

ECOWORLD

CREATING TOMORROW & BEYOND



INTEGRATED ANNUAL REPORT 2023



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FEEDBACK

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance. To provide feedback, or for any inquires on our report, please contact:

Communications, EcoWorld Malaysia
corp@ecoworld.my

Printed on environmentally friendly paper



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ABOUT OUR INTEGRATED REPORT

AN INTEGRATED MINDSET

Eco World Development Group Berhad (“EcoWorld Malaysia”, “EcoWorld” or “the Group”) welcomes you to a pivotal chapter in our journey - the Integrated Annual Report 2023 (“IAR 2023”). More than a compilation of data and statistics, this report is a testament to our dedication to integrated reporting principles, offering a panoramic view of our performance and strides in value creation for stakeholders over the short-, medium-, and long-term.

Over the past year, our commitment to transparency and sustainability has driven significant progress as we uphold the five pillars of People, Planet, Partnership, Prosperity and Peace across our <IR> journey. The culmination of this effort is embodied in the IAR 2023, representing our full embrace of the <IR> principles-based framework. As we navigate the intricate landscape of sustained value creation, an integrated mindset becomes our guiding compass, connecting our performance with our vision of Creating Tomorrow & Beyond.

SCOPE AND BOUNDARY

The IAR 2023 covers the financial year from 1st November 2022 to 31st October 2023 (“FY2023”), unless stated otherwise. It covers our operations across EcoWorld Malaysia, its subsidiaries and joint venture companies. Our non-financial performance, risks and opportunities as well as strategic sustainability initiatives reflect our holistic approach to value creation.

BASIS OF PREPARATION

EcoWorld Malaysia IAR 2023 reflects integrated thinking and decision-making in pursuit of our vision of Creating Tomorrow & Beyond. In determining the content of the report, we outline our strategy, value creation activities, business performance as well as future outlook in a spirit of transparency and in a fair manner for the benefit of our stakeholders. This provides readers with a clear narrative in understanding the interconnectivity of EcoWorld’s business.

MATERIALITY

In FY2023, we reviewed our material sustainability matters to ensure alignment with Bursa Malaysia Securities Berhad’s latest Main Market Listing Requirements (“MMLR”) and Global Reporting Initiatives (“GRI”) Standards. We maintained the materiality matrix generated in the preceding year due to its continued relevance to our operations and stakeholders. Our material matters reflect our current and potential risks and opportunities which have an impact on the value created for our stakeholders. The strategic approach to managing these material matters is addressed in this report consistent with our Sustainability Report 2023 (“SR 2023”). The Board validates and endorses these material matters. For more information on our materiality assessment process, please see page 37 of the IAR.

REPORTING FRAMEWORK

The preparation of IAR 2023 and SR 2023 was guided by the following national and international principles and requirements:

Integrated Annual Report 2023



Frameworks, Standards and Guidelines

- Bursa Malaysia Securities Berhad MMLR
- Task Force on Climate-related Financial Disclosures (“TCFD”)
- Integrated Reporting <IR> Framework
- International Financial Reporting Standards (“IFRS”)
- Malaysian Code on Corporate Governance 2021 (“MCCG”)
- Malaysian Financial Reporting Standards (“MFRS”)
- Companies Act 2016
- Global Reporting Initiative (“GRI”) Standards
- FTSE4Good Bursa Malaysia Index
- United Nations Sustainable Development Goals (“UN SDGs”)

Sustainability Report 2023



Frameworks, Standards and Guidelines

- Bursa Malaysia Securities Berhad MMLR
- Bursa Malaysia’s Enhanced Sustainability Reporting Guide (3rd edition)
- TCFD
- GRI Standards
- FTSE4Good Bursa Malaysia Index
- UN SDGs

FULL REPORTING SUITE FOR FY2023

EcoWorld's corporate reporting suite for FY2023 includes the following reports:

- i. Integrated Annual Report 2023
- ii. Sustainability Report 2023
- iii. Corporate Governance Report 2023

ASSURANCE STATEMENT

The financial performance disclosed in this report is extracted from the Audited Financial Statements for the current reporting period. The <IR> principles of connectivity of information, strategic focus and future orientation, stakeholder inclusiveness, materiality, completeness, accuracy, consistency, comparability and reliability have been applied in the determination of topics and data for inclusion in the IAR 2023. All data disclosed in this report has been sourced internally and verified by the respective information owners. The Board of Directors ("**the Board**") of EcoWorld Malaysia has reviewed the IAR 2023 and determined that it complies with the Listing Requirements and provides an accurate representation of the Group's Environmental, Social and Governance ("**ESG**") performance for FY2023.

BOARD RESPONSIBILITY STATEMENT

Our Board acknowledges its responsibility for ensuring the integrity of the IAR 2023. The Board, in its opinion and having applied its collective mind to the preparation and presentation of the IAR 2023, believes it addresses all material matters and offers a balanced view of

EcoWorld Malaysia's strategy and how it relates to the Group's ability to create value over time. The Board believes that the IAR 2023 adequately addresses EcoWorld Malaysia's use of and impact on the capitals and how these capitals affect EcoWorld Malaysia's strategy and business model. Moreover, the Board confirms that the IAR 2023 was prepared in accordance with the International <IR> Framework.

FORWARD LOOKING STATEMENTS

The IAR 2023 contains forward-looking statements concerning the Group's financial position, future priorities, strategies and growth opportunities. These statements are based on reasonable assumptions and are not intended to guarantee future results. It is important to recognise that our business is subject to uncertainty and shifts in circumstances beyond our control, which may cause actual results to deviate from the expressed expectations in this report. Hence, we make no express or implied representation or warranty that the results anticipated by these forward-looking statements will be achieved. However, we are committed to monitoring and assessing developments in order to adapt to changing conditions and mitigate potential risks.

FEEDBACK

EcoWorld is dedicated to the continual enhancement of our reporting quality, and we welcome input from our stakeholders to contribute to these improvements. If you have any questions or feedback on this report, please do not hesitate to contact corp@ecoworld.my.



Eco Sanctuary, Klang Valley

ABOUT OUR INTEGRATED REPORT

NAVIGATION ICONS

The following navigation icons have been developed to demonstrate the connection between essential elements such as the capitals, sustainability pillars, material matters, key risks and key stakeholders that are used in this report. Hence, these icons provide readers with a better context and understanding of our report in its entirety.

Our Capitals	Sustainability Pillars Materiality Matters	Key Stakeholder Groups
<p>F Financial Capital Our investments extend beyond mere properties - they are a strategic portfolio encompassing residential, industrial, commercial and township domains. Combined with our technological infrastructure, this capital serves as the bedrock for sustained profitability and productivity, driving the success of our core business segments into the long-term.</p>	<p>Advancing Economic Excellence</p> <ul style="list-style-type: none"> EP Economic Performance SCM Supply Chain Management SD Sustainable Design Customer Experience, Brand Reputation and Data Privacy <p>Driving Robust Governance</p> <ul style="list-style-type: none"> CGA Corporate Governance and Anti-Corruption <p>Managing Our Environmental Footprint</p> <ul style="list-style-type: none"> EFCR Energy Efficiency and Climate Resilience MWM Material and Waste Management WS Water Stewardship B Biodiversity <p>Creating Prosperous Communities</p> <ul style="list-style-type: none"> OSH Occupational Health and Safety DTM Diversity and Talent Management LPDW Labour Practices and Decent Work CD Community Development 	<ul style="list-style-type: none"> Investors Regulators Employees Customers Contractors/ Vendor/Suppliers Civil Society Organisations ("CSOs") and Communities Media
<p>I Intellectual Capital EcoWorld's commitment to excellence goes beyond the tangible. We continually invest in elevating our knowledge and expertise, taking a strategic and long-term approach to talent management. It is an investment in the intellectual wealth that propels our business forward with prudence and foresight.</p>		
<p>M Manufactured Capital Our commitment to manufactured capital is woven into the fabric of EcoWorld's strategic investments. It signifies not just physical assets but a careful orchestration of elements driving success across our core business segments.</p>		
<p>H Human Capital Our people are the dynamic pillar of our operations where their strength and commitment propels us forward, shaping a workplace where collaboration and innovation thrive.</p>		
<p>N Natural Capital Our commitment to natural capital transcends conventional landscaping. It represents a harmonious integration of sustainability practices within our developments. Beyond aesthetics, it is a pledge to enhance biodiversity, crafting spaces that coexist with nature and leaving a green legacy for generations.</p>		
<p>S Social Relationship Capital The enduring connections we cultivate with our communities, business associates, regulators, employees and partners empower us to develop sustainable townships and manage properties that create long-term value.</p>		
		<p>Key Risks</p> <ul style="list-style-type: none"> AUL Acquisition of Unsuitable Land L Liquidity WMS Weak Market Sentiment ICC Increasing Cost of Construction NC Non-performing Contractors LII Lack of Interest from Investors ECR Environmental and Climate Risk

ECOWORLD'S LEGACY IN MOTION

Celebrating a decade of excellence, EcoWorld stands tall as a prominent Malaysian property developer, crafting a dynamic portfolio of projects across the vibrant landscapes of Klang Valley, Iskandar Malaysia and Penang. With a global footprint through Eco World International Berhad, our joint venture extends our brand to the United Kingdom and Australia, with sustainability taking the centre stage as our #1 Core Value.

As we mark our 10th-year anniversary, our commitment to sustainability remains unwavering. Being an ESG-centric organisation, we take pride in delivering eco-friendly, functional and innovative projects, ranging

from luxury homes to integrated townships as well as industrial and commercial hubs catering to the diverse needs and aspirations of property purchasers.

In advancing our sustainability agenda, we continue to harmonise economic growth with environmental conservation and societal well-being. Our ESG commitment, a testament to a decade of growth, align seamlessly with the 5Ps of the UN SDGs: People, Planet, Prosperity, Peace and Partnerships. Here's to a decade of shaping greener and more sustainable living spaces, where our commitment to the 5Ps remains at the forefront of our vision for the future.



Vision

The brand is about the pursuit of better, greater ways to complete people's living experience. We want to be thought leaders and innovators - a non-traditional business with positive economic, social and environmental impact. We push boundaries in our vision of Creating Tomorrow & Beyond.



Core Values

- Sustainability
- Tenacity
- Solidarity
- Innovation
- Collaboration
- Inclusion



Mission

- Create world-class Eco-Living by providing products and services that continue to **exceed expectations**
- Generate & initiate ideas that **disrupt the status quo** and **inspire people**
- Continuously raise the bar of excellence, through **borderless teamwork** across EcoWorld
- **Unleash, support and grow** everyone's potential in Team EcoWorld
- **Commit 2x2x5x5=100%** energy, focus & passion in everything we do

Our vision, "**Creating Tomorrow & Beyond**" defines our commitment to go above and beyond in providing solutions that resonate with both current and future generations. We integrate our three core brand pillars - People Centric Offerings, Wholesome Sustainable Communities and Enduring Impact & Legacy - into all project stages, from concept to construction. In doing so, we aspire to deliver value to our stakeholders while solidifying our brand and reputation in the industry.

PERFORMANCE HIGHLIGHTS FOR FY2023

In FY2023, the Group recorded our financial and non-financial achievements which exemplify our continued growth in the industry while highlighting our sustainability accomplishments in being a responsible corporate citizen. In doing so, we strive to achieve greater heights in terms of our financial health as well as in ESG-related matters.

FINANCIAL HIGHLIGHTS

Revenue

RM2.23 billion

FY2022: RM2.04 billion

Sales

EcoWorld Malaysia

RM3.61 billion

FY2022: RM3.84 billion

EcoWorld International

RM1.18 billion

FY2022: RM2.16 billion

Total Assets

RM8.90 billion

FY2022: RM9.40 billion

Net Gearing Ratio

0.25 times

FY2022: 0.31 times

Profit Before Tax

RM270.02 million

FY2022: RM225.76 million

BUSINESS HIGHLIGHTS

Total Landbank

8,729 acres

FY2023

Undeveloped Landbank

3,400 acres

FY2023



Bukit Bintang City Centre, Kuala Lumpur

OUR SUSTAINABILITY HIGHLIGHTS FOR FY2023



ECONOMIC



89% of our projects received Green Certifications (GBI, GreenRE, LEEDS, GreenMark)



100% of procurement budget spent on local suppliers and vendors



100% of new suppliers screened using ESG criteria



GOVERNANCE



Zero cases of bribery, corruption and whistleblowing



100% employees completed Anti-Bribery and Corruption Policy assessment



Zero breaches in data privacy and security



ENVIRONMENT

TCFD Enhanced our **TCFD Reporting**



Absolute **Scope 2** emissions reduction by **15%** since 2019*



Solar Photo Voltaic system installed at Eco Grandeur sales gallery and office



Developed **Net Zero 2050 Roadmap**



2,107 tonnes of construction wastes recycled



Conducted **Biodiversity Assessment** at Eco Grandeur

* Refer to page 56 for more information on our Scope 2 reduction



SOCIAL



14,720 hours of Health and Safety Training



Reduction in employee turnover by **37%**



Invested **RM542,474** on employee training programmes



Zero fatalities across the **14,423,065** hours worked



85% employee satisfaction score (with **96%** participation rate)



Allocated **RM4.2 million**** on CSR activities for Students Aid Programme and various CSR activities:

- School refurbishment
- Tree-planting
- Beach clean-up
- Flood clean-up

** of which RM1.5 million was contributed by our contractors and business associates

OUR ACCOLADES

We take great pride in the recognition bestowed upon us by various esteemed organisations for our pursuit towards sustainability. These accolades stand as a testament to the dedicated efforts and diligence of the entire EcoWorld team. Moving forward, we remain steadfast in our endeavours to maintaining elevated standards and pursuing excellence as we shape a resilient future.



Executive Chairman, Tan Sri Liew Kee Sin awarded honorary Commander of the British Empire (CBE) for his achievements in championing UK - Malaysia trade and investment ties

FTSE4Good

Constituent of the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index with an increase in the FTSE score during the June 2023 review period

ECO WORLD DEVELOPMENT GROUP BERHAD

ECOWORLD
CREATING, GROWING & LEARNING.

The Star ESG Positive Impact Awards 2023
Gold Winner for Sustainable Ecosystems in the Environmental Category

LIFE AT WORK AWARDS
2023 BY TALENTCORP

FINALIST

LIFE AT WORK Awards 2023
2nd Runner Up for CEO Champion Award Category

United Nations Global Compact Forward Faster
Sustainability Awareness and Employee Engagement Recognition & Biodiversity

MUPA 2023
10th ANNUAL OUTSTANDING SUSTAINABLE DEVELOPMENT AWARDS

CLUSIVE DESIGN AWARDS

Malaysia Urban Planning Awards 2023
Winner of the Socially Inclusive Design Award for Eco Grandeur

Bukit Bintang City Centre
Kuala Lumpur

BBC DEVELOPMENT SDN BHD

The Edge Malaysia Property Excellence Awards 2023
Winner of the Edge Malaysia Excellence in Place Regeneration Award

CORPORATE INFORMATION

BOARD OF DIRECTORS

Founder & Non-Independent
Non-Executive Director

Tan Sri Abdul Rashid Bin Abdul Manaf

Executive Chairman

Tan Sri Dato' Sri Liew Kee Sin

Non-Independent Non-Executive
Deputy Chairman

Dato' Leong Kok Wah

Executive Director, President & Chief
Executive Officer

Dato' Chang Khim Wah

Executive Director, Deputy President &
Deputy Chief Executive Officer

Liew Tian Xiong

Senior Independent Non-Executive Director

Low Mei Ling

Independent Non-Executive Directors

Dato' Noor Farida Binti Mohd Ariffin

Lim Hiah Eng (Mrs. Lucy Chong)

Sar Sau Yee

Dato' Seri Rosman Bin Mohamed

Ng Soon Lai @ Ng Siek Chuan

Alternate Director to Tan Sri Dato' Sri
Liew Kee Sin, Chief Financial Officer

Datuk Heah Kok Boon

AUDIT COMMITTEE

Low Mei Ling (*Chairperson*)

Dato' Noor Farida Binti Mohd Ariffin

Dato' Seri Rosman Bin Mohamed

Ng Soon Lai @ Ng Siek Chuan

INVESTMENT COMMITTEE

Low Mei Ling (*Chairperson*)

Sar Sau Yee

Datuk Heah Kok Boon

NOMINATION COMMITTEE

Mrs. Lucy Chong (*Chairperson*)

Dato' Noor Farida Binti Mohd Ariffin

Sar Sau Yee

REMUNERATION COMMITTEE

Dato' Noor Farida Binti Mohd Ariffin
(*Chairperson*)

Low Mei Ling

Mrs. Lucy Chong

WHISTLEBLOWING COMMITTEE

Sar Sau Yee (*Chairperson*)

Mrs. Lucy Chong

Dato' Seri Rosman Bin Mohamed

RISK MANAGEMENT COMMITTEE

Datuk Heah Kok Boon (*Chairman*)

Dato' Soo Chan Fai

Ho Kwee Hong

Phan Yan Chan

Lim Eng Tiong

Ong Yew Leng

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC No. 201908002648)
(MAICSA 0777689)

Tan Ley Theng
(SSM PC No. 201908001685)
(MAICSA 7030358)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2084 9000
Fax: 03-2094 9940, 03-2095 0292

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
(197701005827 (36869-T))
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2084 9000
Fax: 03-2094 9940, 03-2095 0292

AUDITORS

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA & AF 0117)
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

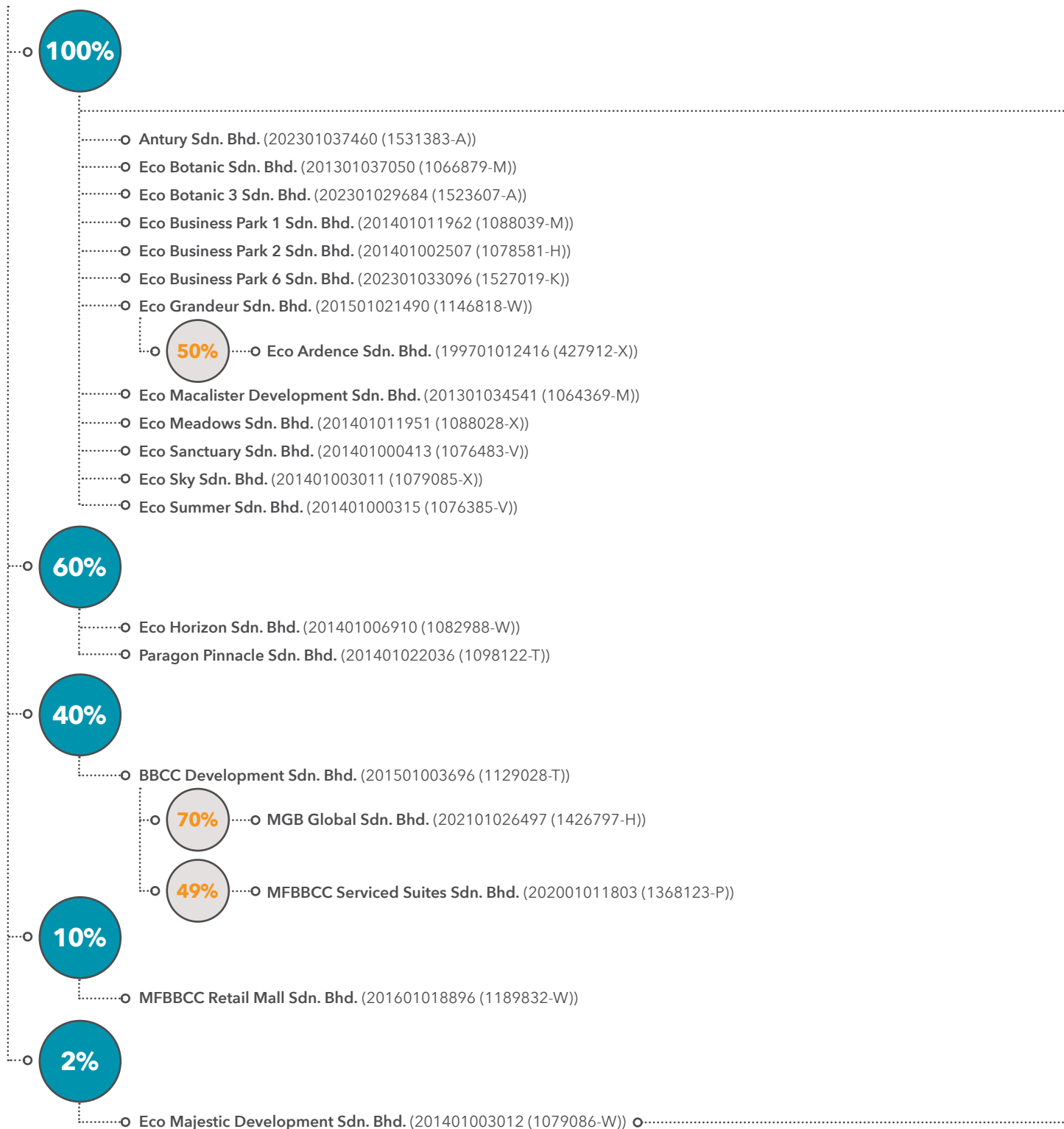
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)

