct		Indirect	
	No. of Existing Warrants	%	No. of Existing Warrants	%
Interested Directors and Major Shareholders				
Tan Sri Dato' Sri Liew Kee Sin	-	-	-	-
Dato' Leong Kok Wah	-	-	316,146,922 ⁽²⁾	60.17
Interested Directors				
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	154,777,551 ⁽³⁾	29.46
Dato' Chang Khim Wah	1,224,000	0.23	-	-
Liew Tian Xiong	56,024,481	10.66	-	-
Datuk Heah Kok Boon	-	-	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Low Mei Ling	-	-	-	-
Mrs Lucy Chong	-	-	-	-
Sar Sau Yee	-	-	4,000 ⁽⁴⁾	0.00

Notes:

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

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

The above interested Directors and Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in EcoWorld Malaysia on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 48th AGM.

In addition, the Directors will ensure that Persons Connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in EcoWorld Malaysia on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 48th AGM.

7. OPINION AND RECOMMENDATION FROM DIRECTORS

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

8. DETAILS OF THE 48TH AGM

The 48th AGM, the notice of which is available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>, will be held as a virtual meeting through live streaming from the Broadcast Venue at Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia via Securities Services e-Portal at <https://sshbs.net.my/> on Thursday, 24 March 2022 at 3.00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate under Special Business.

Please follow the procedures provided in the Administrative Guide for the 48th AGM in order to register, participate and vote remotely via the RPV facilities.

If you are unable to participate and vote at the 48th AGM, you are requested to complete, sign and return the Form of Proxy, which is available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>, in accordance with the instructions stated in the Form of Proxy.

The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by our Company no later than Tuesday, 22 March 2022 at 3.00 p.m. or at any adjournment thereof:

(i) *In Hardcopy Form*

The Form of Proxy must be deposited at our Company's Registered Office at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) *By Electronic Means*

The Form of Proxy must be electronically lodged via Securities Services e-Portal at <https://sshbs.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshbs.com.my.

The lodging of the Form of Proxy will not, however, preclude you from participating and voting at the virtual 48th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

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

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

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

PART B

**STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

ECOWORLD

CREATING TOMORROW & BEYOND
ECO WORLD DEVELOPMENT GROUP BERHAD
(Registration No. 197401000725 (17777-V))
(Incorporated in Malaysia)

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR ECO WORLD DEVELOPMENT GROUP BERHAD TO PURCHASE ITS OWN SHARES

1. INTRODUCTION

We had on 31 March 2021, obtained your approval for the renewal of the authority for EcoWorld Malaysia to purchase up to 10% of the total number of its issued Shares. The authority shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 48th AGM unless the authority is renewed at the forthcoming 48th AGM.

In relation thereto, on 10 February 2022, the Board announced that EcoWorld Malaysia intends to seek your approval for renewal of the authority for the Proposed Share Buy-Back.

The purpose of this statement is to provide you with the relevant information on the Proposed Share Buy-Back and sets out the Board's recommendation thereon. EcoWorld Malaysia will be seeking your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 48th AGM. The Notice of the 48th AGM and the Form of Proxy are available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>.

An extract of the ordinary resolution in respect of the Proposed Share Buy-Back is set out in **Appendix I** of this document.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING 48TH AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Quantum and funding

The Board is proposing to seek your approval for the renewal of the authority for EcoWorld Malaysia to purchase up to 10% of the total number of issued Shares at any point of time within the time period stated in Section 2.2 of this statement. Such purchase is subject to compliance with the provisions of the Act and any prevailing laws, rules, regulations, guidelines and requirements issued by the relevant authorities at the time of purchase.

As at the LPD, our Company had not purchased any of its own Shares and does not hold any treasury shares.

As at the LPD, EcoWorld Malaysia has 525,392,340 outstanding Existing Warrants which will expire on 25 March 2022. None of the Existing Warrants have been exercised since its issuance and based on our Company's closing share price of RM0.925 as at the LPD, the Existing Warrants that carry an exercise price of RM2.08 each are currently out-of-money.

On 17 January 2022, our Company announced the Proposed Bonus Issue of Warrants which, if approved by our shareholders at the forthcoming 48th AGM under Special Business, will be implemented after the expiry of the Existing Warrants.