WEBSITE

www.ecoworld.my

CORPORATE STRUCTURE



- Eco Terraces Sdn. Bhd. (201401000161 (1076231-P))
- Eco Verdance Sdn. Bhd. (202301043306 (1537222-H))
- Eco World Capital (International) Sdn. Bhd. (201601003766 (1174692-P))
 - **27%** Eco World International Berhad (201301030020 (1059850-A))
- Eco World Capital Assets Berhad (201601018863 (1189799-V))
- Eco World Capital Berhad (202201025480 (1471177-K))
- Eco World Capital Services Berhad (201401011942 (1088019-D))
- Eco World Development (S) Pte. Ltd. (201417197R)
- Eco World Development Management (BBCC) Sdn. Bhd. (201401020547 (1096633-W))
- Eco World Digital Services Sdn. Bhd. (201401013249 (1089333-D))
- Eco World IBS Sdn. Bhd. (201401010983 (1087059-U))
- Eco World Project Management Sdn. Bhd. (201201005078 (978603-W))
 - **100%** Eco World DM Services Sdn. Bhd. (201401019982 (1096068-V))
 - **49%** Hara Kecil Property Management Sdn. Bhd. (201501010259 (1135594-U))
- Eco World Property Services (Eco Central) Sdn. Bhd. (201501027328 (1152652-W))
- Eco World Property Services (Eco North) Sdn. Bhd. (201401021689 (1097775-M))
- Eco World Property Services (Eco South) Sdn. Bhd. (201401011941 (1088018-V))
- Eco World Strategic Capital 1 Sdn. Bhd. (202101037789 (1438089-H))
- Eco World Trading Sdn. Bhd. (201401010069 (1086148-X))
- Eco World Ukay Sdn. Bhd. (201401000319 (1076389-M))
- Focal Aims Land Sdn. Bhd. (199401033752 (319435-X))
- Focal Aims Properties Sdn. Bhd. (199801014972 (471101-H))
 - **100%** Eco Tropics Development Sdn. Bhd. (199401030842 (316524-U))
- Hasrat Budi Sdn. Bhd. (202101027399 (1427699-A))
- Jasa Hektar Sdn. Bhd. (201401022034 (1098120-M))
- Melia Spring Sdn. Bhd. (201401019246 (1095333-H))
- Meridian Insight Sdn. Bhd. (201401014927 (1091013-W))
- Rentas Prestasi Sdn. Bhd. (201401021079 (1097165-X))

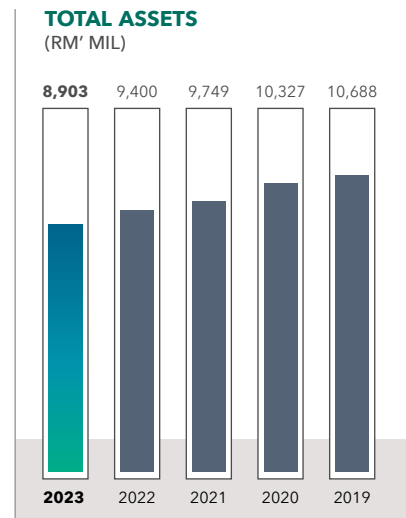
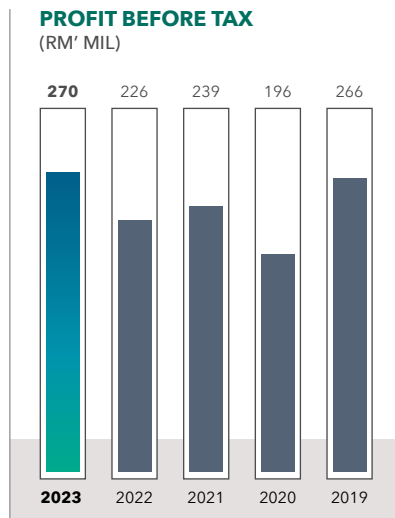
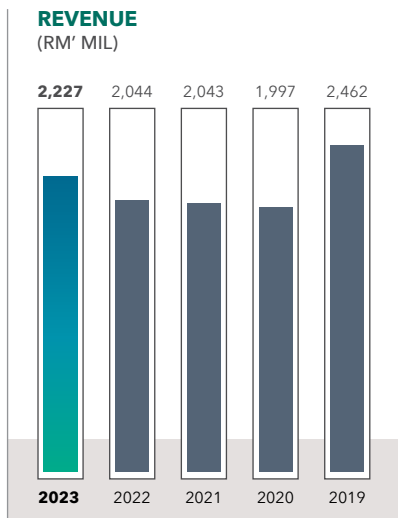
98%

FINANCIAL HIGHLIGHTS

Year Ended	31 October 2023	31 October 2022	31 October 2021	31 October 2020 [®]	31 October 2019 [^]
Financial Results (RM'000)					
Revenue	2,226,862	2,043,570	2,042,767	1,996,681	2,462,325
Profit before tax	270,023	225,761	239,316	196,422	265,975
Profit attributable to owners of the Company	189,323	157,209	182,740	160,150	203,422
Financial Position (RM'000)					
Total short-term funds, cash and deposits	1,356,564	1,335,962	784,724	456,437	600,539
Total assets	8,902,843	9,399,726	9,749,262	10,326,530	10,688,454
Total borrowings	2,540,835	2,804,779	2,880,172	3,316,632	3,779,715
Total net tangible assets	4,773,527	4,738,471	4,765,304	4,645,151	4,538,016
Share capital	3,614,868	3,614,868	3,614,865	3,614,865	3,614,865
Equity attributable to owners of the Company	4,773,527	4,738,471	4,765,304	4,645,151	4,538,016
Financial Ratios					
Basic earnings per share (sen)	6.43	5.34	6.21	5.44	6.91
Net assets per share attributable to owners of the Company (RM)	1.62	1.61	1.62	1.58	1.54
Return on equity (%)	3.97	3.32	3.83	3.45	4.48
Net gearing ratio (times)	0.25	0.31	0.44	0.62	0.70
Share price - High (RM)	1.12	1.14	1.25	0.83	1.13
- Low (RM)	0.59	0.55	0.37	0.30	0.63

[®] Included effects from the adoption of the IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 Borrowing Costs

[^] As per audited financial statements for the financial year ended 31 October 2019




GROUP 2023 SUMMARY

Period Ended	3 months ended 31 October 2023	3 months ended 31 July 2023	3 months ended 30 April 2023	3 months ended 31 January 2023
(RM'000)				
Revenue	844,456	476,850	420,822	484,734
Profit before tax	20,057	91,344	78,821	79,801
Profit attributable to owners of the Company	3,293	66,337	62,693	57,000
Total assets	8,902,843	9,201,482	9,204,568	8,911,596
Total net tangible assets	4,773,527	4,831,785	4,806,315	4,718,634
Share capital	3,614,868	3,614,868	3,614,868	3,614,868
Equity attributable to owners of the Company	4,773,527	4,831,785	4,806,315	4,718,634
Basic earnings per share (sen)	0.11	2.25	2.13	1.94
Net assets per share attributable to owners of the Company (RM)	1.62	1.64	1.63	1.60

CRAFTED BY ECOWORLD – OUR BUILDING BLOCKS

ECO CENTRAL



Total landbank:
4,742 acres

Remaining landbank:
1,809 acres

Projects:

- Eco Majestic
- Eco Sanctuary
- Eco Grandeur
- Eco Ardence
- BBCC
- Eco Forest
- Eco Business Park V
- Se.Duduk D' Kajang
- Eco Sky

Sales Value (RM' bil)


1.63	18.52
------	-------

Units Sold

1,490	20,608
-------	--------

■ FY2023 ■ Cumulative FY2014-FY2023

ECO SOUTH



Total landbank:
3,523 acres

Remaining landbank:
1,377 acres

Projects:

- Eco Botanic
- Eco Botanic 2
- Eco Tropics
- Eco Spring and Eco Summer
- Eco Business Park I
- Eco Business Park II
- Eco Business Park III
- Eco Business Park VI

Sales Value (RM' bil)


1.59	10.92
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Units Sold

1,622	12,747
-------	--------

■ FY2023 ■ Cumulative FY2014-FY2023

ECO NORTH



Total landbank:
464 acres

Remaining landbank:
214 acres

Projects:

- Eco Horizon
- Eco Terraces
- Eco Meadows
- Eco Sun

Sales Value (RM' bil)

0.38	2.42
------	------

Units Sold

563	3,263
-----	-------

■ FY2023 ■ Cumulative FY2014-FY2023

OUR ESG STRATEGY

Sustainable Horizons

In celebrating EcoWorld's distinguished decade of growth within the dynamic realm of property development, we contemplate the transformative odyssey that has unfolded, marked by a profound sense of gratitude. Our sustainability journey, which began in 2017, serves as a pivotal point in our saga of advancement, imprinting its influence on our expansive property portfolio. This year saw the formulation of our Net Zero 2050 Roadmap, embodying ambitious targets meticulously aligned with our overarching sustainability imperatives.



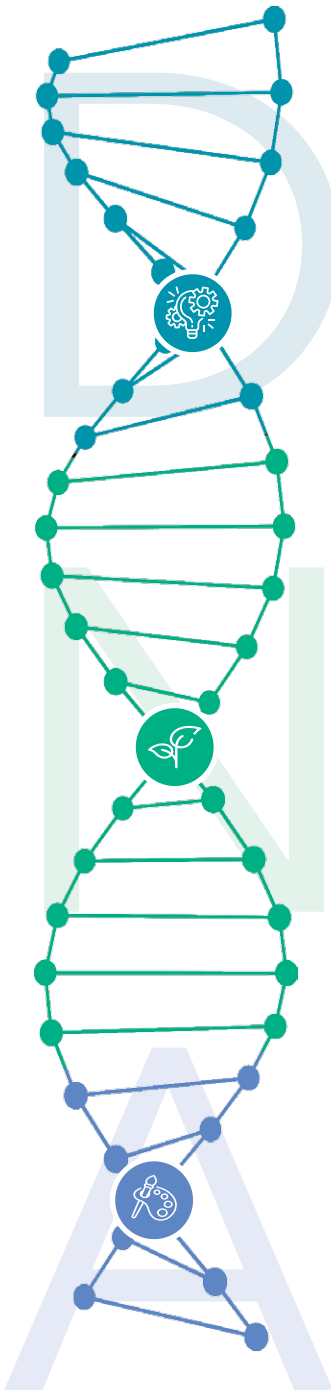
Our Sustainability Journey 2017 to 2023



OUR ESG STRATEGY

EcoWorld's DNA

EcoWorld's DNA is a distinguishing aspect of the Group's strategy. Our approach weaves together Design, Nature and Art into the very fabric of the sustainable developments that we create. Going beyond conventional concepts and construction, our developments integrate ESG elements thoughtfully and holistically, thereby contributing to the development of highly liveable low carbon cities.



Design - Innovative and Contemporary Living Concepts

Sustainability is incorporated from the conceptualisation stage of our projects. We integrate innovative design concepts with the needs of our customers into our project masterplans.

Green Infrastructure Design - Our projects prioritise green designs for environmental efficiency while meeting customer needs with innovative concepts.

Emphasising Placemaking - We foster vibrant communities where residents thrive and connect by integrating sustainable placemaking across our developments.

Nature - Greening Our Townships

Our townships stand out in terms of their sustainability, particularly in their preservation of flora and fauna. Characterised by attractive greenery and scenic landscapes, they are crafted to create a balance between the ecosystem and community.

Nature Integration - We actively transplant mature trees in our developments, creating habitats for local wildlife, improving air quality and enhancing soil stability.

Nurturing Biodiversity - Our parks and waterways attract various animal species through thoughtful plant selection.

Sustainable Landscaping - We embrace sustainability by incorporating resilient native plants, minimising the need for frequent replacements and utilising water from detention ponds and bio effluents to nurture our landscapes, fostering environmentally conscious and sustainable ecosystems.

Community Building and Recreational Opportunities - We foster community involvement through recreational opportunities and ecoconscious initiatives like conducting recycling campaigns, setting up recycling bins and encouraging environmental conservation.

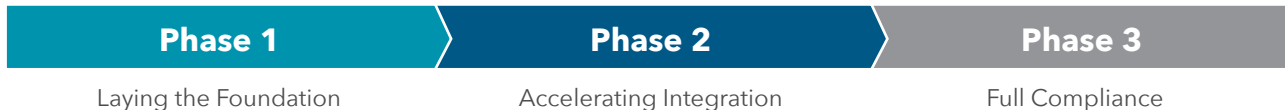
Art - Embedding Aesthetic Architecture

Artistic considerations permeate every aspect of our designs, resulting in distinctive and appealing buildings and townships tailored to each era or theme.

Thematic Designs - Each of our developments has a distinct architectural style, with its own ambiance and aesthetic quality: from Straits Colonial, Victorian to Classical European and Modern Tropical.

OUR JOURNEY TO DECARBONISATION - TACKLING CLIMATE RISKS

In FY2023, EcoWorld Malaysia continued its commitment to implementing the TCFD recommendations, enhancing our climate-related disclosures across governance, strategy, risk management, metrics and targets. Our reporting aligns with TCFD in a three-phase approach, and we are currently in Phase 2 of our TCFD journey.



The following table succinctly outlines how EcoWorld has incorporated the TCFD themes and recommended disclosures. Where relevant, references are provided to more specific information within the SR 2023.

TCFD Recommendations	EcoWorld's Adoption of Recommendations
GOVERNANCE	
Describe the Board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> • EcoWorld's Board of Directors helps the Group's sustainability governance structure and has strategic oversight over ESG-related matters, including climate-related risks and opportunities • Our newly established Climate Change Policy underscores the Board's vigilance over climate-related risks and opportunities • In FY2023, the Board attended ESG training sessions, including 2 on climate-related topics. Additionally, as mentioned in our Corporate Governance Report 75% of the Board have completed the Mandatory Accreditation Programme Part II on sustainability • The Board is informed about sustainability updates and agenda including climate-related issues three times a year • The Board considers climate-related issues in reviewing major capital expenditures, acquisitions and divestitures • The Board reviews sustainability policies, initiatives and KPIs annually
Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> • The Green and Operations Council ("GOC") is responsible for addressing environmental concerns and managing climate-related initiatives across our operations • The GOC remains updated on climate change regulations through regular training and webinars, gaining insights into the industry, sustainable practices, green buildings and finance • Senior Executives actively support the GOC by attending periodic meetings to stay informed about climate-related matters and sustainability initiatives • The GOC is accountable to the Sustainability Committee ("SC") which reports and presents relevant climate-related matters to the Board for consideration or approval as required

OUR JOURNEY TO DECARBONISATION - TACKLING CLIMATE RISKS

TCFD Recommendations	EcoWorld's Adoption of Recommendations
STRATEGY	
Climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term	EcoWorld has conducted a comprehensive assessment to identify climate-related risks and opportunities within our value chain. These evaluations span short-, medium- and long-term horizons and are categorised as transitional and physical risks.
Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	We conducted a qualitative scenario analysis to evaluate the potential climate-related impacts on EcoWorld's operations and financial performance. Two scenarios were considered, namely the 'Paris Agreement' (warming below 2°C) and 'Worst-Case Scenario' (4-5°C warming) in terms of global temperature rise by 2100.
The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Further information regarding our detailed strategy can be accessed in our SR 2023 report.
RISK MANAGEMENT	
Processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> • EcoWorld's Enterprise Risk Management ("ERM") framework is benchmarked against ISO 31000:2018 Risk Management - Guidelines • Risks are identified through a comprehensive process encompassing risk identification, assessment, action plan development and continuous monitoring and integration • The identification of key risks considers various aspects including strategic, operational, financial and regulatory compliance, and the Group identified Environmental and Climate Change Risk as a key risk • The ERM is supported by materiality assessments to realise the Group's climate resilience aspirations
Processes for managing climate-related risks	<ul style="list-style-type: none"> • Our holistic approach to monitoring and evaluating our environmental performance and risks are benchmarked against the ISO 14001:2015 Environmental Management System • The Group has established standardised processes for managing key risks, including climate-related risks. These processes include periodic testing to gauge the effectiveness and efficiency of internal control procedures • The system of internal controls is updated in response to changes in the business environment and regulatory guidelines
Integration into overall risk management	<ul style="list-style-type: none"> • Processes for identifying, assessing and managing climate-related risks are seamlessly integrated into the Group's ERM framework • Climate-related risk management is treated on par with other key risks within the Group's risk management strategy • This integration ensures a cohesive and consistent approach to risk mitigation and control across all risk categories

TCFD Recommendations	EcoWorld's Adoption of Recommendations
METRICS AND TARGETS	
<p>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>EcoWorld quantifies carbon emissions, waste, energy and water consumption. We measure carbon emissions in tonnes of carbon dioxide equivalent (tCO₂e), electricity in kilowatt hours (kWh), water in cubic meters (m³), and waste in tonnes. To determine greenhouse gas (GHG) emissions, energy and water consumption intensity, we calculate the absolute values and divide them by the total occupied floor space.</p>
<p>Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and the related risks</p>	<p>EcoWorld monitors and reports Scope 1, Scope 2 and limited Scope 3 emissions. Our Scope 3 coverage includes emissions from business travel, employee commute and waste generated. Additional details regarding our management approach and performance data can be found in our SR 2023.</p>
<p>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>	<p>In FY2023, we introduced a Group-wide target to reduce Scope 2 GHG emissions by 20% by 2025 and 30% by 2030 compared to our FY2019 baseline (6,976 tCO₂e).</p>



Eco Botanic, Iskandar Malaysia

CHAIRMAN'S STATEMENT

Dear Shareholders,

2023 is significant for EcoWorld as it marks the 10th year since we first emerged on the Malaysian property scene. As we celebrate this milestone, I would like to share some reflections on EcoWorld Malaysia's first 10 years, in our inaugural Integrated Annual Report.



TAN SRI DATO' SRI LIEW KEE SIN
Executive Chairman

10-YEAR GROUP PERFORMANCE

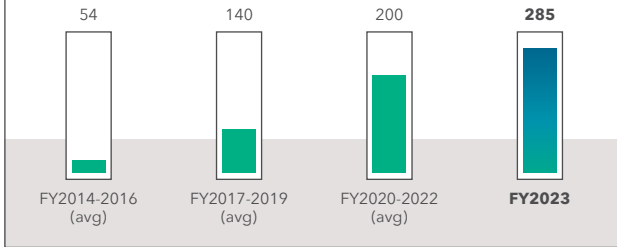
Much has changed since we started in 2013. The world is not only evolving but transforming at a very rapid pace, especially with new technology. There have been prolonged periods of sectoral weakness, economic uncertainties and turbulence caused by the COVID-19 pandemic. These challenges were further compounded by supply chain disruptions and cost escalations.

Accordingly, throughout this first decade we have had to strategise, adapt and reinvent how we should operate in a fast-changing landscape. With every challenge we asked ourselves - how can we do better as a developer? We pushed ourselves to become more creative. We were quick to embrace new ways of doing things and discover new ways of selling and marketing. We came up with new designs and created spaces that people want to live and do business in.

As a result, EcoWorld Malaysia achieved total cumulative sales of RM31.9 billion, averaging close to RM3.2 billion sales per annum, which not only met but consistently exceeded our annual sales targets.

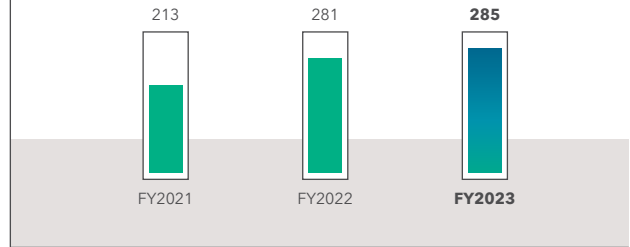
The Group's Profit After Tax ("**PAT**") from our Malaysian Operations grew tremendously, totalling RM1.5 billion in our first decade. Initial profits, which averaged RM54 million per annum in FY2014-2016, increased to an average of RM260 million per annum by FY2021-2023. In FY2023 we achieved a record high PAT of RM285 million from Malaysian Operations.

RM1.5 billion recorded in 10 years



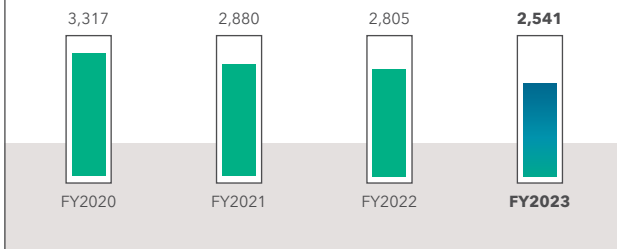
PAT (Malaysian Operations)

Surpassing RM200 mil annually for 3 consecutive years

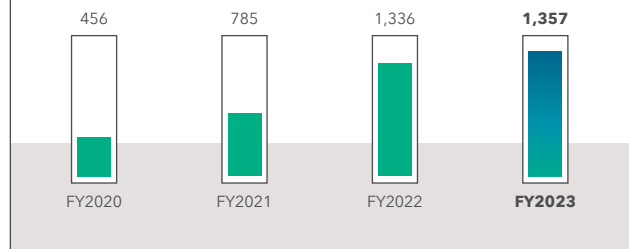


PAT (Malaysian Operations)

Total Borrowings (RM'mil)

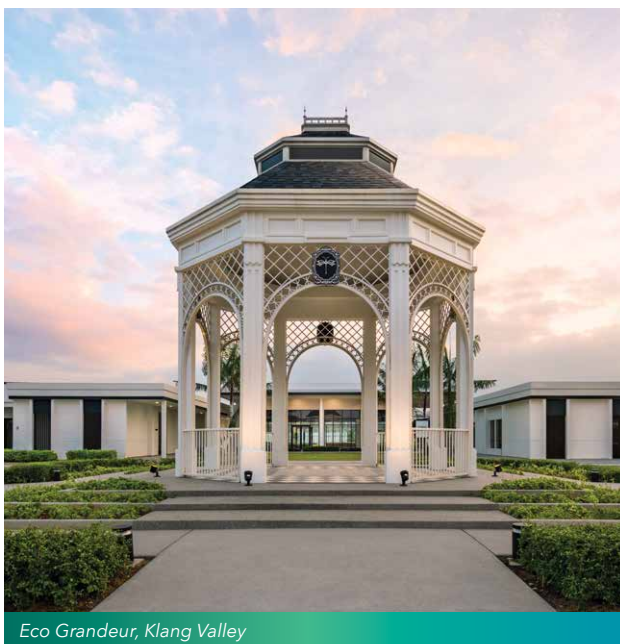
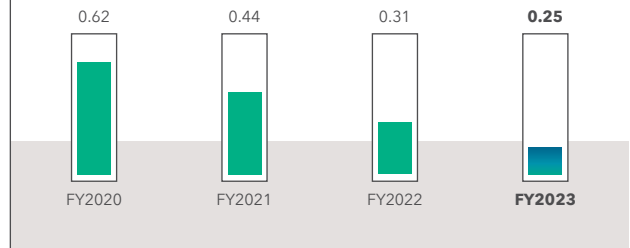


Total Cash & Bank Balances (RM'mil)



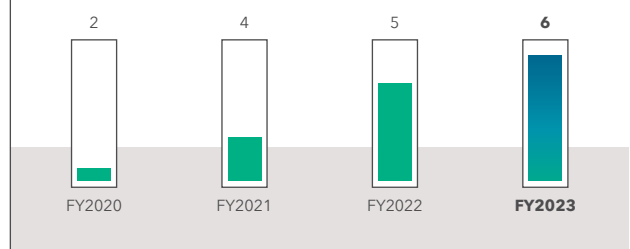
This caused our Statement of Financial Position to strengthen, with marked improvements recorded across all relevant metrics over the last four years, even amidst extreme market turmoil caused by the outbreak of the pandemic in 2020. The substantial cash derived from the Group's sales and profits achieved resulted in lower borrowings, increasingly high cash balances and a sharp reduction in net gearing from 0.62 times in FY2020 to 0.25 times in FY2023.

Net Gearing (times)



Further since, we started paying dividends to our shareholders in FY2020, our dividend per share has steadily increased every year from 2 sen per share in FY2020 to 6 sen per share in FY2023.

Dividend per Share (sen)



CHAIRMAN'S STATEMENT

DIVERSIFIED CONTRIBUTION FROM FOUR REVENUE PILLARS

Our results to-date is testament to the Group's strategic decision to transform and evolve from our roots as a township developer.

Today, EcoWorld Malaysia is a multi-faceted real estate player with a diverse range of products and services across four revenue pillars to serve the residential (both landed and high-rise), commercial and industrial markets.

- **Eco Townships** offer beautifully designed landed homes amidst lush greeneries and comprehensive lifestyle amenities in keeping with the Group's mission of creating World-class Eco-living for our homeowners, residents and visitors alike.

Projects include:

- Eco Majestic, Eco Forest, Eco Sanctuary, Eco Ardence and Eco Grandeur in the Klang Valley
- Eco Botanic, Eco Botanic 2, Eco Summer, Eco Spring and Eco Tropics in Iskandar Malaysia; and
- Eco Meadows, Eco Horizon and Eco Sun (upcoming) in Penang.
- **Eco Rise** covers a growing range of high-rise residential developments within BBCC, Eco Sky, Eco Terraces, Eco Nest and Parque Residences, as well as our popular and affordable **duduk** apartments;
- **Eco Hubs** comprise shop and strata offices, as well as retail spaces located within our townships and integrated developments across all 3 regions; and
- **Eco Business Parks** consist of EBP I, II, III (ongoing) and VI (upcoming) in Iskandar Malaysia, and EBP V in the Klang Valley, which are developed to serve the needs of 21st century industrialists, both local or international.



Launch of the EcoWorld Sustainability Pledge

The increasing size and strength of each revenue pillar have given EcoWorld Malaysia the flexibility and agility to adapt and adjust annual product launches to serve the market segment experiencing the most robust demand. This contributed in no small measure to the Group's remarkable track record of achieving average annual sales in excess of RM3.6 billion, whilst also increasing gross profit margins from pre-pandemic levels of 19.1% in FY2019 to 24.2% in FY2023.

REIMAGINING AND DIGITALISING OUR BUSINESS FOR GREATER PRODUCTIVITY AND EFFICIENCY

EcoWorld Malaysia is a brick-and-mortar company. However, in today's world, there is great emphasis on technology. To drive productivity, as a group, we initiated our digital transformation back in 2017, beginning with our frontline and marketing support functions. These efforts had a direct positive impact on sales, with improved lead generation and faster sales conversion. Digitalisation also resulted in substantial cost savings that have driven down both marketing and administrative expenses.

Today, continual digital transformation is an integral part of the Group's modus operandi which has extended beyond office and backroom functions to also cover site inspection and documentation processes. Apart from productivity gains, the successful integration of our e-Inspection & Test Plan ("eITP") initiative across all projects has improved site efficiency, reduced wastage from rework and unnecessary paper usage. The entire progress billings cycle has also been streamlined leading to enhanced cash flow generation, the results of which are seen in the Group's Statement of Financial Position's strength and profitability.

PURSUIT OF SUSTAINABILITY AS OUR #1 CORE VALUE

When we first started EcoWorld, many people said "What's so eco about you? What's so eco about EcoWorld?" That was well before ESG became a trending issue.

As such, way back in 2014, we started a blueprint to define what ESG meant to us. We started a Green Council that is now a key driver of our sustainability initiatives groupwide. We asked ourselves, "What is the DNA of EcoWorld?" "What is our Core Value?" For us, the most important thing is how can we touch somebody's life? How can we change their lives for the better? How do we transform their way of living? How do we bring hope to our community and to the less fortunate in our society?

Over the years, guided by these questions, we have continued to refine and redefine how we can operate responsibly and sustainably, in a manner that balances out our commitment to positively impact every stakeholder group whilst delivering good returns to our shareholders.

As we grew and matured as an organisation, led by our Sustainability Committee, we formalised many of our ESG processes and formulated policies to communicate our aspirations and commitments. Our sustainability reporting has also been elevated through adherence to the TCFD. Through TCFD, we are fostering a culture of accountability, ensuring that our stakeholders are informed about our climate-related initiatives and the measures we are taking to mitigate risks.

This year, the Sustainability Committee developed a roadmap for the Group to achieve Net Zero GHG emissions by 2050, in line with Malaysia's commitment and our Climate Change Policy approved by our Board of Directors. The proactive measures we are taking to achieve a low-carbon future include the progressive solarisation of our sales galleries, establishment of Electric Vehicle ("EV") charging hubs and utilisation of EV bikes with battery swapping stations at our larger townships.



RM4.2 million
allocated for CSR Activities



2,041 hours
volunteered by employees

Beyond financial metrics and environmental stewardship, EcoWorld Malaysia remains deeply committed to societal improvement, evidenced in our unwavering support for the Eco World Foundation. In FY2023, we allocated RM4.2 million (of which RM1.5 million was contributed by our contractors and business associates) towards corporate social responsibility ("CSR") initiatives. Our efforts were backed by our employees who volunteered a total of 2,041 hours to support these noble endeavours. From the Students Aid Programme to the refurbishment of schools and improvement of public amenities, our aim is to alleviate the challenges faced by underserved schools, students, families and communities.

STRONG FOUNDATION FOR SUSTAINED AND EXCITING GROWTH

EcoWorld Malaysia's execution track record and ability to transform adversity into opportunity sets the stage for sustained growth in the years to come. Our Statement of Financial Position's health, ample cash balances and low net gearing places us in very good stead to acquire more landbank for future growth.

I am confident that we are well-positioned to capitalise on the many more promising opportunities that will unfold for the Group in the years to come. Even as we look back in celebration of what has been achieved, we look forward with excitement on how we will be growing, expanding and extending the range of products and services that we offer under each of our four revenue pillars.

NOTE OF APPRECIATION

On behalf of the Board, I want to express my appreciation to the entire EcoWorld community which includes our customers, business associates, bankers and shareholders for your unwavering support over the past decade, which we are sincerely grateful for.

To Team EcoWorld, your passion, dedication and teamwork have enabled the Group to consistently deliver outstanding results. The tenacity, perseverance and commitment to excellence and innovation you have demonstrated individually and collectively have played a pivotal role in shaping the success we celebrate today.

We would like to extend our gratitude to Dato' Noor Farida binti Mohd Ariffin who will be retiring from the Board in March 2024. Dato' Noor has been our Independent Non-Executive Director for nine years since 2015, serving as the Chairperson of the Remuneration Committee and as a member of the Audit and Nomination Committees. Her warmth, compassion, wisdom and wit have enlivened many Board meetings and the deep insights she was able to offer from decades of public service in the diplomatic, legal and judicial arena have benefited the Group immensely.

I also take this opportunity to extend a warm welcome to Mr. Ng Soon Lai @ Ng Siek Chuan, our new Independent Non-Executive Director, effective 22 June 2023. With over 32 years of experience in the audit and financial services sectors, we look forward to receiving his valuable contributions to the Board.

As we stand at the threshold of a new decade, we aspire to do even better by partnering with our stakeholders to deliver a brighter, more equitable and prosperous future for all. Together, let us strengthen the EcoWorld brand by working to deliver exceptional value, embracing innovation and sustainability as our guiding principles in our quest to create an Exceptional Tomorrow & Beyond.

Thank you for being on this journey with us.

Tan Sri Dato' Sri Liew Kee Sin
Executive Chairman

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS ON VALUE CREATION

EcoWorld Malaysia celebrated our 10th anniversary in FY2023, a landmark coming-of-age moment for us as a property developer. The Group achieved RM3.6 billion sales in FY2023, exceeding our target of RM3.5 billion, with strong contributions by every market segment and geographic region.



DATO' CHANG KHIM WAH
President & Chief Executive Officer

Our Iskandar Malaysia projects performed especially well. Collective sales from our five **Eco Townships** and three **Eco Business Parks** reached an impressive RM1.59 billion in FY2023. Over the past decade, we have successfully sold more than 12,500 units of properties with cumulative values exceeding RM10.92 billion in Iskandar Malaysia, which averages more than RM1 billion per annum from the southern region alone.

EcoWorld Malaysia has also expanded and diversified well beyond our roots as a township developer. With four sizeable revenue pillars now contributing strongly to sales, we were able to serve every segment of the residential, commercial and industrial markets. The performance of each revenue pillar in FY2023 is discussed below.

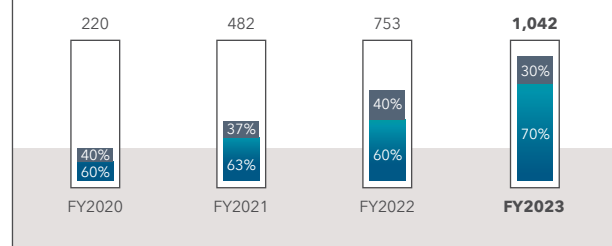
ECO BUSINESS PARKS

It was another record-breaking year for our industrial segment, with combined sales of RM1.04 billion achieved in FY2023, the highest ever recorded in a single year. Sales comprised a balanced mix of ready-built factories, customised built-to-suit industrial units and industrial lands. This pillar has seen exponential growth in recent years recording an overwhelming increase of 374% from FY2020, giving rise to a 4-year compounded annual growth rate of 68%.

Eco Business Park Sales (RM'mil)

4-year Compound Annual Growth Rate (CAGR): **68%**

138%
of FY2022
Sales



■ EBP V
■ EBP I, II & III

70% of industrial sales came from Iskandar Malaysia in FY2023. We kicked off the year with a strategic sale of 92 acres of industrial land at **EBP II** to Haitian Group, a leading industrial equipment manufacturer from China specialising in the production of a wide range of energy saving, eco-friendly and high precision industrial machines and solutions.

Our concerted efforts to build up our network and actively pursue leads with industrialists have expanded our customer base to include more than 1,100 local and multinational players now operating at our business parks located across Iskandar Malaysia and the Klang Valley.

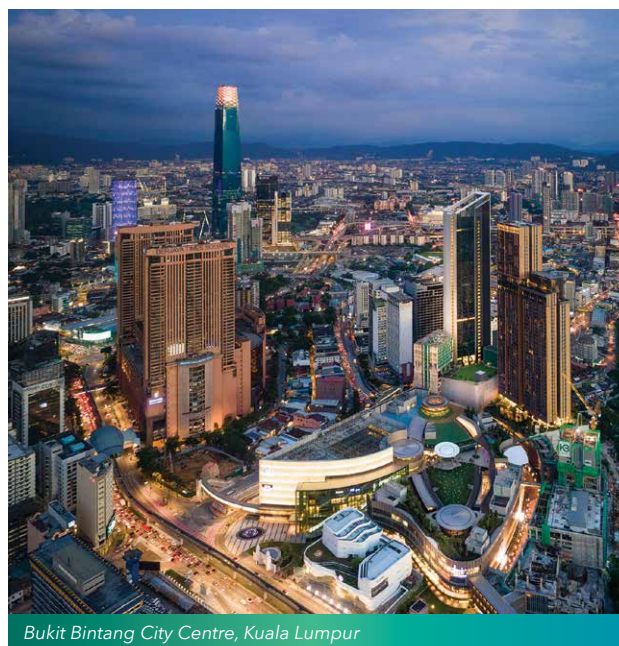
Meanwhile, riding on the robust demand from the industrial sector, we acquired 403.78 acres of land in Kulai, Iskandar Malaysia during the year, which is planned for the development of **EBP VI**. This will be our fifth business park, targeted for launch in FY2025 with an estimated gross development value (“**GDV**”) of RM1.58 billion.

ECO HUBS

Sales of commercial properties totalled RM515 million during the year, a 15% increase from FY2022 and 33% above the average annual sales achieved from FY2020-2022. Sales in FY2023 mainly comprised properties launched across the Northern, Southern and Central regions such as **Ceria Square** at **Eco Horizon**, **Eco Biz III** at **Eco Tropics**, **Hana Square** at **Eco Ardence** and **SilverSquare** at **Eco Majestic**, amongst others.

The encouraging growth of this revenue pillar is testament to the success of the Group’s placemaking efforts in developing strata and shop offices complemented by ample lifestyle and recreational amenities. Increasingly more investors and business owners are drawn to our matured townships with its relatively affluent, diverse and fast-growing population. Further, strong take-ups of our **Eco Hubs** products help create a virtuous transformative cycle as greater commercial vibrancy enhances the liveability of our townships, benefitting not just our residents but also the wider population living in the vicinity of our projects.

“
We acquired 403.78 acres of land in Kulai, Iskandar Malaysia during the year, which is planned for the development of EBP VI. This will be our fifth business park, targeted for launch in FY2025 with an estimated GDV of RM1.58 billion.”



Bukit Bintang City Centre, Kuala Lumpur

ECO TOWNSHIPS & ECO RISE

The residential segment, which remains the core of the Group’s business, recorded a combined total of RM2.05 billion in sales under the **Eco Townships** and **Eco Rise** pillars.

This year, EcoWorld recorded RM1.47 billion from sales of homes within our **Eco Townships** that were priced above RM650,000, representing 72% of residential sales and 41% of total sales in FY2023. The sustained demand for our higher-end products is testament to the strength of the EcoWorld brand in the upgrader and aspirational segment as customers continue to be drawn to the **EcoWorld DNA** exemplified in our **Eco Townships**.

Meanwhile, homes priced below RM650,000 contributed RM577 million sales, mainly from the **duduk** series of apartments under the **Eco Rise** pillar. The first two **duduk** launches in the Klang Valley, namely **Huni D’ Eco Ardence** and **Se.Ruang D’ Eco Sanctuary** are fully sold and expected to be completed and handed over in the 1st half of FY2024. **Hana D’ Eco Ardence**, our third in this series, was launched in FY2023 with strong take-up rates. Following the success seen in the Klang Valley, we then introduced the first **duduk** apartments in Penang, **Ceria D’ Eco Horizon** and in Iskandar Malaysia, **Sa.Young D’ Eco Botanic**.

The unique value propositions offered by **duduk** of attainable pricing, highly matured locations with ample lifestyle retail, F&B as well as other recreational and family-friendly amenities complement the upgrader and luxury homes under our **Eco Townships**. This enables us to cater to every market segment within the residential space covering a broad range of price points across every generation.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS ON VALUE CREATION

FINANCIAL REVIEW

Malaysian Operations

EcoWorld Malaysia recorded revenue of RM2.23 billion in FY2023, 9.0% higher than in FY2022, whilst gross profit was RM538.6 million, an increase of 9.8% from FY2022. Gross profit margin for FY2023 was 24.2% which is on par with the 24.0% recorded in FY2022.

The share of results from our Malaysian joint ventures - **Eco Grandeur, EBP V, Eco Ardence, Eco Horizon** and **BBCC**, was RM117.5 million, a slight increase from FY2022.

The Group's Malaysian operations recorded PAT of RM284.7 million in FY2023, the highest ever achieved to date. As compared to FY2022 it was 1.2% higher, mainly due to the increase in gross profit and higher interest income earned.

With the increasing maturity of our development portfolio, we have entered a highly cash-generative phase of our project lifecycle. This contributed to the record RM1.36 billion cash and bank balances (including short-term funds) as at 31 October 2023 even as total borrowings were pared down. As a result, the Group's net gearing further reduced to 0.25 times, the lowest level attained in 10 years.

Premised on the above, EcoWorld Malaysia was able to further increase dividends to our shareholders, with a total of 6 sen per share declared for FY2023, up from 5 sen per share in FY2022 and 4 sen per share in FY2021.



This year, EcoWorld recorded RM1.47 billion from sales of homes within our Eco Townships that were priced above RM650,000, representing 72% of residential sales and 41% of total sales in FY2023.



Eco World International Berhad ("EWI")

EWI achieved RM1.2 billion sales in FY2023 which generated substantial cash, enabling it to distribute an interim dividend of RM792.0 million and declare a final dividend of RM144.0 million for the year. EcoWorld Malaysia's share of the interim and final dividend is RM213.8 million and RM38.9 million respectively, totalling RM252.7 million in dividends received and receivable from EWI for FY2023.

A lower loss was recorded by EWI in FY2023, of which EcoWorld Malaysia's share of loss amounted to RM13.4 million, 69% lower than in FY2022. This was largely due to:

- Higher interest income earned following repayment of advances by its UK joint ventures, namely EcoWorld-Ballymore and EcoWorld London;
- Foreign exchange gains from appreciation of the British Pound (GBP) against the Malaysian Ringgit;
- EWI's reversal of impairment on its investment in EcoWorld-Ballymore of RM64.7 million following significant progress in monetisation of inventories during the year (offset by impairment losses on the amount due from EcoWorld London of RM91.0 million); and
- Lower finance costs as a result of full settlement of all borrowings during the year.

GROUP RESULTS INCLUDING EWI

Following EWI's reduction in the number of its future projects and continued deferral of new launches given weak property market conditions in the UK, EcoWorld Malaysia reassessed the carrying values of its investment in EWI. As a result, an additional impairment of RM82 million was recognised in FY2023. This takes into consideration the higher weighted average cost of capital applied in the assessment, in view of further increases in UK interest rates during the year.

Notwithstanding the share of EWI's loss and the impairment of the Group's investment in EWI, the Group recorded a PAT of RM189.3 million for FY2023, an increase of 20% from FY2022.



Sa.Young D' Eco Botanic Show Unit

OUTLOOK AND PLANS FOR 2024

As at 31 October 2023, the Group's future revenue remains healthy at RM3.49 billion, which provides us with clear near and mid-term earnings and cashflow visibility. Accordingly, the Board is maintaining EcoWorld Malaysia's FY2024 sales target at RM3.50 billion. This will enable the Group to focus on pursuing sustainable growth by improving absolute returns from our valuable landbank (whether via margin improvements or higher yield per sq ft of land developed). Our aim is to extend the life of our matured landbank to reap the rewards of our investments in value creation, thus improving our capacity to continue rewarding our shareholders with good dividend payments in the years to come.

For FY2024, we will continue diversifying our revenue stream across all four pillars. We will be bringing another **duduk** series to Iskandar Malaysia with **Santai D' Eco Spring**. Meanwhile, Klang Valley will see more **duduk** launches, namely **Riang D' Eco Majestic** and **Se.Duduk D' Kajang**.

Se.Duduk D' Kajang is an exciting first for our **duduk** apartments to be launched outside the Group's Eco Townships. The land is situated in a matured locale that already enjoys the comprehensive lifestyle amenities associated with the **duduk** brand. Based on positive pre-marketing response, we believe the project will be a success which will open up interesting possibilities for further growth of the **Eco Rise** pillar beyond our own developments.

Under the **Eco Hubs** pillar we are revamping the commercial and retail space at **BBCC** to introduce a new F&B hub, **Tuah 1895**. This will add to our leasing portfolio which we have been gradually building up over the years within our townships and integrated developments.

The Group's **Eco Business Parks** pillar is slated to continue experiencing strong demand, with a further boost expected from the Government's New Industrial Masterplan 2030 launched in 2023. Prospects for Iskandar Malaysia are especially bright backed by extensive improvements in infrastructure, especially the ongoing construction of the Johor Bahru-Singapore RTS link. The RTS link, once completed, will significantly reduce commute time between the two cities and boost economic and commercial activities in the southern state. This will drive increased demand not just for industrial properties but also commercial and residential properties as well.

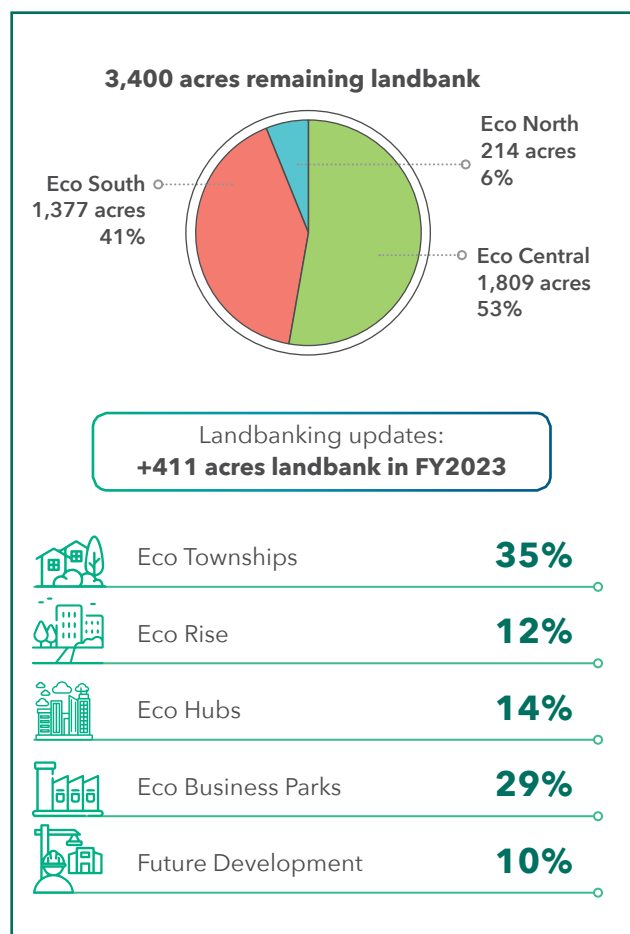
On the international front, EWI targets to sell out all its remaining stocks in FY2024 and distribute the excess cash generated (net of amounts required for its pared down operational requirements) back to shareholders. As at 31 October 2023, EWI has approximately RM850 million of completed and nearly-completed stocks that are available for sale, of which its effective share is approximately RM650 million.