For illustrative purposes, the maximum number of Shares that may be purchased is as follows:

	<u>Minimum Scenario ⁽¹⁾</u> <u>Number of Shares</u>	<u>Maximum Scenario ⁽²⁾</u> <u>Number of Shares</u>
Total number of issued Shares as at the LPD	2,944,368,381	2,944,368,381
Assuming full exercise of 588,873,676 New Warrants	-	588,873,676
Total number of issued Shares	<u>2,944,368,381</u>	<u>3,533,242,057</u>
Maximum number of Shares that may be purchased (10% of total number of issued Shares)	<u>294,436,838</u>	<u>353,324,205</u>

Notes:

(1) *Assuming none of the New Warrants is exercised.*

(2) *Assuming all New Warrants are exercised. Given that the Existing Warrants are currently out-of-money and in view of its approaching expiry date, the effects arising from the exercise of the outstanding Existing Warrants have not been illustrated.*

The Proposed Share Buy-Back will be funded through internally generated funds and/or external borrowings. The maximum amount of funds to be allocated for the Proposed Share Buy-Back will be subject to the retained profits of our Company. The audited retained profits of our Company as at 31 October 2021 was RM118.0 million. For information only, our Group's audited retained profits as at 31 October 2021 was RM919.4 million, a portion of which may be available for distribution to our Company to facilitate the share purchase, if required.

The Proposed Share Buy-Back will allow the Directors to exercise the power of our Company to purchase its own Shares at any time within the time period mentioned in Section 2.2 of this statement. The actual number of Shares to be purchased, the total amount of funds involved for each purchase and the timing of such purchase will depend on, amongst others, the market conditions and share market sentiments, the sufficiency of retained profits of our Company as well as the availability of the financial resources available to our Company at the time of purchase. In the event the Proposed Share Buy-Back is to be financed through external borrowings, the Board will ensure that our Company has sufficient financial capability to repay the external borrowings and that the repayment will not have any material impact on the cashflow of our Company.

2.2 Effective period

The Proposed Share Buy-Back, if approved by our shareholders at the forthcoming 48th AGM, will be effective immediately from the passing of the ordinary resolution for the Proposed Share Buy-Back and shall continue to be in force until:

- (i) the conclusion of the next AGM at which time the authority will lapse, unless renewed by an ordinary resolution at the meeting of members; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a meeting of members,

whichever occurs first.

2.3 Treatment of Shares purchased by EcoWorld Malaysia

In accordance with Section 127 of the Act, the Directors of EcoWorld Malaysia may, at its absolute discretion, deal with the Shares so purchased in the following manners:

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased as treasury shares which may be distributed as share dividends to shareholders of EcoWorld Malaysia and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be transferred for the purposes of an employees' share scheme and/or be transferred as purchase consideration and/or be cancelled subsequently; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- (iv) deal with the Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time.

Upon each purchase of Shares, an immediate announcement will be made to Bursa Securities in respect of the intention of the Directors whether to cancel the Shares so purchased, retain them as treasury shares or a combination of both. An immediate announcement will also be made to Bursa Securities on any resale, transfer and/or cancellation of treasury shares.

In considering how the Shares so purchased will be dealt with, the Directors will take into consideration, amongst others, factors such as prevailing market price of the Shares, the intrinsic value of the Shares and effects on the earnings and net assets of our Group.

While the purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distributions whether cash or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in our Company for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting of members.

2.4 Pricing

According to the Listing Requirements,

- (i) EcoWorld Malaysia may only purchase its own Shares on Bursa Securities at a price which is not more than 15% above the VWAP of the Shares for the 5 market days immediately before the date of purchase;
- (ii) EcoWorld Malaysia may only resell the treasury shares on Bursa Securities or transfer the treasury shares at:
 - (a) a price which is not less than the VWAP of the Shares for the 5 market days immediately before the date of the resale or transfer; or
 - (b) a price which is not more than 5% discount to the VWAP of the Shares for the 5 market days immediately before the date of the resale or transfer provided that:
 - (aa) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (bb) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.5 Public shareholding spread

As at the LPD, our Company's public shareholding spread was approximately 36.81%. For illustrative purposes, assuming the Proposed Share Buy-Back is implemented in full and the Shares are purchased from the public shareholders, the proforma public shareholding spread of EcoWorld Malaysia would be approximately 29.78%.