The potential receipt of more dividends from EWI in FY2024 will further add to EcoWorld Malaysia's cash reserves and strengthen our capabilities to acquire new landbank.

MALAYSIAN LANDBANK AS AT 31 OCTOBER 2023

EcoWorld Malaysia's remaining landbank is approximately 3,400 acres, including 410.70 acres of additional land acquired during the year, comprising 403.78 acres in Kulai, Iskandar Malaysia for the planned development of **EBP VI** and 6.92 acres in Kajang, Selangor for **Se.Duduk D' Kajang**.

Our plans for the remaining lands, which span three key geographic regions, are well-balanced and diversified between our four revenue pillars giving us the agility and flexibility to target product launches based on market needs and strength of demand. Meanwhile, given the Group's healthy cash position and Statement of Financial Position, we are actively seeking to acquire more landbank to extend the breadth and depth of our product offerings under each of the four pillars.



VALUE CREATION MODEL

Key Resource Inputs FY2023		Business Activities	
<p>Financial Capital Responsible financial and liquidity management to ensure strong capital base to support our businesses, enable future development and maximise shareholders' value</p>	<ul style="list-style-type: none"> Total cash, bank balances and short-term funds: RM1,356.6 million Total assets: RM8,902.8 million Total borrowings: RM2,540.8 million Shareholders' fund: RM4,773.5 million 	<p>Vision Creating Tomorrow & Beyond</p> <p>Purpose The pursuit of better, greater ways to complete people's living experience</p>	<p>Core Values</p> <p>Mission</p> <ul style="list-style-type: none"> Create world-class Eco-Living by providing products and services that continue to exceed expectations Generate & initiate ideas that disrupt the status quo and inspire people Continuously raise the bar of excellence, through borderless teamwork across EcoWorld Unleash, support and grow everyone's potential in Team EcoWorld Commit 2x2x5x5=100% energy, focus & passion in everything we do <p>Brand Pillar</p> <ul style="list-style-type: none"> People Centric Offerings Wholesome Sustainable Community Enduring Impact Legacy <p>Sustainability Pillar</p> <ul style="list-style-type: none"> Advancing Economic Excellence Managing Our Environmental Footprint Driving Robust Governance Creating Prosperous Communities <p>EcoWorld DNA</p> <p>Strategic Future Priorities</p> <ul style="list-style-type: none"> Continuing the digital transformation journey Enhancing ESG commitment Improving profit margins Increase engagement with stakeholders
<p>Manufactured Capital Development of tangible assets and infrastructure with greater focus on enhancing the quality and value of real estate assets contributing to economic production and development</p>	<ul style="list-style-type: none"> Total landbank: 8,729 acres Undeveloped landbank: 3,400 acres Category of land use (undeveloped): <ul style="list-style-type: none"> Eco Townships: 35% Eco Rise: 12% Eco Hubs: 14% Eco Business Parks: 29% Future Development (not determined): 10% 		
<p>Intellectual Capital Management of intangible assets including R&D activities, digitalisation and human resources that create competitive advantage in the marketplace</p>	<ul style="list-style-type: none"> Utilisation of automation process Collaboration with cybersecurity solution providers and software partners Sustainable Design Conducted 3 biodiversity assessments at Eco Grandeur: Bird, Fish and Insect diversity 		
<p>Social and Relationship Capital Develop network of trust and positive connection between internal stakeholders and with external stakeholders to foster collaboration, collective wellbeing and prosperity</p>	<ul style="list-style-type: none"> Focused engagement with key stakeholders >220 suppliers and contractors Engagement with community and CSOs via community enrichment programme 		
<p>Human Capital Highly skilled talents including leaders that bring expertise in market analysis, efficient project management and ensure developments are strategically positioned and executed</p>	<ul style="list-style-type: none"> Total employee strength: 1,083 Investment in employee training programmes: RM542,474 Training on health and safety 		
<p>Natural Capital Incorporation of energy-efficient features and green spaces to design our developments with natural resilience, better equipped to withstand climate-related risks</p>	<ul style="list-style-type: none"> Energy consumption: 36,188 gigajoules (GJ) Set Scope 2 emissions reduction target and developed a net zero roadmap Non-scheduled waste generation: 10,710 tonnes Introduced recycling initiatives for the residents and public Water consumption: 81,634 m³ Tree transplantation 		

Output	Outcome	Stakeholders Impacted	UN SDGs
<p>Material Matters</p> <ul style="list-style-type: none"> Economic Performance Supply Chain Management Sustainable Design Customer Experience, Brand Reputation and Data Privacy Corporate Governance and Anti-Corruption Occupational Health and Safety Diversity and Talent Management Labour Practices and Decent Work Community Development Energy Efficiency and Climate Resilience Material and Waste Management Water Stewardship Biodiversity 	<ul style="list-style-type: none"> ➤ Revenue: RM2,226.9 million ➤ Profit before tax: RM270.0 million ➤ Profit after tax (Malaysian operations): RM284.7 million <hr/> <ul style="list-style-type: none"> ➤ Sales achieved: RM3.61 billion ➤ No. of units completed: 2,471 ➤ Future revenue: RM3.49 billion <hr/> <ul style="list-style-type: none"> ➤ Implementation of 10 new systems, 67 automated process and 45 business process reengineering ➤ Identified diversity of species at Eco Grandeur including migrant and local bird species, native and introduced fish species in water bodies and insect diversity <hr/> <ul style="list-style-type: none"> ➤ 100% procurement budget spent on local suppliers and vendors ➤ Allocated RM4.2 million on CSR activities ➤ 323 number of volunteers to conduct/organise the community programmes 	 	
<p>Key Risks</p> <ul style="list-style-type: none"> Acquisition of Unsuitable Land Liquidity Weak Market Sentiment Increasing Cost of Construction Non-performing Contractors Lack of Interest from Investors Environmental and Climate Risk 	<ul style="list-style-type: none"> ➤ Dividend payout: RM176.7 million ➤ Income tax expense: RM80.7 million ➤ Staff costs: RM185.0 million <hr/> <ul style="list-style-type: none"> ➤ 89% of projects with Green certification ➤ 32 total certifications from GBI, LEED, GreenRE and GreenMark <hr/> <ul style="list-style-type: none"> ➤ Reduced processing time from 2,835 to 646 minutes ➤ Zero cybersecurity breaches ➤ Improved knowledge on landscape enrichment and maintenance process to support the wide range of species <hr/> <ul style="list-style-type: none"> ➤ Contracted 100% local suppliers and vendors ➤ 5,409 number of beneficiaries from community enrichment programmes <hr/> <ul style="list-style-type: none"> ➤ Zero complaints on human right violation ➤ Zero workplace fatalities recorded ➤ 37% reduction in employee turnover <hr/> <ul style="list-style-type: none"> ➤ Minimised environmental impact ➤ 15% reduction in Scope 2 GHG emissions ➤ Increase in recycling rate ➤ Increased awareness on responsible waste management among residents and public 	 	

OUR KEY CAPITALS

Property development and its business operations rely on a wide range of resources and capital. These encompass both tangible and intangible forms of capital that are integral to the functioning of EcoWorld's business model. These assets play a crucial role in the creation of value, encompassing both financial gains and non-financial benefits.

F Financial Capital

The investments that we hold extend beyond just properties where they are a strategic portfolio encompassing residential, industrial, commercial and township domains. Combined with our technological infrastructure, this capital serves as the basis for sustained profitability and productivity, driving the success of our core business segments into the long-term.

M Manufactured Capital

Our commitment to manufactured capital is seamlessly integrated into EcoWorld's strategic investments to drive business growth. It signifies more than physical assets where it is a meticulous synergy of elements that foster success across our core business segments.

I Intellectual Capital

EcoWorld's pursuit of excellence extends beyond the tangible. We consistently invest in advancing our knowledge and expertise, adopting a strategic, long-term approach to talent management. This investment in intellectual wealth propels our business with prudence and foresight.

S Social and Relationship Capital

In forging enduring connections, we cultivate social and relational ties with our communities, business associates, regulators, employees and partners that empower us to develop sustainable projects and manage properties to create long-term value.

H Human Capital

Our people are the dynamic pillar of our operations where their strength and commitment propels us forward. By placing emphasis on our people, we cultivate a workplace culture where collaboration and innovation not only thrive but define our path to success.

N Natural Capital

Natural capital to us transcends conventional landscaping. It represents a harmonious integration of sustainability practices within our developments. Beyond aesthetics, it is a pledge to enhance biodiversity, crafting spaces that coexist with nature and leaving an enduring green legacy for generations.

VALUE CREATED BY CAPITALS

EcoWorld generates value for the Group and stakeholders through strategic management of financial, manufactured, intellectual, social and relationship, human and natural capitals, ensuring holistic sustainability and positive impacts.

Value Created by Capitals	
<p>Our financial capital consists of our total cash balances and short-term funds of RM1.4 billion, RM8.9 billion in assets, RM2.5 billion in borrowings and RM4.8 billion in shareholders' fund. Through our business activities, our financial capital generated RM2.2 billion in revenue and RM189.3 million in PAT. This reduced our net gearing to 0.25 times which allowed us to boost dividends to our shareholders to 6 sen per share in FY2023, up from 5 sen per share in FY2022.</p>	
<p>Our manufactured capital consists of our landbanks used for the development of our four revenue pillars: Eco Townships, Eco Rise, Eco Hubs and Eco Business Parks which generated RM3.6 billion in sales in FY2023. With 3,400 acres remaining, we plan to diversify development across the four revenue pillars and to acquire more landbank.</p>	
<p>We implemented 10 new systems, 67 automated processes and 45 business reengineering initiatives, resulting in a reduction in processing time from 2,835 to 646 minutes. Through stringent cyber security measures, we ensured zero breaches.</p> <p>We enhance our understanding of sustainable landscaping through biodiversity assessments at Eco Grandeur, contributing to our natural capital and facilitating the seamless integration of biodiversity into our design processes.</p>	
<p>Engaging consistently with key stakeholders allows us to address their concerns (refer to Stakeholder Relationship on page 32). We allocated 100% of our procurement budget to local suppliers and vendors. Additionally, we allocated RM4.2 million in CSR programmes, with RM1.5 million raised from our business associates, benefiting 5,409 individuals through community enrichment initiatives.</p>	
<p>Our 1,083 skilled employees form our valuable human capital. We invested RM524,474 in upskilling resulting in a 37% reduction in turnover and an 85% employee satisfaction score.</p>	
<p>The Group's 15% reduction in Scope 2 GHG emissions contributes to the global decarbonisation initiative, creating societal value. Our responsible waste management and recycling programmes also reduces environmental impact. At present, green spaces make up 22% of our developed lands which enhances property aesthetics, elevating market value.</p>	

Impacted Stakeholders

STAKEHOLDER RELATIONSHIP

EcoWorld is committed to forging meaningful collaborations with stakeholders to advance our business and achieve Net Zero aspirations. Actively engaging with diverse groups underscores our dedication to making positive contributions to the communities in which we operate, promoting environmental stewardship, and fostering a reputation for ethical and responsible business practices.

As stakeholder expectations and scrutiny heighten, proactive and frequent engagements become crucial to ensuring balanced and timely responses to their concerns. These collaborations are pivotal in shaping a positive perception of EcoWorld, especially regarding our sustainability approach. We consistently monitor engagement outcomes and periodically assess stakeholder sentiments to facilitate timely interventions. This enables us to achieve our goals and contribute to a sustainable future through collaborative efforts.



INVESTORS

Capitals



Material Matters



UN SDGs



Why are they Important?

Regular communication with our investors enables us to address their needs and align them with our business approach. Building trust and credibility leads to successful and stable relationships.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Risk management Corporate governance Growth trajectory Market diversification Acquisitions and expansions ESG indicators, performance and tracking Climate change strategies 	<ul style="list-style-type: none"> Develop robust corporate governance policies including the ABC Policy, Whistleblowing Policy, Board Diversity Policy, etc. Identify and minimise potential risks through risk assessments Being accountable for sustainable practices through ESG performance reports Conduct regular engagements with investors 	<ul style="list-style-type: none"> Ad Press conferences Q Analyst and Fund Manager briefings Th Regular meetings with Bankers, Analysts and Fund Managers



REGULATORS

Capitals



Material Matters



UN SDGs



Why are they Important?

We actively stay abreast of updates in regulatory laws and regulations to operate in an ethical manner and avoid any non-compliances.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Legal Compliance Security issues Environmental management Public nuisance issues Labour practices Anti-corruption practices 	<ul style="list-style-type: none"> Establish policies to ensure compliance with relevant legislation and regulatory requirements Ensure the relevant legal registers are updated 	<ul style="list-style-type: none"> Ad Site inspections Ad Audits Ad Meetings with regulators, legal advisors and consultants to stay up-to-date on latest requirements



CUSTOMERS

Capitals



Material Matters



UN SDGs



Why are they Important?

Our customers' continued support of EcoWorld ensures our success and growth, positively impacting our operations. Their feedback is a vital source of information, offering us insights into prevailing trends.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Pricing Quality and workmanship Energy conservation Property design features Product safety Defect rectification Customer service and experience Resource efficiency and utility savings 	<ul style="list-style-type: none"> Design green projects and townships for healthy lifestyles Design adequate amenities for residents Frequent engagement with customers to get feedback and measure satisfaction Identify areas for improvement and discuss with our EcoWorld Class Committee for solutions 	<ul style="list-style-type: none"> Ad Corporate and brand campaigns Th Corporate website and social media channels Th Advertisements and marketing promotions Th Customer Satisfaction Survey Th Marketing events and workshops at sales galleries Th EcoWorld Residence Club activities



EMPLOYEES

Capitals



Material Matters



UN SDGs



Why are they Important?

Our employees are our topmost priority contributing to the success of the Group. We provide them with opportunities and benefits for optimal performance while ensuring their health and safety.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Corporate direction and growth plans Job security Remuneration and benefits Workplace health and safety Labour and human rights Work-life balance Opportunities for volunteering 	<ul style="list-style-type: none"> Conduct employee engagement programmes to motivate and maintain close communication Provide comprehensive benefits and competitive remuneration packages Enforce strict occupational safety and health policies and procedures Conduct training programmes to support career growth, personal development and instill a culture of teamwork and excellence 	<ul style="list-style-type: none"> Ad Management meetings with employees A Salary Benchmark Survey A Employee Engagement Survey B CEO Dialogue (Physical) Ad Leadership, soft skills, technical and non-technical training programmes

STAKEHOLDER RELATIONSHIP



CONTRACTORS

Capitals



Material Matters



UN SDGs



Why are they Important?

By constantly engaging with supply chain vendors and contractors, we foster effective business partnerships that ensure sustainability across our value chain.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Legal compliance Payment schedule Pricing of services Product quality and inventory supply commitment 	<ul style="list-style-type: none"> Ensure a fair and transparent tender process Conduct supplier and vendor evaluations Digitalisation of site checklists and inspections Conduct or provide training or briefings 	<ul style="list-style-type: none"> Ad Contract negotiation B Supplier audit and evaluation (Physical) Ad Vendor registration Ad Contractors and consultant townhall meetings



CIVIL SOCIETY ORGANISATIONS & COMMUNITIES

Capitals



Material Matters



UN SDGs



Why are they Important?

We are fundamentally committed to giving back to our communities. Through our enduring partnerships with Civil Society Organisations ("CSOs"), we also establish profound connections with the local community.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Environmental and social issues in relation to business operations, as well as contributions made to surrounding communities 	<ul style="list-style-type: none"> Empowering the community through the Eco World Foundation Engagement with Students Aid Programme beneficiaries Instilling a culture of volunteerism in our employees to uplift needy communities and conserve the environment Innovating to co-create sustainable lifestyles within our communities 	<ul style="list-style-type: none"> Th Donations and financial aid such as contributions to Eco World Foundation's Students Aid Programme Ad Contribute to environmental protection and social enhancement Ad Sustainability and related awareness for employees and communities



MEDIA

Capitals



Material Matters



UN SDGs



Why are they Important?

The media conveys the Group's narrative and assists in delivering news to our stakeholders. This promotes transparency, enhances our brand image, and inspires public confidence.

Key Concerns	Our Approach	Method Frequency
<ul style="list-style-type: none"> Company reputation Advocating green consumerism and lifestyle 	<ul style="list-style-type: none"> Develop beneficial relationships with the media to ensure balanced and accurate news coverage for EcoWorld Conduct regular briefing sessions with media to update them on EcoWorld's overall performance and new business strategies Organise exclusive media meetings to build brand reputation and highlight new property developments 	<ul style="list-style-type: none"> Ad Interviews and engagement sessions Ad Press release Ad Press conferences

Legend:

Frequency of Engagement



Ad-hoc



Bi-annually



Annually



Throughout



Quarterly



Eco Grandeur, Klang Valley

STRATEGIC FUTURE PRIORITIES

EcoWorld's Vision and Mission remain highly relevant in an increasingly dynamic and complex operating environment, where ESG-related issues and stakeholder perspectives play a pivotal role in shaping both financial and non-financial value creation. The Board has identified four strategic priorities essential for sustaining value creation and ensuring the competitiveness of our business model:

	Capitals employed
Continuing the digital transformation	
EcoWorld remains committed to the ongoing digital transformation journey, leveraging technology to streamline operations and enhance overall efficiency.	F M I
Improving profit margins via product innovation and digital transformation	
Sustaining value creation is a core objective of EcoWorld. By focusing on product innovation and digital transformation to enhance profit margins, the Group strives for efficient resource utilisation and creation of long-term value for stakeholders.	F H I
Enhancing the Group's ESG commitment in its operations and sustainability reporting	
Strengthening ESG commitments and sustainability reporting demonstrates the company's dedication to sustainability, transparency and ethical conduct, aligning with stakeholder expectations. We also strive for continuous improvements and refinement in our <IR> adoption.	F S I
Continuing to increase engagement with stakeholders especially on ESG-related matters	
Engaging with stakeholders aligns with EcoWorld's commitment to building lasting relationships. Prioritising ESG-related matters in these engagements reflects the company's responsiveness to evolving stakeholder concerns and expectations.	F S I

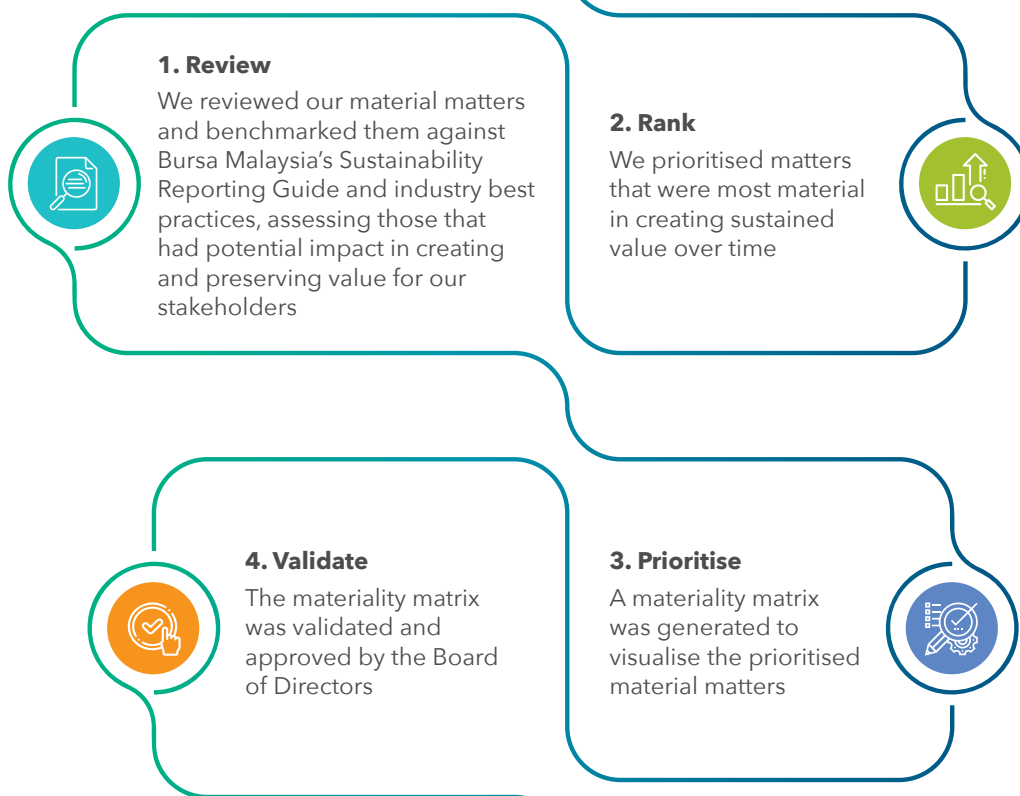
MATERIALITY ASSESSMENT

In our rigorous materiality assessment process for FY2023, we meticulously identified and prioritised the sustainability matters integral to EcoWorld. This strategic undertaking empowers us to not only formulate targeted sustainability strategies but also to adeptly integrate sustainability risks and seize emerging opportunities. By understanding and prioritising these material matters, we ensure a focused approach that aligns with our commitment to long-term value creation.

Moreover, our active engagement with stakeholders serves as a dynamic compass, enabling us to stay attuned to their evolving expectations. Through this ongoing dialogue, we not only create immediate value for our stakeholders but also mitigate the risk of long-term value erosion while fostering enduring value for EcoWorld.