Our Company will ensure that prior to any share buy-back exercise, the public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements is maintained.

3. RATIONALE / POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

As at the LPD, our Company's closing share price was RM0.925. There is an extreme dislocation between our Company's share price as compared to our Group's audited net asset per share of RM1.62 as at 31 October 2021.

The Proposed Share Buy-Back, if implemented, may potentially benefit EcoWorld Malaysia as follows:

- (i) When the Shares so purchased are retained as treasury shares, the Directors can distribute it as share dividends to reward the shareholders and thus, minimise the cash outlay required for dividend in the future whilst stabilising the share price; and
- (ii) EcoWorld Malaysia may have the opportunity to realise capital gains if the Shares purchased are subsequently being resold on Bursa Securities when share price appreciates in the future.

However, the Proposed Share Buy-Back, if implemented, would reduce the financial resources of our Group. This may result in our Group having to forgo future investment opportunities and/or any income that may be derived from alternative uses of such funds. However, such decrease in financial resources may be temporary since the shares can be subsequently resold.

The Board does not expect the Proposed Share Buy-Back to have any material disadvantage to EcoWorld Malaysia and our shareholders as it will be implemented only after due consideration of the financial resources of our Group and of the resultant impact on EcoWorld Malaysia and our shareholders. The Board, in exercising any decision to purchase any Share, will be mindful of EcoWorld Malaysia Group's and our shareholders' interests.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The proforma effects of the Proposed Share Buy-Back are as follows:

4.1 Share Capital

On the assumption that the Proposed Share Buy-Back is carried out in full and the Shares so purchased are fully cancelled, the effects of the Proposed Share Buy-Back on the issued share capital of our Company are as follows:

	<u>Minimum Scenario ⁽¹⁾</u> <u>Number of Shares</u>	<u>Maximum Scenario ⁽²⁾</u> <u>Number of Shares</u>
Existing issued share capital as at the LPD	2,944,368,381	2,944,368,381
Assuming full exercise of 588,873,676 New Warrants	-	588,873,676
Total number of issued Shares	<u>2,944,368,381</u>	<u>3,533,242,057</u>
Maximum number of Shares that may be purchased pursuant to the Proposed Share Buy-Back	294,436,838	353,324,205
Total number of issued share capital after cancellation of Shares purchased under the Proposed Share Buy-Back	<u>2,649,931,543</u>	<u>3,179,917,852</u>

Notes:

(1) Assuming none of the New Warrants is exercised.

(2) Assuming all New Warrants are exercised.

Given that the Existing Warrants are currently out-of-money and in view of its approaching expiry date, the effects arising from the exercise of the outstanding Existing Warrants have not been illustrated.

The Proposed Share Buy-Back will not have any effect on the total number of issued Shares if the purchased Shares are retained as treasury shares except that certain rights attaching to the treasury shares as set out in Section 2.3 of this statement will be suspended.

4.2 Net assets

The effect of the Proposed Share Buy-Back on the consolidated net assets per Share will depend on the number of Shares purchased, the purchase prices of the Shares, the effective funding costs to finance the purchase of the Shares and the treatment of the Shares so purchased by our Company.

The Proposed Share Buy-Back is likely to increase the consolidated net assets per Share if the purchase price is less than the consolidated net assets per Share at the time of purchase and conversely is likely to decrease the consolidated net assets per Share if the purchase price exceeds the consolidated net assets per Share at the time of purchase.

Should the Shares purchased under the Proposed Share Buy-Back be held as treasury shares and later resold on Bursa Securities, the consolidated net assets per Share will increase if our Company realises a gain from the resale, and vice versa. The quantum of the increase will depend on the actual selling prices of the treasury shares and the number of treasury shares resold.

4.3 Working Capital

The Proposed Share Buy-Back will reduce the working capital of our Group, the quantum of which will depend on the purchase prices of the Shares and the number of Shares purchased.

However, the working capital of our Group will increase if the purchased Shares are resold on Bursa Securities. The quantum of the increase will depend on the actual selling prices of the treasury shares and the number of treasury shares resold on Bursa Securities.

4.4 Earnings

The effects of the Proposed Share Buy-Back on the earnings and earnings per Share of our Group are dependent on the purchase prices of the Shares, the number of Shares purchased, effective funding cost and loss in interest income to our Group.