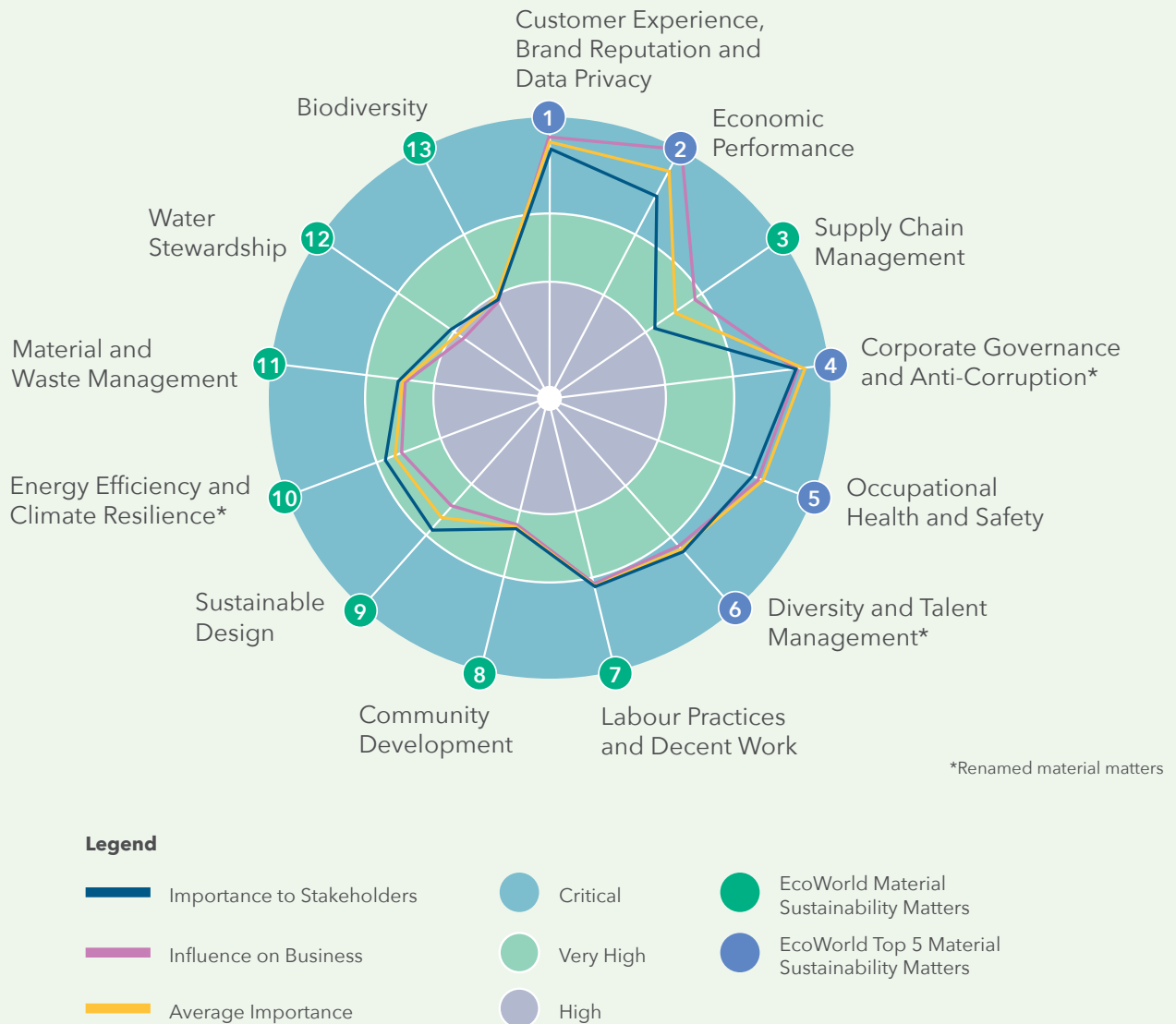


Our Materiality Assessment Approach for FY2023:



MATERIALITY ASSESSMENT

EcoWorld Malaysia Materiality Matrix



In the year under review, a thorough examination revealed the continued relevance of our material matters and the materiality matrix from FY2022 to both our current business operations and stakeholder interests. Recognising the need for continued refinement, we undertook the strategic initiative to rename three key material matters. This intentional adjustment is aimed at achieving a more precise alignment with Bursa Malaysia’s prescribed common material matters, as well as staying attuned to shifts in the economic landscape and prevailing industry trends.

Our commitment to excellence extends beyond the status quo, ensuring that our materiality framework evolves in concert with both regulatory expectations and the dynamic pulse of the industry. By recalibrating these material matters, we not only fortify our alignment with industry standards but also enhance the clarity and relevance of our sustainability strategy, thereby increasing our resilience in an ever-evolving business landscape.

STRATEGIC REVIEW OF MATERIAL MATTERS

By emphasising value creation across our six capitals, we enhance our ability to efficiently manage critical issues, gain clarity on risks and opportunities and track performance against established metrics.

F

FINANCIAL CAPITAL

Material Matters

- Economic Performance
- Customer Experience, Brand Reputation and Data Privacy
- Corporate Governance and Anti-Corruption

Importance to Value Creation

We create value for stakeholders by converting financial resources into quality products and services, supporting local businesses and contributing to national economic growth, both directly and indirectly.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Advancing Economic Excellence pages 35 to 44, Driving Robust Governance pages 45 to 48, Creating Prosperous Communities pages 59 to 70)

Stakeholders



Strategic Priorities

- Managing cash flow and capital effectively
- Aligning product offerings with market demand
- Managing and monetising land bank with continued advancement

How we Measure our Value Creation

- Revenue and profit
- Value distributed to
 - Capital providers
 - Government
 - Employees
 - Reinvestments and future growth community infrastructure investments

UN SDGs



Risks



Opportunities

- Seek green financing options and incentives to support sustainability initiatives and projects
- Attract ethical investors and partners who align with the Group's ESG goals

M

MANUFACTURED CAPITAL

Material Matters

- Supply Chain Management
- Sustainable Design

Importance to Value Creation

Manufactured capital is pivotal in our value creation, enabling us to provide community-centric, future-ready services by constructing sustainable homes, industrial and commercial buildings while promoting resource conservation and environmental enhancement through our green portfolio.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Advancing Economic Excellence pages 35 to 44)

Stakeholders



Strategic Priorities

- Development of a supplier ESG checklist to ensure responsible procurement
- Investing in innovative design and construction techniques to create sustainable, eco-friendly properties

How we Measure our Value Creation

- Percentage of projects with Green Certification
- Property sales
- Procurement budget allocated to local suppliers

UN SDGs



Risks



Opportunities

- Rejuvenate existing brownfield development for sustainable development
- Explore sustainable construction methods and green technologies

STRATEGIC REVIEW OF MATERIAL MATTERS

I

INTELLECTUAL CAPITAL

Material Matters

- Sustainable Design

Importance to Value Creation

Our brand's reputation and competitive edge rely on our passion for innovative designs, utilising our team's knowledge and creativity and championing technology and digitalisation to deliver sustainable lifestyles.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Advancing Economic Excellence pages 35 to 44)

Stakeholders



Strategic Priorities

- Collaboration with ChargEV and EVC to establish EV charging stations at our properties
- Rolling out Housing Integrated Management Systems to improve efficiency for ESG monitoring at our properties

How we Measure our Value Creation

- Investment into digital technologies
- Zero breaches in cybersecurity
- Hours saved from improved efficiency

UN SDGs



Risks



Opportunities

- Collaborate with industry players and research institutions to stay at the forefront of sustainable design
- Develop innovative sustainable building designs to differentiate EcoWorld in the market

H

HUMAN CAPITAL

Material Matters

- Corporate Governance and Anti-Corruption
- Occupational Health and Safety
- Labour Practices and Decent Work
- Diversity and Talent Management

Importance to Value Creation

Our success hinges on our dedicated team, fostering well-being and growth within a supportive work environment, while their diverse skills, knowledge and experience drive competence and engagement for sustainable growth.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Driving Robust Governance pages 45 to 48, Creating Prosperous Communities pages 59 to 70)

Stakeholders



Strategic Priorities

- Improving our talent attraction, development and retention
- Ensuring that our staff and contractors are trained on health and safety

How we Measure our Value Creation

- Talent retention
- Amount spent on capacity building
- Training hours
- Workplace health and safety incidents

UN SDGs



Risks



Opportunities

- Invest in training and development programmes to enhance employee skills
- Foster a culture of sustainability and innovation in the workforce

N

NATURAL CAPITAL

Material Matters

- Energy Efficiency and Climate Resilience
- Material and Waste Management
- Water Stewardship
- Biodiversity

Importance to Value Creation

Environmental stewardship, through sustainable practices, conserves natural resources and creates value for present and future generations. Addressing climate change by reducing emissions and preparing for shifting weather patterns are vital for sustainability.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Managing Our Environmental Footprint pages 49 to 58)

Stakeholders



Strategic Priorities

- Development of our Net Zero 2050 Roadmap
- Expanding our Scope 3 coverage
- Improving our TCFD disclosures

How we Measure our Value Creation

- Scope 1, 2 and 3 GHG emissions
- Waste diverted from landfill
- Number of trees planted
- Biodiversity assessments

UN SDGs



Risks



Opportunities

- Enhance natural ecosystems within new and existing development projects
- Collaborate with organisations to create programmes aimed at carbon sequestration

S

SOCIAL AND RELATIONSHIP CAPITAL

Material Matters

- Customer Experience, Brand Reputation and Data Privacy
- Corporate Governance and Anti-Corruption
- Community Development

Importance to Value Creation

Fostering strong community bonds through meaningful engagements enhances brand trust, raises environmental and social awareness among homeowners and creates value to the communities we serve.

Managing our Material Matters

Refer to EcoWorld's Sustainability Report FY2023 (Advancing Economic Excellence pages 35 to 44, Driving Robust Governance pages 45 to 48, Creating Prosperous Communities pages 59 to 70)

Stakeholders



Strategic Priorities

- Increasing the adoption of our Sustainability Pledge among our staff and the public
- Maintaining high levels of customer satisfaction
- Deepening stakeholder engagement

How we Measure our Value Creation

- Number of beneficiaries from community enrichment projects
- Investment into community programmes

UN SDGs



Risks



Opportunities

- Engage in community outreach and partnership programmes to strengthen local ties and community support
- Develop marketing campaigns that highlight the company's commitment to social responsibility and community well-being


OUR KEY RISKS AND IMPACTS

The Group's financial performance and operations are subject to various risk factors that could affect our value creation strategy. To proactively manage and mitigate these risks, we systematically identify and assess them, taking measures to safeguard our business and the value we generate.

AUL ACQUISITION OF UNSUITABLE LAND ↔	Risk Category: Strategic Risk
<p>Description Land bank is crucial for the success and sustainability of the Group's operations. Acquisition of land with high organic carbon such as peatland, primary forest reserves and/or land with high conservation value, may render financial institutions not willing to consider financing the acquisition based on ESG criteria.</p> <p>Land with hidden adverse topography or encumbrances as well as over-priced land may erode the Group's profit margin, causing eventual losses or even cash being tied up for long periods of time.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Adverse impact on economic performance and returns on investment • Delay in project launches and development plans <p>Capitals Impacted</p> <p>F M N S</p> <p>Material Matters</p> <p>EP SCM B CD</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. Avoid acquisition of land with high conservation value including peatland and primary forest reserves for future developments. 2. Conduct comprehensive feasibility and market studies. 3. Prepare detailed business projection with due consideration given on cashflow, payback period and internal rate of return. 4. Conduct studies on site accessibility, land condition, topography of the area and statutory requirements (e.g. condition of land use). 5. Perform analysis on property trends, historical cost data and screened information obtained from local agencies and neighbouring developments. 6. Engage experienced consultants at inception stage to perform due diligence including land searches.

L LIQUIDITY ↔	Risk Category: Financial Risk
<p>Description The Group's operation is supported by funds generated from property sales and a combination of equity and borrowings. Sufficient liquidity will allow the Group to fund its development, overheads as well as pursue strategic opportunities such as acquisitions of new land banks for new development projects, investment in joint venture companies and ventures into new technologies that would bring an edge to the Group.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Insufficient funding can impede both the funding of existing and future development projects, causing delays or deferment of project completion and new launches • Affect the Group's ability to service loan repayments • Adverse impact on the Group's credit rating <p>Capitals Impacted</p> <p>F</p> <p>Material Matters</p> <p>EP</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. Group treasury's regular cash flow forecasting helps to anticipate liquidity needs and manage resources proactively to avoid potential shortfall. 2. Maintain adequate financial facilities to allow the Group access to ready funds as and when required. 3. Maintain close relationships with key bankers to understand their lending appetite and priorities and explore new funding opportunities in the capital market. 4. Undertake continuous financial planning to consider contractual obligations, financial impact and liquidity requirements, as well as optimising assets to ensure healthy cash flow while ensuring all financial covenants are complied with. 5. Monitoring gearing ratio constantly through effective credit utilisation to ensure leverage is within acceptable levels and aligns with the Group's growth aspirations and repayment capabilities. 6. Enhance liquidity through continuous monetisation of unsold completed stocks into cash. 7. Exercise financial discipline to achieve cost effectiveness through ongoing digitalisation for process efficiency and effectiveness, ultimately resulting in cash preservation. 8. Continue to strengthen the Group's financial performance to ensure long-term sustainable growth through increased contributions from all business units of all regions.

 WEAK MARKET SENTIMENT ↓	Risk Category: Strategic Risk
<p>Description Deteriorating market sentiments among investors and buyers and increased caution can have a broader implication for the property market, which will affect the Group's sales performance, profit margin and cash flow positions.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Low profit margins and adverse impact on cash flow position • Poor sales performance due to weak market demand <p>Capitals Impacted</p> <p>F I S</p> <p>Material Matters</p> <p>EP CEBR</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. Stay vigilant in monitoring factors that influence market sentiments such as economic indicators, geopolitical events, government policies, investors' behaviour, etc. 2. Understand customers' preferences and tailor products accordingly. The Group's continuous launch of its duduk series across the regions is a result of strategising affordability and practicability to attract key buyers. 3. Continue to collaborate with financial institutions to offer special end-financing packages for the Group's projects with green certification, as part of the Group's ESG commitment. 4. Ongoing digitalisation initiatives within the Group to continue to enhance customer experience by facilitating online sales booking and responsive after-sales service. 5. With the success of the Group's four Eco Business Parks, the Group continues to develop its fifth business park to support the growth of Malaysian small and medium enterprises and attract foreign and local industrialists. 6. Continue to implement innovative and aggressive marketing strategies to appeal to a wider audience of property purchasers.

 INCREASING COST OF CONSTRUCTION ↑	Risk Category: Strategic Risk
<p>Description The Group's ability to attain its targeted profitability is directly impacted by the cost of construction, which primarily comprises contractors' costs and cost of building materials such as steel bars, bricks, cement and steel reinforcement mesh.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Adverse fluctuation in building material prices affects the Group's profitability • Increasing trend in contractors' tender prices also impacts the Group's profitability <p>Capitals Impacted</p> <p>F I M N</p> <p>Material Matters</p> <p>EP SCM SD MWM</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. The Group's trading arm always stays informed of market trends and actively sources for alternative building material suppliers who offer competitive prices. 2. Expand the existing pool of suppliers, including eco-friendly suppliers as part of supply chain management. 3. Consolidate materials purchase requirements of all the Group's projects to leverage bulk discounts. 4. Undertake value engineering to improve the efficiency of building design to save on materials and costs. 5. Invite contractors with good track records to pre-tender for the Group's upcoming projects, so that a more accurate estimate of the contractors' costs can be achieved prior to the actual launching of the projects. 6. The contracts division and business units continue to stay vigilant and exercise strict scrutiny over each cost surge during construction stage. 7. Actual construction costs are constantly monitored and tracked against project budgets so that immediate remedial action can be taken to address any significant variance.

OUR KEY RISKS AND IMPACTS

NC NON-PERFORMING CONTRACTORS ↔	Risk Category: Operational Risk
<p>Description Contractors who are lacking in health and safety management and those with poor performance records may lead to site safety and work quality issues, cost overruns and overall project delays.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Stop work order issued in the event of serious site incidents will cause delay on construction progress • Reputational damage due to poor quality of products delivered • Delay in project completion, resulting in liquidated ascertained damages payable to purchasers • Mishandling of construction debris disposal, causing environmental harm <p>Capitals Impacted</p> <p>I M H</p> <p>Material Matters</p> <p>SCM LPDW</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. Conduct robust contractors selection process which involves extensive due diligence and thorough evaluation on contractors’ track record, good health and safety practices at sites, financial capability and ESG consciousness that strives to minimise environmental footprint. 2. Proactive and systematic monitoring of contractor performance during the construction period to anticipate potential work disruption. 3. Implement e-ITP to manage site works more efficiently. 4. Conduct performance evaluation on the awarded contractors twice a year to ensure ongoing assessment and improvement. 5. Active contractors are required to undergo fresh pre-qualification assessments every 5 years while non-active contractors will be assessed if a new contract is to be awarded. 6. Conduct ESG assessment on the Group’s contractors and suppliers to evaluate their impact on ESG-related matters.

LII LACK OF INTEREST FROM INVESTORS ↑	Risk Category: Strategic Risk
<p>Description Lack of interest from the investors who provide financial resources, demand and dynamism for the growth and sustainability of the property market could lead to financial losses to the Group, such as higher holding costs and funds being tied up in unsold completed stock. The Group will require a strategic approach to attract investors to the Group’s townships, commercial hubs, business parks and high-rise projects through showcasing potential for return on investment.</p> <p>Impact to Value Creation</p> <ul style="list-style-type: none"> • Funds being tied up due to accumulation of unsold completed stock • Adverse impact on the Group’s performance and returns <p>Capitals Impacted</p> <p>F I S</p> <p>Material Matters</p> <p>EP CEBR</p>	<p>Mitigation Actions</p> <ol style="list-style-type: none"> 1. The existing team of experienced design and planning personnel continues to work closely with the marketing team and external consultants to craft out masterplans with the right product mix that are aligned with market demand. 2. Conduct market research and intelligence on surrounding area and regions as well as the corporate or investment strategy of the potential investors to ensure the investors’ needs and expectations are met. 3. The existing team of experienced leasing personnel continues to assist purchasers to source for tenants via a match-making service, thereby helping the Group to determine the quality of tenants for its commercial hubs and business parks.



Description

ESG issues are gaining attention as stakeholders recognise the importance of sustainable and responsible business practices that could significantly impact ecosystems, biodiversity, human health, and the overall sustainability of the planet. The Group’s projects are also exposed to physical risks, such as floods and storms, as well as transition risks, including the inability to comply with regulatory requirements and/or meet stakeholders’ expectations related to climate change.

Impact to Value Creation

- Disruption to development projects
- Rising construction costs
- Environmental damage from pollution, heat, hazardous emissions, etc.

Capitals Impacted



Material Matters

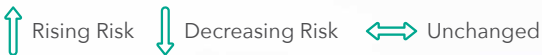


Mitigation Actions

1. Develop emission reduction targets and related action plan. Target set is to reduce Scope 2 emissions by 20% by 2025, and 30% by 2030 using FY2019 as the baseline. Action plan to reduce emissions involves installation of Solar Photo Voltaic (“Solar PV”) System to use renewable energy, changing lights to LED, transitioning to energy-efficient air-conditioning units, and practicing energy-efficient habits.
2. Group project management is guided by the Environmental Management System ISO 14001:2015 to ensure compliance with environmental laws and regulations and mitigate impacts to the environment during planning and construction stages.
3. Contractors must acknowledge Group-wide policies including the Sustainability Policy and Sustainable Procurement Policy and comply with ISO 14001:2015.
4. Implementing relevant sustainability KPIs such as Green Building Certification and percentage of green and open spaces allocated to developments.
5. Conducting carbon capture studies to understand the carbon sequestration factor of common trees and shrubs planted in Group developments towards the removal of CO₂ in the atmosphere to offset Group emissions, and to prepare for potential future regulatory requirements such as carbon tax.

Legend

Risk Trend



SUSTAINABILITY STATEMENT

EcoWorld Malaysia’s Sustainability Statement (“the Statement”) is a comprehensive account of the Group’s progress from an ESG perspective. It highlights our initiatives and efforts under the economic, environmental, social and governance pillars in FY2023 as we seek to deliver long-term value for our stakeholders. This Statement is to be read together with our Sustainability Report which can be found on our corporate website www.ecoworld.my.

SUSTAINABILITY STRATEGY

Our sustainability strategy communicates the Group’s approach in addressing pertinent ESG issues as well as

outlines the Group’s plans in integrating sustainability considerations into our operations and decision-making. This includes our Sustainability Policy, Governance Structure, DNA and Framework.

Sustainability Governance Structure

EcoWorld’s sustainability governance structure ensures accountability, integrity, and effective execution of ESG-related matters. It integrates sustainability strategies into decision-making, outlining clear roles and responsibilities for managing sustainability priorities.



Board of Directors

- Provides strategic oversight on sustainability performance and progress including climate-related risks and opportunities;
- Considers climate-related issues in reviewing major capital expenditures, acquisitions and divestitures;
- Approves sustainability strategies, policies and initiatives;
- Approves the materiality matrix and Sustainability Report.



Sustainability Committee (“SC”)

- Oversees the implementation of sustainability initiatives;
- Reviews and approves sustainability related internal guidelines;
- Develops sustainability policies and KPIs;
- Reports to the Board at least twice a year.



ESG Councils

- Proposes and implements sustainability initiatives;
- Develops sustainability guidance documents for internal use;
- Collects and monitors sustainability data;
- Reports to the Sustainability Committee.



Economic and Governance Council



Green and Operations Council



Social Council

SUSTAINABILITY FRAMEWORK

EcoWorld's Sustainability Framework encompasses the core elements of our sustainability ideology. Underpinned by our four sustainability pillars, the Framework outlines material ESG issues that are significant to the Group and identifies UN SDGs that we believe are most relevant to our operations. Additionally, the Group's sustainability strategies are aligned with Bursa Malaysia's Enhanced Sustainability Reporting Guide, TCFD, GRI Standards, <IR> Framework and the 12th Malaysia Plan.



Vision

Creating Tomorrow & Beyond



Mission

- ▶ Create world-class Eco-Living by providing products and services that continue to **exceed expectations**
- ▶ Generate & initiate ideas that **disrupt the status quo** and **inspire people**
- ▶ Continuously raise the bar of excellence, through **borderless teamwork** across EcoWorld
- ▶ **Unleash, support and grow** everyone's potential in Team EcoWorld
- ▶ **Commit 2x2x5x5=100%** energy, focus & passion in everything we do

EcoWorld DNA



Design

- Green Infrastructure Design
- Emphasising Placemaking



Nature

- Nature Integration
- Nurturing Biodiversity
- Sustainable Landscaping
- Community Building and Recreational Opportunities



Art

- Thematic Design

Sustainability Pillars



Advancing Economic Excellence

- Economic Performance
- Sustainable Design
- Customer Experience and Brand Reputation
- Supply Chain Management



Driving Robust Governance

- Corporate Governance and Anti-Corruption
- Data Privacy



Managing our Environmental Footprint

- Energy Efficiency and Climate Resilience
- Material and Waste Management
- Water Stewardship
- Biodiversity

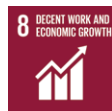


Creating Prosperous Communities

- Occupational Health and Safety
- Labour Practices and Decent Work
- Diversity and Talent Management
- Community Development

Our Material ESG Issues

UN SDGs



Stakeholder Groups

- Investors
- Regulators
- Employees
- Customers
- Contractors/ Vendor/Suppliers
- Media
- CSOs and Communities

Our Alignment with Guidelines, Frameworks and Standards









SUSTAINABILITY STATEMENT

CONTRIBUTING TO GLOBAL ASPIRATIONS

We have aligned our ESG efforts with specific UN SDG targets that identify areas in which we can contribute to the world-wide call for action. This year, we adopted SDG 7 (Affordable and Clean Energy), following our renewable energy deployment initiatives.

UN SDGs	Targets	EcoWorld's Initiatives
	3.8: Achieve universal health coverage, including access to quality essential health-care services	<ul style="list-style-type: none"> Employees are provided with health benefits including medical benefits and medical insurance Wellness talks/sharing sessions were conducted
	4.4: Substantially increase the number of youth and adults who have relevant skills including technical and vocational skills for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Employees were provided 28,896 training hours A cumulative total of 8,179 and currently 1,846 underprivileged students received educational support through the Eco World Foundation's Students Aid Programme
	5.1: End all forms of discrimination against all women and girls everywhere	<ul style="list-style-type: none"> We have an Equality, Diversity and Inclusion Policy in place to ensure gender equality Our hiring and remuneration practices are non-discriminatory, promoting fair and equal opportunity irrespective of gender
	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> Our management consists of 54% women while our Board consists of 36% women
	7.2: Increase the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> Installed Solar PV system at Eco Grandeur sales gallery. We aim to install more at other galleries and offices Conducted roadshows/sharing sessions with partners to educate and encourage our residents to install Solar PV systems for their properties purchased from us
	8.3: Promote decent job creation, and entrepreneurship	<ul style="list-style-type: none"> Entrepreneurship for local SMEs was supported through our Labs at Eco Ardence, Eco Grandeur and Eco Spring and Malaysia Grand Bazaar at BBCC, along with marketing grants for operators at our commercial precincts at EcoWorld townships
	8.8: Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> The Group has in place sound OHS management practices including policies and procedures, OHS committees, site inspections and PPE for safety at construction sites Staff and workers underwent training on OHS and received reminders with daily toolbox meetings and 14,720 hours of training
	9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	<ul style="list-style-type: none"> Innovative design features and green infrastructure were incorporated into all our projects Initiative was taken to create practical, liveable and affordable housing designs catering to the needs of homebuyers Invested in infrastructure surrounding our developments including improving roads, drainage and connections to highways as well as other amenities that will benefit the community
	11.3: Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management	<ul style="list-style-type: none"> 89% of our projects are green certified Ensured good accessibility to our townships and developments Provided amenities, recreational and community spaces such as town parks, lakes, retail/shop offices and labs that have been tailored to foster sustainable lifestyles
	11.7: Provide universal access to safe, inclusive and accessible, green and public spaces	

UN SDGs	Targets	EcoWorld's Initiatives
	12.2: By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> Water from detention ponds, underground rainwater harvesting systems and bio-effluents for landscaping and cleaning were utilised, thus conserving and reducing consumption of potable water
	12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> Partnered with waste and recycling specialists for collection of recyclable materials and used cooking oil in our townships Published Annual Sustainability Reports
	12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities	<ul style="list-style-type: none"> The Sustainable Procurement Policy was utilised in our engagement with suppliers to promote sustainability within the local economy Introduced Supplier ESG risk assessment to our largest contractors and suppliers
	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> Developed a Net Zero 2050 Roadmap and a Group-wide Climate Change Policy and set Scope 2 emission reduction targets Identified climate-related risks and opportunities Reported on Scope 1, 2 and 3 GHG emissions At present 22% of our developmental area comprise green areas; transplanted native trees and carried out two carbon capture studies EV charging stations are installed at our developments to provide low carbon infrastructure
	14.1: Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities including marine debris and nutrient pollution	<ul style="list-style-type: none"> Through our biodiversity masterplan, we conserved aquatic life by introducing ponds with native species of fish and plants that support local ecosystems A beach clean-up in conjunction with International Coastal Clean-up Day was carried out to reduce pollution and prevent debris from entering water, protecting marine life
	14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts	
	15.5: Take urgent and significant action to reduce the degradation of natural habitats and halt the loss of biodiversity	<ul style="list-style-type: none"> Saved and replanted 1,326 native trees, planted 12.2 million shrubs and 84,177 trees across our developments to date Incorporated the preservation of local flora and fauna during conceptualisation, master-planning and project execution
	15.9: Integrate ecosystem and biodiversity values into local planning, development processes, poverty reduction strategies and accounts	
	16.5: Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none"> Clear, accessible policies outlining our zero tolerance for corruption, bribery and discriminatory behaviour are in place Compliance with the principles of the MCCG 100% staff completed assessment on ABC Policy Recorded zero cases of corruption, bribery and discrimination
	17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	<ul style="list-style-type: none"> A member of the UNGCMYB since 2021 Engaged in partnerships with corporations, business partners, NGOs and industry leaders to strengthen our sustainability performance and ensure accountability

SUSTAINABILITY STATEMENT

OUR ESG PERFORMANCE

Pillar 1

ADVANCING ECONOMIC EXCELLENCE

Connectivity to our Business Model

Our comprehensive economic sustainability approach encompasses four core focus areas: economic development, support for local suppliers, sustainable design, and enhancing customer experience and brand reputation. These strategic avenues drive economic excellence while ensuring a harmonious balance between prosperity and responsible environmental stewardship.

Material Sustainability Matters


- EP Economic Performance
- SCM Supply Chain Management
- SD Sustainable Design
- CEBR DP Customer Experience, Brand Reputation and Data Privacy



Capitals


- F
- M
- I
- S

Key Risks

- AUL Acquisition of Unsuitable Land
- L Liquidity
- WMS Weak Market Sentiment
- ICC Increasing Cost of Construction
- LII Lack of Interest from Investors



ECONOMIC PERFORMANCE

Why is this Important?

EcoWorld's financial performance is integral to our long-term value creation and our dedication lies in cultivating local economic growth while ensuring resilience and equitable wealth distribution among our stakeholders. Our revenue not only generates economic value but also fosters job creation, entrepreneurial opportunities and supports local supply chains.

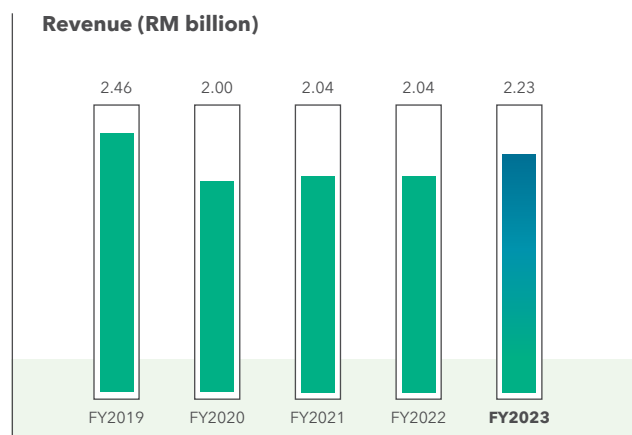
Our Approach

We drive economic excellence through our multifaceted business strategy, including staying current with market trends, digitalisation, risk management and market expansion.

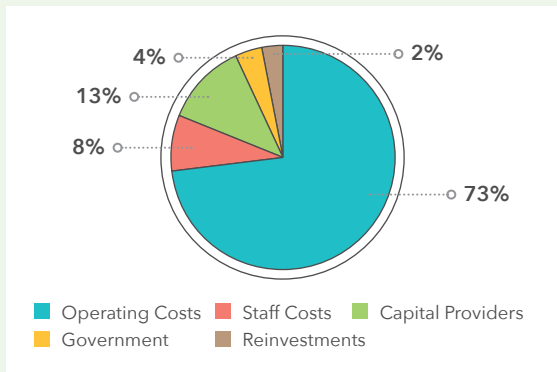
EcoWorld is unwavering in our support for local businesses achieved through community investments and robust partnerships with local suppliers. This commitment not only fuels economic growth but also minimises our carbon footprint by reducing transportation emissions associated with long-distance transportation of goods, elevates quality control and fortifies risk management.

Our Performance

In FY2023, the Group recorded a total revenue of RM 2.23 billion, out of which 13% was distributed to capital providers, 8% to staff, 4% to the government, 2% to reinvestment and future growth. The majority (73%) was attributed to operational costs.



Value Distributed in FY2023



In FY2023, 100% of our procurement budget was expended on local Malaysian suppliers. We also contributed towards the construction of the SJK(C) Ton Fah Eco Majestic and funded two interchanges: The Eco Ardence Interchange which was completed in March 2023 and LATAR Highway Interchange which is currently under construction.

SUPPLY CHAIN MANAGEMENT

Why is this Important?

EcoWorld’s end-to-end supply chain management is instrumental in optimising production, ensuring on-time deliveries, maintaining product quality and upholding an ethical value chain, all of which impact our value creation.

Our Approach

EcoWorld’s Sustainability Procurement Policy reinforces our commitment to local suppliers and ethical, transparent procurement processes. We communicate and enforce this policy systematically. In FY2023, we enhanced our supplier screening with ESG criteria to promote sustainability, urging suppliers to adopt eco-friendly practices.

Our Performance

We successfully incorporated 100% of our new suppliers into the new ESG evaluation process, along with the top 20% of our existing contractors and suppliers.

100%
of new suppliers screened using ESG criteria

20%
of existing top contractors and suppliers were assessed using ESG criteria

To ensure strong governance within our supply network, we assess the presence of anti-corruption policies, whistleblowing mechanisms and codes of ethics of our suppliers and contractors. We also examined data protection policies, incident investigation processes, risk assessments and any regulatory or legal issues over the past three years. 95% fully complied with relevant regulations.

CUSTOMER EXPERIENCE AND BRAND REPUTATION

Why is this Important?

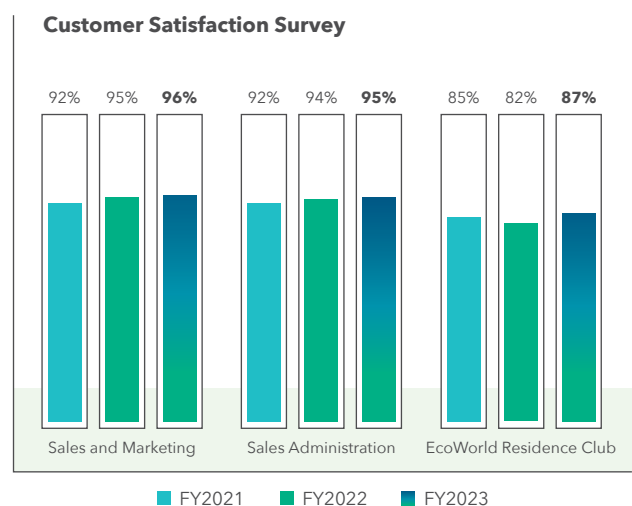
Customer satisfaction is key to achieving long-term value creation and upholding our brand reputation in the market. We are committed to improving customer satisfaction by carefully assessing their feedback and ensuring that rigorous quality standards are consistently met across all our products and services.

Our Approach

Monthly inspections during construction ensure high standards and on-time delivery. After the handover, our Customer Satisfaction Surveys allow homebuyers to provide valuable feedback on quality.

Our Performance

We are pleased to report that our customer satisfaction score has increased in FY2023.



SUSTAINABILITY STATEMENT

DIGITALISATION

Why is this Important?

Digitalisation stands at the heart of EcoWorld's strategic vision, marking a pivotal shift in our journey towards greater efficiency, competitiveness and sustainability. In today's rapidly evolving business landscape, embracing digital tools and strategies has become an imperative, and for EcoWorld, this is an important transformation.

Our Approach

In FY2023, EcoWorld incorporated progressive billing, automated document generation and digitalised our document approval process. This eliminates physical exchanges, storing documents digitally and streamlining processes, offering an eco-friendly and cost-effective approach for both residential and commercial properties.

Our Performance

EcoWorld's efforts to automate a total of 5,797 steps yielded impressive results, reducing processing time from 2,835 to 646 minutes (per 100 units) and significantly cutting down on paper usage due to the adoption of email billing. Our digitalised document approval process was able to reduce 16,600 pieces of paper within a single month.

SUSTAINABLE DESIGN

Why is this Important?

We prioritise seamless integration of eco-friendly practices into our projects, from energy efficiency and resource conservation to water stewardship and biodiversity preservation. This holistic approach enables reduction in our ecological footprint of construction, contributing to long-term environmental sustainability.

Our Approach

In the pursuit of incorporating sustainable design practices, we are guided by key principles such as innovative architectural designs that maximise energy efficiency, green landscaping and urban planning, responsible water management and fostering a strong sense of community.

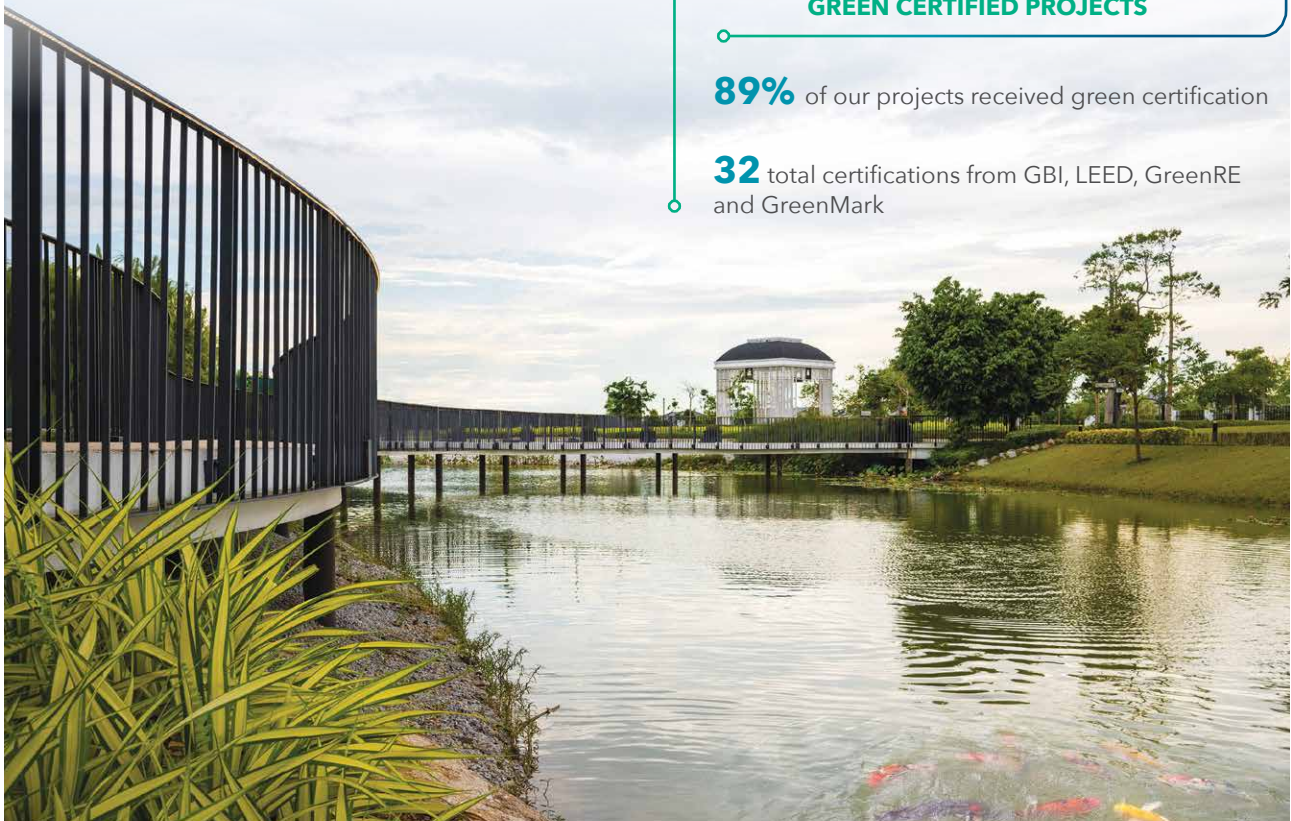
Our Performance

EcoWorld Malaysia is pleased to share our progress and initiatives in the field of sustainable design with many of our project developments attaining green certifications. We are proud to announce that Eco Botanic, Eco Botanic 2, Eco Spring, Eco Tropics and Eco Grandeur received new GreenRE township certifications in FY2023.

GREEN CERTIFIED PROJECTS

89% of our projects received green certification

32 total certifications from GBI, LEED, GreenRE and GreenMark



Eco Sanctuary, Klang Valley

Pillar 2

DRIVING ROBUST GOVERNANCE

Connectivity to our Business Model

EcoWorld's operations are characterised by high standards of conduct and integrity as we continue our operations as a responsible property developer. Our robust governance framework ensures long-term sustainability and trust among stakeholders. We promote transparency and accountability through policies, procedures and regular reviews to ensure compliance with laws and regulations.





Material Sustainability Matters

-  Corporate Governance and Anti-Corruption
-  Customer Experience, Brand Reputation and Data Privacy

Capitals

-  S
-  H
-  F

Key Risks

-  AUL Acquisition of Unsuitable Land
-  L Liquidity
-  WMS Weak Market Sentiment
-  LII Lack of Interest from Investors



CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Why is this Important?

Corporate governance and anti-corruption are fundamental in ensuring transparency, accountability and trust within the Group, mitigating the risk of financial misconduct and upholding our long-term success.

Our Approach

The Board ensures the Group's adherence to the highest ethical standards. The Board Charter alongside the Directors' Code of Conduct and Ethics ("**Code for Directors**") integrates the principles, practices and guidance of the MCCG, the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (issued by the Securities Commission Malaysia), Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MMLR**"), relevant provisions of the Constitution of the Company and the Companies Act 2016, providing a structured guide for our Directors. EcoWorld has implemented a comprehensive list of policies dedicated to enhancing corporate governance and promoting exemplary professional conduct.



Board Policies

- Board Charter & Code for Directors
- Directors' Fit and Proper Policy
- Directors' Remuneration Policy
- External Auditors Assessment Policy



Corporate Policies

- Code of Conduct and Business Ethics for Employees ("**Code for Employees**")
- Anti-Bribery and Anti-Corruption ("**ABC**") Policy
- Whistleblowing Policy
- C-Suite Remuneration Policy
- Equality, Diversity & Inclusion Policy
- Quality Environment, Health & Safety Policy
- Sustainability Policy
- Climate Change Policy
- Sustainable Procurement Policy

SUSTAINABILITY STATEMENT

Code of Conduct and Business Ethics for Employees

Established in 2014, the Code for Employees guides our business practices alongside the ABC Policy, Whistleblowing Policy and other policies. It sets the standard for professionalism and ethics and requires adherence by all employees and associated parties.



For more information on the Code for Employees, please visit: [Code of Conduct and Business Ethics \(ecoworld.my\)](https://ecoworld.my)

Anti-Bribery and Anti-Corruption Policy

The Group's ABC Policy is aligned with the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) ("MACC") and covers bribery and corruption prevention. Our workforce undergoes an annual assessment of the ABC Policy, requiring a minimum score of 90% for successful completion.



For more information on the ABC Policy, please visit: https://ecoworld.my/wp-content/uploads/2023/05/Anti-Bribery_and_Anti-Corruption_Policy_EN.pdf

Whistleblowing Policy

The Whistleblowing Policy provides a secure way to report improper conduct without fear of retaliation. We encourage reporting any improper conduct in writing using the Whistleblower Reporting Form and emailing it to whistleblow_ewdgb@ecoworld.my or delivering it to our registered office. Reports are channelled to the Whistleblowing Committee.



The detailed Whistleblowing Policy and access to the Whistleblower Reporting Form are available at our website: <https://ecoworld.my/whistleblowing-policy/>

Our Performance

In FY2023, 100% of our staff completed the annual ABC Policy assessment and 100% of our operations were assessed for corruption-related risks. We are proud to report zero instances of corruption, bribery and whistleblowing cases.

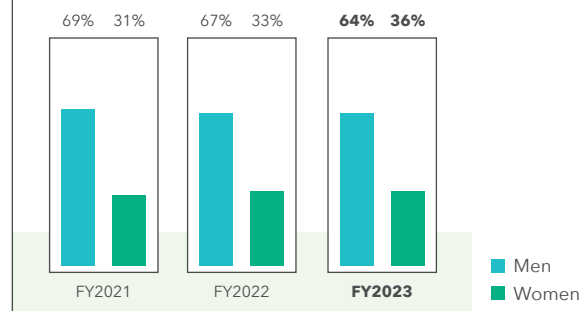
100% of our operations were assessed for corruption-related risks

ZERO cases of corruption and bribery

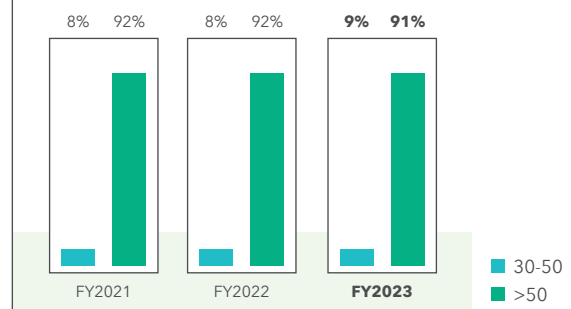
ZERO reported whistleblowing incidents

We are dedicated to empowering women within our workforce. In FY2023, we exceeded the requirement of having 30% women Directors on our Board as stipulated by the MCGG.