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4.5 Shareholdings of the Directors and Substantial Shareholders

The proforma effects of the Proposed Share Buy-Back on the shareholdings of our Company's Directors and substantial shareholders as at the LPD, assuming the Proposed Share Buy-Back is carried out in full, are as follows:

Minimum Scenario – Assuming none of the New Warrants is exercised

	As at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	224,975,439 ⁽¹⁾	7.64	-	-	224,975,439 ⁽¹⁾	8.49
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000 ⁽²⁾	5.37	276,987,729	10.45	158,250,000 ⁽²⁾	5.97
Dato' Leong Kok Wah	-	-	1,194,894,454 ⁽³⁾	40.58	-	-	1,194,894,454 ⁽³⁾	45.09
Dato' Chang Khim Wah	8,650,000	0.29	-	-	8,650,000	0.33	-	-
Liew Tian Xiong	215,780,601	7.33	-	-	215,780,601	8.14	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-	1,609,300	0.06	-	-
Tang Kin Kheong	-	-	-	-	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-	-	-	-	-
Low Mei Ling	-	-	-	-	-	-	-	-
Mrs Lucy Chong	-	-	-	-	-	-	-	-
Sar Sau Yee	-	-	15,000 ⁽⁴⁾	0.00	-	-	15,000 ⁽⁴⁾	0.00
Substantial Shareholders								
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	224,975,439 ⁽¹⁾	7.64	-	-	224,975,439 ⁽¹⁾	8.49
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000 ⁽²⁾	5.37	276,987,729	10.45	158,250,000 ⁽²⁾	5.97
Dato' Leong Kok Wah	-	-	1,194,894,454 ⁽³⁾	40.58	-	-	1,194,894,454 ⁽³⁾	45.09
Liew Tian Xiong	215,780,601	7.33	-	-	215,780,601	8.14	-	-
Puan Sri Datin Sri How Teng Teng	22,500,000	0.76	135,750,000 ⁽⁵⁾	4.61	22,500,000	0.85	135,750,000 ⁽⁵⁾	5.12
Eco World Development Holdings Sdn Bhd	224,975,439	7.64	-	-	224,975,439	8.49	-	-
Sinarmas Harta Sdn Bhd	969,919,015	32.94	-	-	969,919,015	36.60	-	-
Syabas Tropikal Sdn Bhd	-	-	969,919,015 ⁽⁶⁾	32.94	-	-	969,919,015 ⁽⁶⁾	36.60

Notes:

- (1) Deemed interest by virtue of his interest in Eco World Development Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interest by virtue of his interest in Jernih Padu Sdn Bhd pursuant to Section 8 of the Act and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(1)(c) of the Act.
- (3) Deemed interest by virtue of his interests in Eco World Development Holdings Sdn Bhd and Syabas Tropikal Sdn Bhd pursuant to Section 8 of the Act.
- (4) Indirect interest by virtue of her spouse's interest in the Company pursuant to Section 59(1)(c) of the Act.
- (5) Deemed interest by virtue of her interest in Jernih Padu Sdn Bhd pursuant to Section 8 of the Act.
- (6) Deemed interest by virtue of its interest in Sinarmas Harta Sdn Bhd pursuant to Section 8 of the Act.