Board Diversity by Gender



Board Diversity by Age Group





Bukit Bintang City Centre, Kuala Lumpur

DATA PRIVACY AND CYBERSECURITY

Why is this Important?

As we embrace the digital economy, growing cybersecurity risks demand a vigilant approach. Safeguarding customer and business data is not just about trust; it is a core strategy to prevent data breaches and cyber-attacks that could cause disruption and lead to significant consequences. Our primary responsibility is to protect the Group from cyber threats, especially customer data, ensuring the security and stability of our digital environment.

Our Approach

We collaborate with cybersecurity partners to fortify our digital security, employing secure servers with backups and leveraging cloud providers for data storage and processing. Our entire range of communication and activities takes place within secure server environments.

EcoWorld adheres to the Personal Data Protection Act of 2010 ("PDPA")

To keep our employees well-informed and adept at identifying malicious content, we conduct regular phishing simulations. Our commitment to cybersecurity extends to continuous training for our professionals, ensuring they stay at the forefront of industry advancements. We also actively assess data privacy and cybersecurity risks and opportunities through our risk register.

Our Performance

We are pleased to report zero cybersecurity breaches in FY2023. We will continue our unwavering vigilance in preserving customer data and privacy while adhering to stringent IT security protocols.

ZERO

Breaches in data privacy and security

SUSTAINABILITY STATEMENT

Pillar
3

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Connectivity to our Business Model

EcoWorld is accelerating our efforts to mitigate our environmental impact including decarbonising our operations, managing resources responsibly and focusing on preserving biodiversity. We stand at the forefront of sustainable urban development ensuring communities thrive in harmony with the natural world while safeguarding them against the uncertainties of a changing climate.




Material Sustainability Matters

-  Energy Efficiency and Climate Resilience
-  Material and Waste Management
-  Water Stewardship
-  Biodiversity

Capitals

- 
- 

Key Risks

-  Acquisition of Unsuitable Land
-  Increasing Cost of Construction
-  Environmental and Climate Change Risk



ENERGY EFFICIENCY AND CLIMATE RESILIENCE

Why is this Important?

Climate change presents an unparalleled threat to our planet, impacting ecosystems, communities and economies. Managing our carbon footprint contributes to the mitigation of adverse effects of climate change, paving the way for a more resilient and sustainable future.

EcoWorld is aligned with Malaysia's targets to reduce GHG emissions per the Paris Agreement, encompassing a pledge to achieve a 45% reduction in overall carbon intensity across the economy by 2030, ultimately culminating in net zero emissions by 2050. The Malaysian government actively encourages private sector involvement, underscoring the urgency and collective responsibility to transition towards a low-carbon economy. Additionally, with an increased shift in the global investment landscape, climate change has also emerged as the predominant factor influencing investment decisions.

Our Approach

The Group instituted a robust climate governance structure through the GOC to enhance the effectiveness of our approach in addressing climate change risks.

Towards Net Zero - Our Decarbonisation Pathway

In FY2023, the Group developed its Net Zero 2050 Roadmap, outlining Scope 2 emission reduction targets for 2025 and 2030, along with overarching milestones. The roadmap was formulated through an analysis of climate change impacts, assessing associated risks and opportunities. We align with global climate actions, adopting UN SDGs and TCFD reporting recommendations.



For detailed information on our Net Zero 2050 Roadmap, refer to EcoWorld's Sustainability Report FY2023, page 19.

Our Decarbonisation Initiatives

Carbon Sequestration Studies

Over the last two financial years, the Group conducted carbon sequestration studies at Eco Ardence and Eco Grandeur to better understand the carbon capture and offset potential of our green spaces.

Renewable Energy Adoption

Smart meters are installed at our developments for improved energy management, providing consumers with daily usage for monitoring. TNB plans to install smart meters for all homes across Malaysia in phases.

Electrifying the Future of Transportation

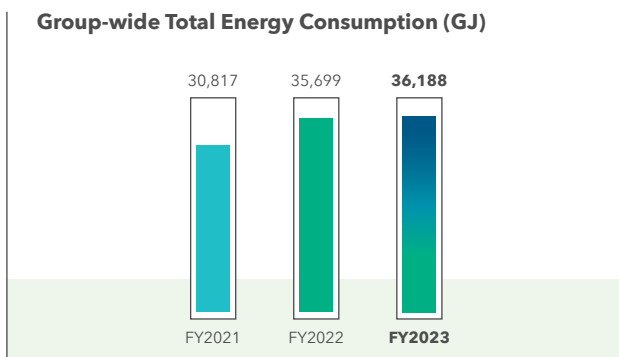
In FY2023, we established partnerships with ChargEV and EVC to establish EV Charging Hubs at Eco Ardence, Eco Palladium at Eco Spring and Eco Galleria at Eco Botanic. 93% of our properties are now equipped with EV charging stations. We collaborated with rydeEV to launch an electric motorcycle programme for use by our site staff, offering a sustainable transport option to reduce Scope 1 emissions.

For detailed information on our decarbonisation efforts, refer to EcoWorld's Sustainability Report FY2023, page 19 and pages 49 to 52.

Our Performance

Energy Consumption

At EcoWorld, our energy consumption is mainly attributed to purchased electricity (76%), which is utilised in our sales galleries situated at our development project sites and at our corporate office. In FY2023, we recorded a total energy consumption of 36,188 GJ.



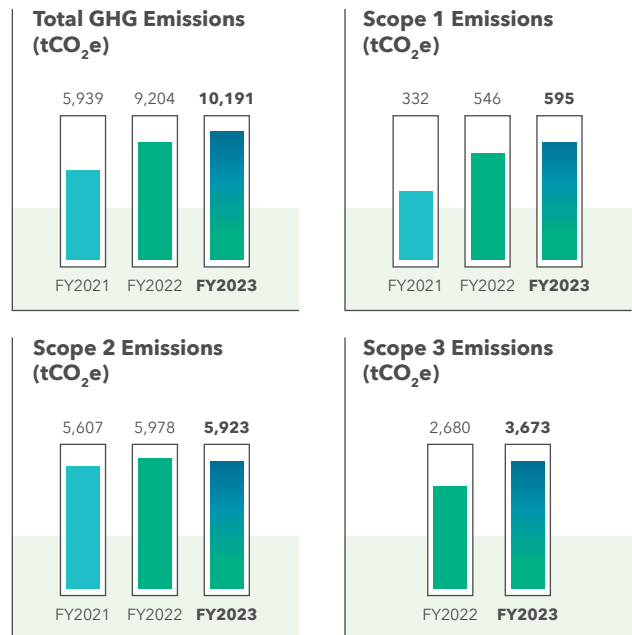
Note: Figure for FY2021 and FY2022 have been restated to exclude consumption from commercial tenants.

We recorded a steady increase in our absolute energy consumption since 2021 by 17%. This increase can be attributed to operations returning to normal after the movement control order during the COVID-19 pandemic.

We continue to improve the optimisation of operational processes, such as centralising some of our sales galleries and administrative functions in a single location, and the relocation of our corporate office to occupy a more streamlined space and substantially reduced floor space within a GBI-certified building at the Stride, BBCC.

GHG Emissions Management

In FY2023, our overall GHG emissions totalled 10,191 tCO₂e. Scope 1 emissions stemming from fuel consumption reached 595 tCO₂e in FY2023. 58% of the total emissions was attributed to Scope 2 emissions arising from electricity consumption. We began including Scope 3 emissions derived from employee commuting and business travels in FY2022 and in FY2023 we have expanded our Scope 3 emissions reporting to include waste generated. The total Scope 3 emissions amounted to 3,673 tCO₂e.



Note:

1. Scope 2 emissions data represents the energy consumption at sales galleries in project sites from Eco North, Eco Central and Eco South including our main office at Setia Alam. In FY2023, Eco Meadows has been excluded from our reporting scope. FY2021 and FY2022 figures have been restated to exclude consumption from commercial tenants.
2. Scope 2 emissions calculations use the location-based method as outlined by the GHG Protocol Scope 2 Guidance. Emission factors were sourced from the National Energy Commission: Grid Emission Factor 2019 for operations in Peninsular Malaysia.
3. Scope 1 and 3 emission factors were sourced from the UK Government's GHG Conversion Factor 2023. Calculation methodologies were based on the GHG Protocol Scope 1 and 3 Guidance.
4. For the calculation of the Group's Scope 3 emissions for employee commute and business travel, we employed the distance-based method.
5. Emissions from waste generated were calculated using the waste-type-specific method, specifically accounting for disposed and recycled construction waste. The analysis encompassed emissions from 13 out of the 18 types of construction waste generated at EcoWorld, utilising conversion factors outlined in the UK Government's GHG Conversion Factor 2023.

SUSTAINABILITY STATEMENT

WATER STEWARDSHIP

Why is this Important?

Water preservation and conservation are critical in alleviating the stress on local water supplies and ecosystems. We support the responsible utilisation of resources and promote minimised water usage across our developments contributing to water security.

Our Approach

We adhere to national regulations related to stormwater management, water discharge quality and water conservation measures. Our stormwater management includes the installation of retention ponds, earth drains and check dams at construction sites. We conduct monthly monitoring of sedimentation pond water quality to ensure compliance with Malaysia's National Water Quality Standard for total suspended solids ("TSS") and turbidity in discharged water.

Water Withdrawal

Head Office

- Withdrawal of water from the municipal water supply for daily use.

Sales Galleries

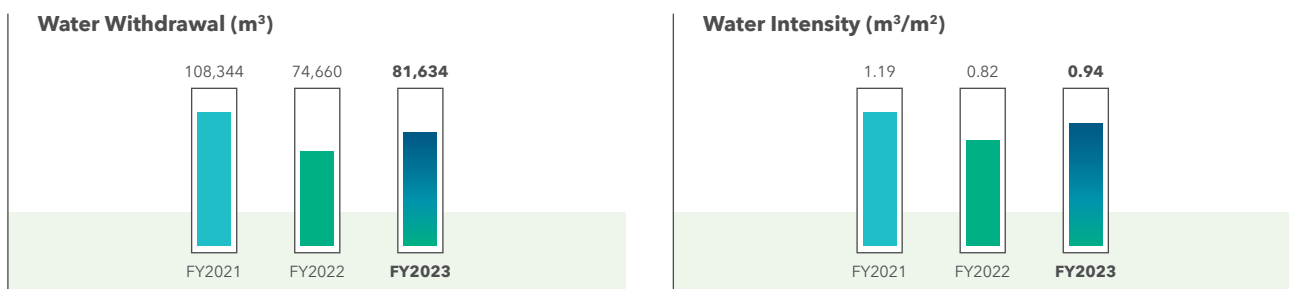
- Withdrawal of water from a municipal water supply for consumption purposes and from the rainwater harvesting system for cleaning purposes.

Project Sites

- Equipping our properties with rainwater harvesting systems for irrigation and general cleaning.
- Withdrawal of water from existing retention ponds and detention ponds to water the landscape at our township development area.
- Withdrawal of recycled water from sediment ponds for dust suppression and tyre washing.
- Utilisation of treated underground water during the initial stages of projects for general cleaning and lavatories.

Our Performance

In FY2023, we recorded a total of 81,634 m³ of water consumption across the Group, with an intensity of 0.94m³/m². Projects located in Klang Valley accounted for 81% of the total water consumption.



Note: Figure for FY2022 water withdrawal have been restated to exclude consumption from commercial tenants.

MATERIALS AND WASTE MANAGEMENT

Why is it Important?

It is imperative for EcoWorld to have a systematic and effective waste management system in place. Our waste handling practices adhere to all applicable waste regulations, aligning with the National Policy on Solid Waste Management 2007, which emphasises waste reduction, recycling and proper disposal. It is also important for us to use our materials and resources optimally to minimise waste generation.

- Environmental Quality Act 1974
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Hazardous Substances (Scheduled Wastes) (Notification of Generation) Order 2005



Our Approach

We adopt a 6-tier hierarchy-based waste management framework, guiding waste handling from generation to disposal to enhance resource efficiency.

Our Waste Reduction Practices at Construction Sites

The primary source of waste at EcoWorld is from construction sites, followed by sales galleries at project sites and the main office. To actively mitigate waste generation, we implement strategic practices in our construction processes:

- Implementation of staged Inspection and Test Plan (“ITP”) to manage the quality control process of our projects under construction.
- Incorporation of Autoclaved Aerated Concrete (“AAC”) blocks for construction of walls at our development sites.
- Utilisation of Aluminium Formwork Construction System (“AFCS”) to reduce materials wastage.
- Incorporation of recycled aggregate to create stable foundations for temporary access roads at our construction sites.



Reduction Initiatives Designed for our Residents and the Public

We actively promote responsible waste management among our residents and the public, inspiring more individuals to engage in recycling. In FY2023, we continued our initiatives by establishing textile recycling stations at EcoWorld Headquarters in Setia Avenue and Ardence Labs, providing a convenient drop-off point for residents and the public to recycle their clothes.

For detailed information on our waste reduction initiatives, refer to EcoWorld’s Sustainability Report FY2023, page 56.



SUSTAINABILITY STATEMENT

Our Performance

EcoWorld generates both scheduled and non-scheduled wastes. Scheduled waste is disposed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005, as stipulated by the Department of Environment (“DOE”) requirements. Non-scheduled waste is recycled whenever possible. During the reporting year, we generated a total of 10,710 tonnes of construction waste where 20% was recycled while the remaining was disposed responsibly in landfills.

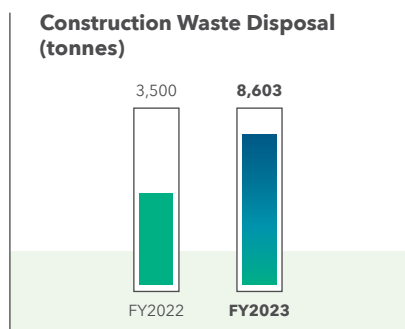
Scheduled Waste

At our construction sites, we generate five types of scheduled waste. These wastes are stored in designated areas, appropriately packaged, labelled and collected by DOE-licensed contractors. We commenced data collection for clinical waste in FY2022.

Type of Scheduled Waste	Unit	FY2021	FY2022	FY2023
SW305 Spent lubricating oil	L	94.00	61.32	57.71
SW408 Contaminated soil	MT	0.48	0.67	0.28
SW409 Contaminated containers	MT	0.20	0.86	0.01
SW410 Contaminated rags	MT	0.06	0.37	0.25
SW404 Clinical wastes	MT	-	0.56	0.15

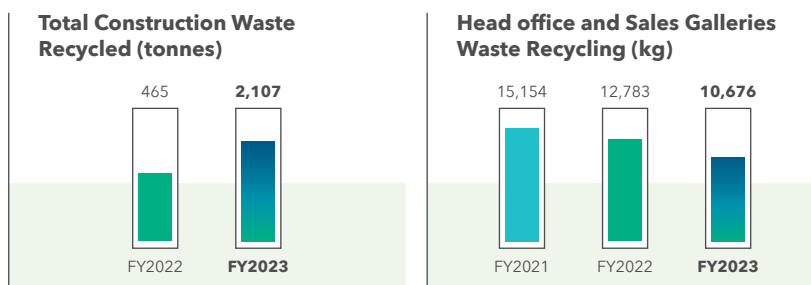
Non-Scheduled Waste

The Group’s non-scheduled construction waste comprises timber, bricks, tiles, ceramics, metal, mixed waste, general waste, packaging waste, and more. Eco Central projects contributed 55%, closely followed by Eco South at 42% of the total waste disposal. In FY2023, we disposed of 8,603 tonnes of non-scheduled waste driven by the surge in active construction projects from 6,967 active parcels in FY2022 to 8,321 active parcels this year. The bulk included 49% mixed waste, followed by 26% general waste and 19% timber.



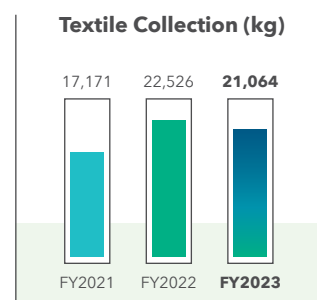
Waste Recycled

In FY2023, we recycled 2,107 tonnes of construction waste, representing a 20% recycling rate. Simultaneously, our main office and sales galleries recycled a total of 10,676 kg.



In FY2023, textile recycling stations at EcoWorld Headquarters in Setia Avenue and Ardence Labs gathered 21,064 kg of textiles. The recyclables are collected by Klothcare which are then upcycled into various items.

Additionally, we implemented door-to-door collection of recyclables and have also launched a new recycling station at Eco Galleria in June 2023 in conjunction with World Environment Day. The items that were recycled included plastic, glass, paper, cardboard, textile and e-waste. We also organised various activities, such as a Cooking Oil to Soap Workshop, to promote sustainable practices and demonstrate the possibilities of recycling and upcycling.



ENVIRONMENTAL MONITORING

Why is it Important?

Implementation of sound environmental monitoring at our construction sites is integral to prevent, minimise and mitigate negative impacts on the environment. It also ensures compliance with environmental plans, permits and other regulations.

Our Approach

Erosion and Sediment Control

Our erosion and sediment control management comprises soil erosion minimisation, sediment prevention control, runoff and stormwater flow control. We adhere to the Guideline for Erosion and Sediment Control established by the Department of Irrigation and Drainage Malaysia.

- Construction of sedimentation ponds
- Installations of silt fences
- Slope stabilisation monitoring
- Earth drain monitoring
- Installation of check dams

Air Emissions Control

Effective air quality management at construction sites is crucial for safeguarding public health. We ensure compliance with Malaysia Ambient Air Quality Standards and mitigate environmental impact by reducing air pollution.

- Monthly monitoring of emissions to comply with the permissible limit set by the DOE
- Extraction of water from detention ponds to wash tyres of vehicles entering and exiting the construction site for dust control

Noise Control

We implement various noise reduction and control measures in line with the Occupational Safety and Health (Noise Exposure) Regulation 2019 and Guideline for Environmental Noise Limits and Control at our construction sites.



Adherence to construction activity timings



Utilisation of noise hoardings



Utilisation of jack-in piles as a replacement for the drop hammer in the piling method



Monthly noise monitoring at township development areas



For detailed information on the sediment, air emissions and noise control measures, refer to EcoWorld's Sustainability Report FY2023, page 57.



High-volume air sampler used to monitor particulate matter at our construction sites



Noise monitoring near residential areas

SUSTAINABILITY STATEMENT

BIODIVERSITY

Why is it Important?

Preserving diverse plant and animal life not only supports sustainable societies but also enhances the aesthetic appeal and liveability of our development projects, striking a harmonious balance between the built and natural environment. Biodiversity is integral to the soil health of our townships, playing a vital role in carbon sequestration and groundwater recharge.

Our Approach

In FY2023, we maintained our biodiversity conservation initiatives by avoiding the sourcing of land with high conservation value, including peatlands and primary forest reserves for township developments. Our development projects are designed to preserve the landscape's natural vegetation, drainage patterns and water bodies.

This year, we conducted a biodiversity assessment at our largest township, Eco Grandeur, as part of our initiative to achieve aspirations under the Biodiversity Masterplan 2018-2028. This assessment allows the Group to understand the diversity of species, ecosystems and habitats within the vicinity of the township, contributing to the enhancement of our landscape planning and design.

BIODIVERSITY ASSESSMENT

Bird Biodiversity Assessment

We carried out a bird diversity assessment to identify the local and migrant bird species that occur in and around the site. We recorded a total of 83 bird species during the study with 13 confirmed to be migrants indicating rich bird diversity in the township. With an improved knowledge on the bird diversity at Eco Grandeur, we aim to better plan the formation of lakes, ponds, waterways and monsoon drains in the development and increase our efforts in improving the overall food web to support a healthy ecosystem.



Blue Tailed Bee Eater (*Merops philippinus*)



Olive Backed Sunbird (*Cinnyris jugularis*)



White Breasted Waterhen (*Amauromis phoenicurus*)

Fish Biodiversity Assessment

A study on the fish biodiversity in waterbodies of Eco Grandeur was also conducted during the reporting period. This study provided information on the Group's waterscape planning and design to ensure sustainable habitats for the aquatic elements at the township. We found a high number of introduced species which may increase disruption of the ecological process. As such, the Group has aimed to enrich the pond to host peat swamp native fish species.



Striped Snakehead (*Channa striata*)



Java Barb (*Barbonymus ganionotus*)

Insect Biodiversity Assessment

The Group also studied the insect diversity at Eco Grandeur with a focus on the butterfly, damselfly and dragonfly species. We recorded a total of 45 butterfly, 8 damselfly and 22 dragonfly species. This data acts as a baseline for bioindicator insects. The Group is looking into landscape enrichment to increase the level of insect biodiversity throughout Eco Grandeur.



Striped Albatross (*Appias libythea olferna*)



Tawny Coster (*Acraea violae*)

Pillar
4

CREATING PROSPEROUS COMMUNITIES

Connectivity to our Business Model

EcoWorld places a strong emphasis on the social dimension of sustainability in relation to a sustainable future. As part of our commitment to create prosperous communities, we prioritise the well-being of our employees, embrace diversity in talent management and uphold ethical labour practices. We implement stringent health and safety procedures at our construction sites and actively contribute to the betterment of our people. We believe that by nurturing healthy, inclusive and empowered communities, we enhance the quality of life for individuals and also create a sustainable society.




Material Sustainability Matters

-  Occupational Health and Safety
-  Diversity and Talent Management
-  Labour Practices and Decent Work
-  Community Development

Capitals

- 
- 
- 
- 

Key Risks

-  Weak Market Sentiment
-  Non-performing Contractors
-  Lack of Interest from Investors



OCCUPATIONAL HEALTH AND SAFETY

Why is it Important?