Maximum Scenario – Assuming all New Warrants are exercised

	As at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	224,975,439 ⁽¹⁾	7.64	-	-	269,970,526 ⁽¹⁾	8.49
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000 ⁽²⁾	5.37	332,385,274	10.45	189,900,000 ⁽²⁾	5.97
Dato' Leong Kok Wah	-	-	1,194,894,454 ⁽³⁾	40.58	-	-	1,433,873,344 ⁽³⁾	45.09
Dato' Chang Khim Wah	8,650,000	0.29	-	-	10,380,000	0.33	-	-
Liew Tian Xiong	215,780,601	7.33	-	-	258,936,721	8.14	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-	1,931,160	0.06	-	-
Tang Kin Kheong	-	-	-	-	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-	-	-	-	-
Low Mei Ling	-	-	-	-	-	-	-	-
Mrs Lucy Chong	-	-	-	-	-	-	-	-
Sar Sau Yee	-	-	15,000 ⁽⁴⁾	0.00	-	-	18,000 ⁽⁴⁾	0.00
Substantial Shareholders								
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	224,975,439 ⁽¹⁾	7.64	-	-	269,970,526 ⁽¹⁾	8.49
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000 ⁽²⁾	5.37	332,385,274	10.45	189,900,000 ⁽²⁾	5.97
Dato' Leong Kok Wah	-	-	1,194,894,454 ⁽³⁾	40.58	-	-	1,433,873,344 ⁽³⁾	45.09
Liew Tian Xiong	215,780,601	7.33	-	-	258,936,721	8.14	-	-
Puan Sri Datin Sri How Teng Teng	22,500,000	0.76	135,750,000 ⁽⁵⁾	4.61	27,000,000	0.85	162,900,000 ⁽⁵⁾	5.12
Eco World Development Holdings Sdn Bhd	224,975,439	7.64	-	-	269,970,526	8.49	-	-
Sinarmas Harta Sdn Bhd	969,919,015	32.94	-	-	1,163,902,818	36.60	-	-
Syabas Tropikal Sdn Bhd	-	-	969,919,015 ⁽⁶⁾	32.94	-	-	1,163,902,818 ⁽⁶⁾	36.60

Notes:

- (1) Deemed interest by virtue of his interest in Eco World Development Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interest by virtue of his interest in Jernih Padu Sdn Bhd pursuant to Section 8 of the Act and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interest by virtue of his interests in Eco World Development Holdings Sdn Bhd and Syabas Tropikal Sdn Bhd pursuant to Section 8 of the Act.
- (4) Indirect interest by virtue of her spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.
- (5) Deemed interest by virtue of her interest in Jernih Padu Sdn Bhd pursuant to Section 8 of the Act.
- (6) Deemed interest by virtue of its interest in Sinarmas Harta Sdn Bhd pursuant to Section 8 of the Act.

Given that the Existing Warrants are currently out-of-money and in view of its approaching expiry date, the effects arising from the exercise of the outstanding Existing Warrants have not been illustrated.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of EcoWorld Malaysia Shares traded on the Main Market of Bursa Securities for the past 12 months from February 2021 to January 2022 are as follows:

	<u>High</u>	<u>Low</u>
	<u>RM</u>	<u>RM</u>
<u>2021</u>		
February	0.520	0.480
March	0.695	0.480
April	0.755	0.615
May	0.685	0.585
June	0.720	0.610
July	0.710	0.665
August	0.715	0.620
September	0.850	0.705
October	1.250	0.785
November	0.995	0.805
December	0.915	0.820
<u>2022</u>		
January	0.965	0.835

Last transacted market price of EcoWorld Malaysia Shares on the LPD 0.925

(Source: Bloomberg)

6. PURCHASE, RESALE OR CANCELLATION MADE IN THE PRECEDING 12 MONTHS

As at the LPD, our Company does not hold any treasury shares. During the last 12 months preceding the LPD, our Company did not purchase any of its own Shares, resell or cancel any treasury shares.

7. IMPLICATIONS OF THE CODE

As at the LPD, Sinarmas Harta Sdn Bhd holds approximately 32.94% of the voting shares in EcoWorld Malaysia. The future purchase by EcoWorld Malaysia of its own shares pursuant to the Proposed Share Buy-Back may cause the voting interest of Sinarmas Harta Sdn Bhd in EcoWorld Malaysia to increase to more than 33% (the effects of such purchase on the shareholdings of Sinarmas Harta Sdn Bhd in EcoWorld Malaysia are set out in Section 4.5 above). In such an event, Sinarmas Harta Sdn Bhd will be required to undertake a mandatory offer pursuant to the Code. However, a waiver to undertake mandatory offer may be granted by the Securities Commission Malaysia under the Code, subject to the affected substantial shareholder complying with certain conditions.

In this respect, EcoWorld Malaysia shall endeavour to carry out the Proposed Share Buy-Back in such a manner as to ensure that it does not trigger any mandatory offer obligation under the Code for its substantial shareholders. In the event that the obligations relating to the Code are expected to be triggered as a result of the Proposed Share Buy-Back, the affected substantial shareholder can apply to the Securities Commission Malaysia for an exemption from undertaking the mandatory offer under the Code.

8. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of our shareholders at the forthcoming 48th AGM to be convened.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSON CONNECTED WITH THEM

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders in EcoWorld Malaysia as a result of the Proposed Share Buy-Back, none of the Directors, major shareholders and/or persons connected with them, has any interest, direct or indirect, in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

10. OPINION AND RECOMMENDATION FROM DIRECTORS

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of EcoWorld Malaysia, and accordingly the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 48th AGM.

11. DETAILS OF THE 48TH AGM

The 48th AGM, the notice of which is available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>, will be held as a virtual meeting through live streaming from the Broadcast Venue at Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia via Securities Services e-Portal at <https://sshsb.net.my/> on Thursday, 24 March 2022 at 3.00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Share Buy-Back under Special Business.

Please follow the procedures provided in the Administrative Guide for the 48th AGM in order to register, participate and vote remotely via the RPV facilities.

If you are unable to participate and vote at the 48th AGM, you are requested to complete, sign and return the Form of Proxy, which is available online at our Company's corporate website at <https://bit.ly/EcoWorldAGM>, in accordance with the instructions stated in the Form of Proxy.

The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by our Company no later than Tuesday, 22 March 2022 at 3.00 p.m. or at any adjournment thereof:

(i) *In Hardcopy Form*

The Form of Proxy must be deposited at our Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) *By Electronic Means*

The Form of Proxy must be electronically lodged via Securities Services e-Portal at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

The lodging of the Form of Proxy will not, however, preclude you from participating and voting at the virtual 48th AGM should you subsequently wish to do so.

12. FURTHER INFORMATION

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

EXTRACT OF THE NOTICE OF 48TH AGM

AS SPECIAL BUSINESS

Ordinary Resolution 16

Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") ("**MMLR**"), approval be and is hereby given to the Company and its subsidiaries ("**EcoWorld Malaysia Group**") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature of the EcoWorld Malaysia Group with specified classes of Related Parties (as defined in the MMLR and as specified in Section 2.3 of Part A of the Company's document to shareholders dated 23 February 2022 ("**Document**")) which are necessary for the day-to-day operations and are in the ordinary course of business, are carried out at arms' length and based on normal commercial terms of the EcoWorld Malaysia Group and on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

- (i) the conclusion of the next AGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a meeting of members,

whichever is the earlier,

AND THAT the Board of Directors of the Company ("**Board**") 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 16.

Ordinary Resolution 17

Proposed renewal of authority for the Company to purchase its own ordinary shares

THAT subject to the Act, the provisions of the Constitution, the MMLR and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company ("**Company Shares**") as may be determined by the Board from time to time through Bursa Malaysia Securities as the Board may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the maximum aggregate number of Company Shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time of the said purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing Company Shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

THAT the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution 17 and shall continue to be in force until:

- (i) the conclusion of the next AGM at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a meeting of members,

whichever occurs first.

THAT upon completion of the purchase of Company Shares by the Company, the Board be authorised to deal with the Company Shares purchased in their absolute discretion in the following manner:

- (i) cancel the Company Shares so purchased; or
- (ii) retain all or part of the Company Shares so purchased as treasury shares for distribution as shares dividends to shareholders and/or resell on the market of Bursa Malaysia Securities in accordance with the relevant rules of Bursa Malaysia Securities and/or transferred for the purposes of an employees' share scheme and/or transferred as purchase consideration and/or cancelled subsequently; or
- (iii) retain part of the Company Shares so purchased as treasury shares and cancel the remainder of the Company Shares; or
- (iv) deal with the Company Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time,

and such authority to deal with the Company Shares so purchased shall continue to be valid until all such Company Shares have been dealt with by the Board.

AND THAT the Board be and is hereby authorised to take all such steps as are necessary and enter into any instrument, agreements or arrangements with any party or parties to implement, finalise and give full effect to the aforementioned purchase of Company Shares by the Company with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board may in their discretion, deem necessary and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

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

2. MATERIAL CONTRACTS

Our Group has not entered into any material contracts (being contracts not entered into in the ordinary course of business) during the last 2 years immediately preceding the date of this document.

3. MATERIAL LITIGATION

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

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of our Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal office hours from Monday to Friday (except public holidays) from the date of this document up to and including the date of the forthcoming 48th AGM:

- (i) our Constitution; and
- (ii) our audited consolidated financial statements for financial years ended 31 October 2020 and 31 October 2021.