Construction sites potentially expose workers to safety hazards and risks involving machinery and working at heights. To minimise these risks, EcoWorld has implemented various stringent monitoring and safety control measures to safeguard our staff and contractors.

Our Approach

Health and Safety Governance

Our Occupational Health and Safety (“OHS”) management system is guided by the Group’s Quality, Environment, Health and Safety (“QEHS”) Policy which outlines our commitment to effectively establish, implement and maintain an integrated OHS management system.

The Board has oversight of the Group’s OHS management performance. The Health, Safety, and Environment Committee regularly updates the Board on OHS-related statistics during quarterly meetings.

The Group adheres to the regulations, codes of practices and guidelines enforced by the Department of Occupational Safety and Health (DOSH) as well as the Factories and Machinery Act 1967.



The detailed QEHS Policy is available at our website: <https://ecoworld.my/quality-environment-health-safety-policy/>

SUSTAINABILITY STATEMENT

Health and Safety Competency Training

We promote a workplace that prioritises the prevention of occupational injuries and illnesses. As such, we offer comprehensive health and safety training to ensure that our team is proficient in adhering to the highest standards of health and safety protocols.

Training Programme Highlights for Staff and Contractors in FY2023

Provided a total of **14,720 hours** of training for both our staff and contractors

↳ **538** staff attended training

↳ **9,293** contractors attended training

Eco North

↳ **209** hours of training (13 training programmes with 278 attendees)

Eco Central

↳ **8,309** hours of training (94 training programmes with 4,712 attendees)

Eco South

↳ **6,203** hours of training (55 training programmes with 4,841 attendees)

Our Performance

In FY2023, we recorded zero fatalities with one workplace incident across our operations. Following the incident, we have implemented various remedial actions to prevent reoccurrence in the future such as briefing on Hazard Identification, Risk Assessment and Risk Control (HIRARC), solid barricades for floor openings and work-at-height edges and re-conducting mandatory work-at-height training.

	FY2021	FY2022	FY2023
Total Hours Worked	10,643,645	11,581,426	14,423,065
Incidents Recorded	1	2	1
Lost-time Incident Rate (LTIR)	0.019	0.035	0.014
Fatalities	1	1	0

DIVERSITY AND TALENT MANAGEMENT

Why is it Important?

Embracing a diverse workforce embodies our commitment to inclusivity and social responsibility which also allows distinct perspectives and skills. Additionally, effective talent management ensures that we attract and retain talents, enabling us to deliver high-quality developments.

Our Approach

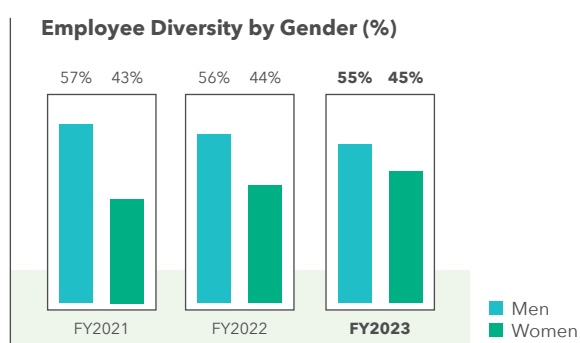
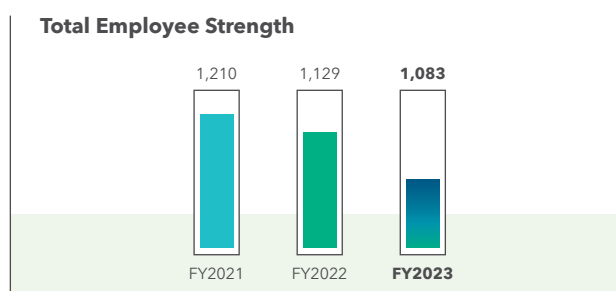
Within the Group, we uphold a steadfast policy of zero tolerance towards any form of discrimination. We are guided by the Group's Equality, Diversity and Inclusion Policy which was developed in FY2022. We regularly review the Policy to accommodate any changes in internal business needs, legal requirements and demographic shifts.

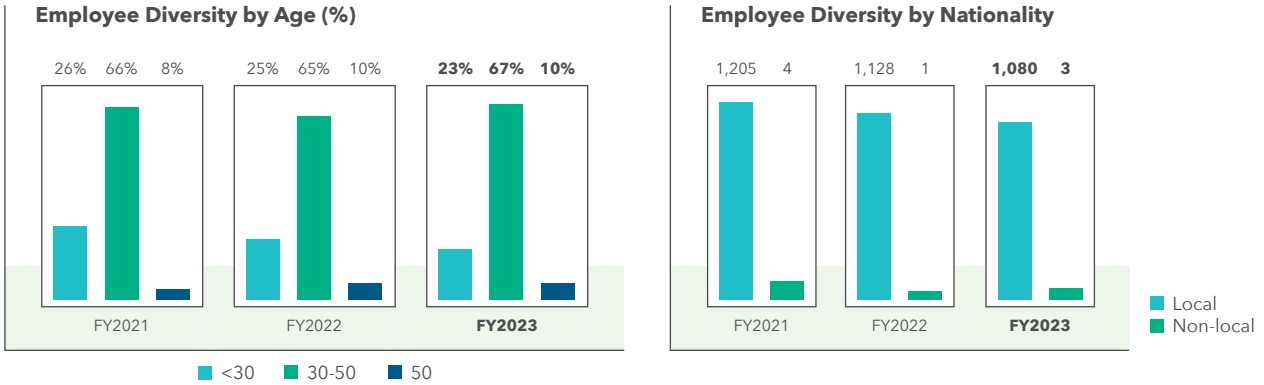
The detailed Equality, Diversity and Inclusion Policy is available at our website: <https://ecoworld.my/equality-diversity-inclusion-policy/>

EcoWorld strategically attracts, develops, retains and optimises employee performance through targeted recruitment, comprehensive training and recognition of high achievers. Our annual employee engagement surveys, focusing on Leadership, Infrastructure, People Management and Culture, play a vital role in identifying areas for improvement, fostering retention and guiding training and development initiatives.

Our Performance

Overview of Workforce Diversity



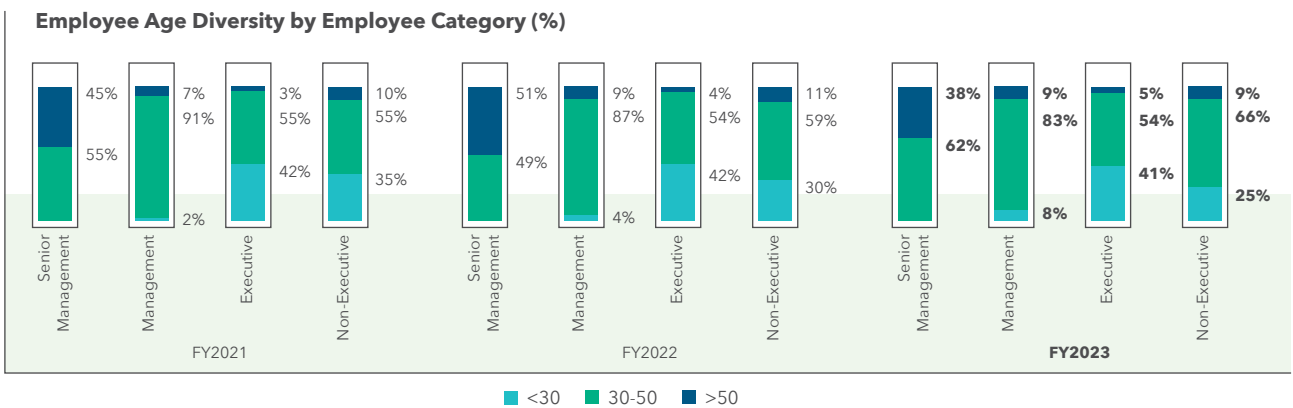
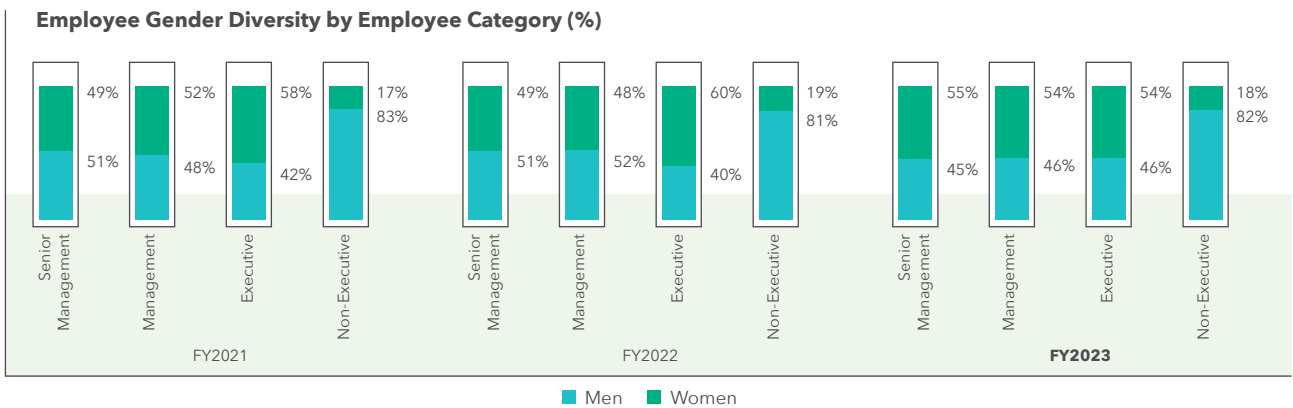


As at the financial year end of 2023, we recorded a total of 1,083 employees, 55% men and 45% women. Over the past three fiscal years, less than 1% of employees comprise temporary or contract staff.

The majority of our employees (67%) are between the ages of 30 and 50, followed by those younger than 30. We prioritise recruiting local talent at EcoWorld in line with our aim of stimulating economic growth and strengthening local communities. In FY2023, 99.7% of our employees were local.

Breakdown of Workforce Diversity by Employee Category

In FY2023, the percentage of women in senior management and management positions increased reaching 55% and 54% respectively. In the non-executive category, males comprised 82% of the workforce due to the significant number of site staff within this classification.

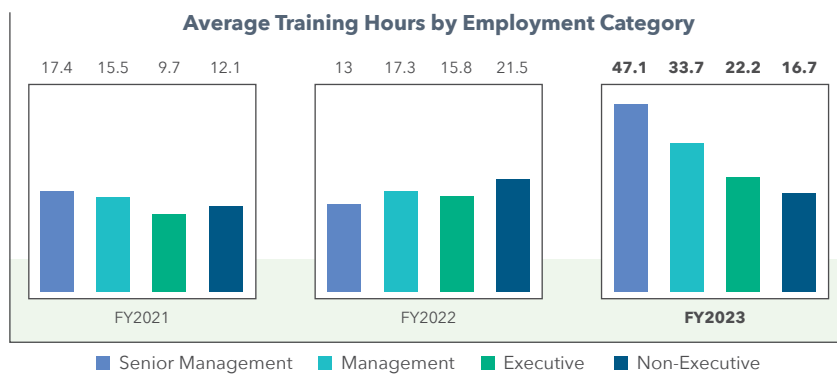
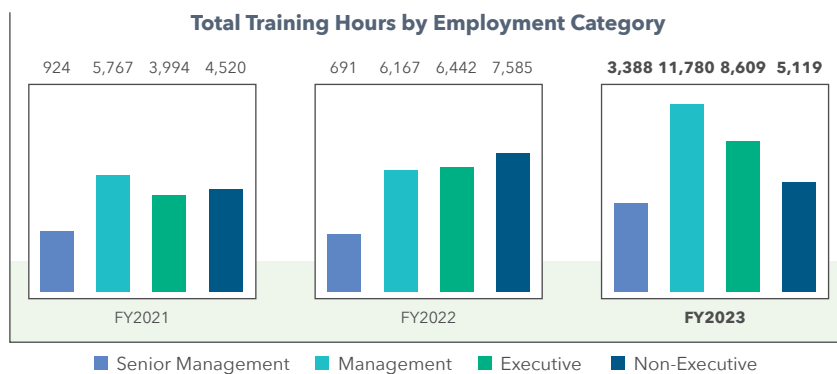
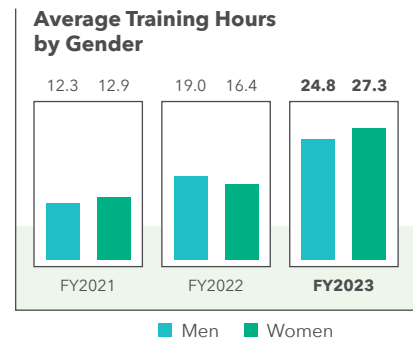
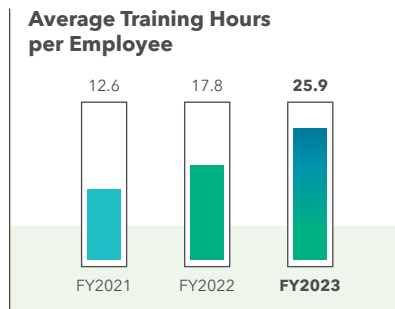
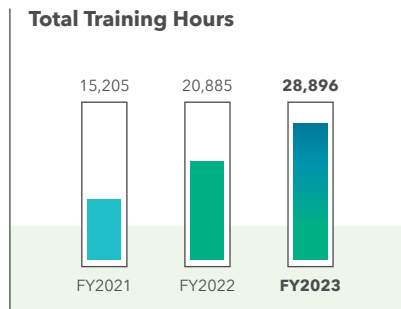


Our workforce predominantly comprises individuals aged 30-50 across all levels of employment. In accordance with the position's experience requirement, most employees aged 50 and older were senior management. Executives and non-executives constituted the majority of the workforce under the age of 30.

SUSTAINABILITY STATEMENT

Training Performance

A cumulative sum of RM542,474 was invested in the provision of 86 training and awareness programmes throughout the reporting period. We provided our employees with a total of 28,896 hours of training programmes or 25.9 hours per employee on average.



LABOUR PRACTICES AND DECENT WORK

Why is it Important?

Recognising the importance of fair employment, we place utmost importance on upholding the rights, dignity and well-being of our workforce and advocate equal rights and freedom for all. Our commitment extends to a resolute stance against the practices of child, compulsory and forced labour.

Our Approach

EcoWorld abides by the Employment Act 1955, while adhering to the stipulations of the Minimum Wage Order 2022. To foster an inclusive work environment, we implemented diversity-focused recruitment practices, ensuring that employment opportunities are offered fairly and without bias. In FY2023, we recorded zero complaints regarding human rights violations and zero non-compliance incidents for labour standards, demonstrating the efficacy of our efforts.

Parental Leave

In FY2023, 131 women and 172 men took parental leave with a 100% return-to-work rate. 91% of employees remained employed 12 months after returning from parental leave.

	FY2022		FY2023	
	Men	Women	Men	Women
No. of employees that took Parental Leave	187	153	172	131
No. of employees that returned after Parental Leave	187	153	172	131
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	168	130	159	117

Employee Benefits

We believe that the provision of employee benefits enhances the well-being and quality of life for our valued employees. These benefits, ranging from healthcare and insurance coverage to flexible working and professional development opportunities, are designed to prioritise the welfare of our employees.

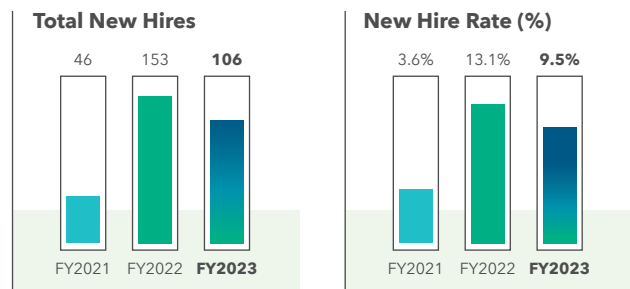


For more information on employee benefits, refer to EcoWorld's Sustainability Report FY2023, page 67.



Our Performance

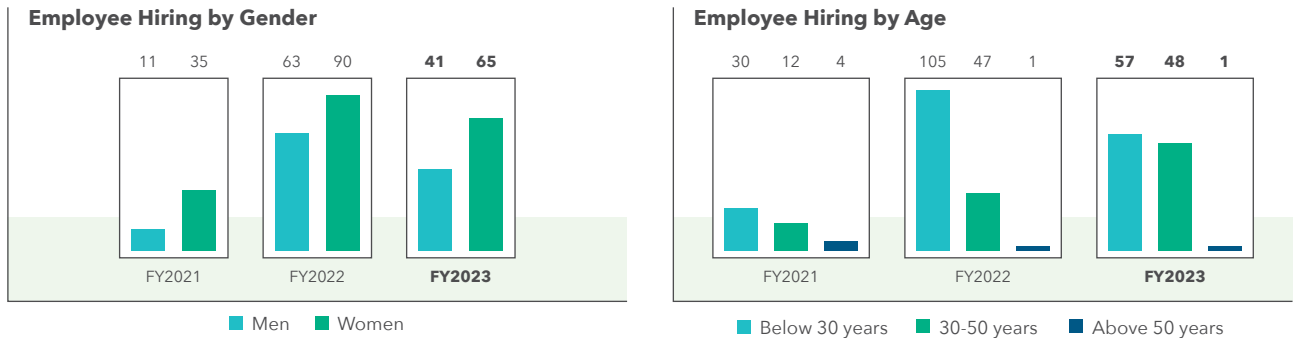
This year, the Group recorded 106 new hires with a hiring rate of 9.5% demonstrating the provision of new employment opportunities that the Group has to offer to qualified individuals.



SUSTAINABILITY STATEMENT

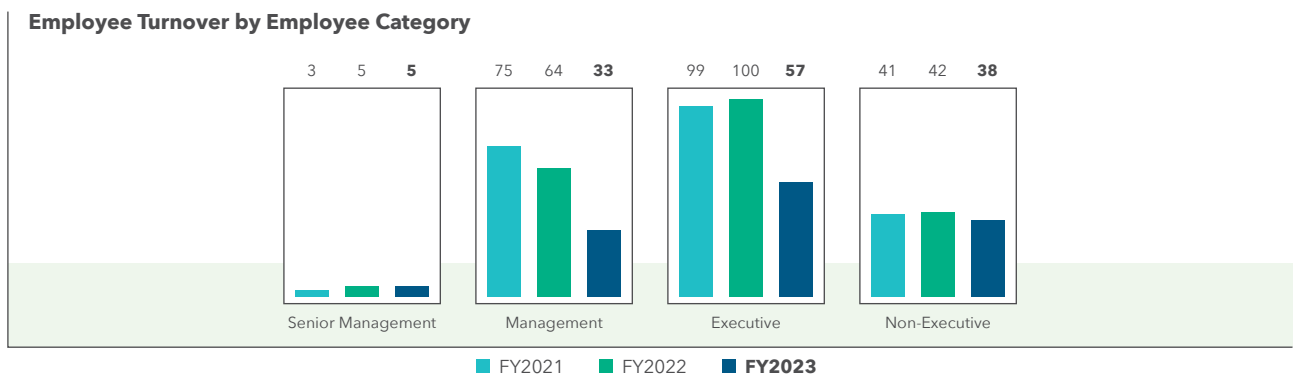
Diversity in Employee Hiring

In FY2023, 61% of the total number of employees hired were women. In terms of age group, most employees hired in FY2023 were from the 30-50 year-old category, followed by employees below 30 years of age.

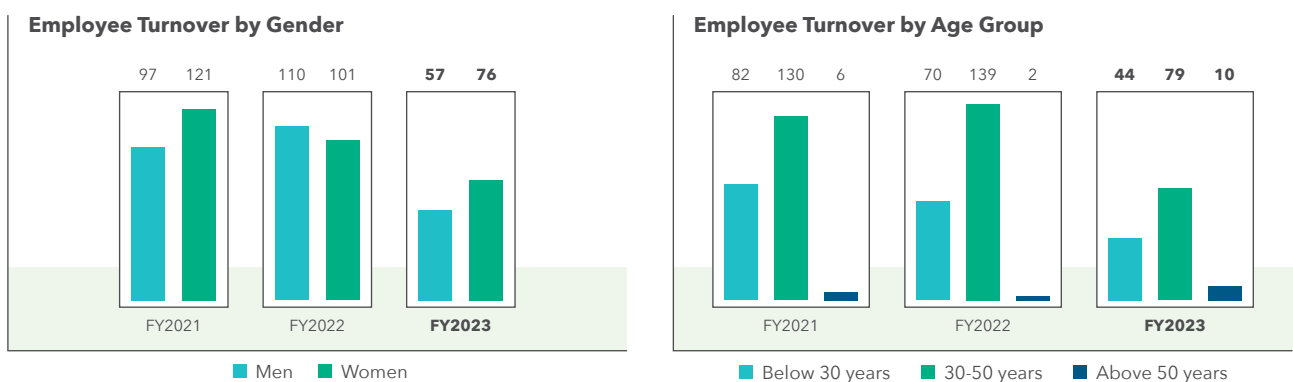


Employee Turnover by Employee Category

We recorded a total of 133 employee turnovers with a turnover rate of 12% during the reporting period representing voluntary resignation.



Employee Turnover by Gender and Age Group



During the financial year, most employee turnovers were women as well as within 30 to 50 years of age. This may be attributed to the relatively large numbers of employees within this age group.

COMMUNITY DEVELOPMENT

Why is it Important?

We aim to empower local communities, promote economic growth and enhance the overall quality of life by actively contributing to the betterment of society through various programmes and initiatives.

Our Approach

During the reporting period, we conducted numerous community development programmes across the Group, with a total of RM4.2 million (of which RM1.5 million was donated from our contractors and business associates) benefitting a total of 5,409 individuals.



- 01 Revitalisation efforts of SMJK Kwang Hua through classroom painting and clean-up activities at SK Saujana Utama
- 02 Beach Clean-up in Klang Valley, Johor and Penang in conjunction with the International Coastal Clean-Up Day
- 03 Rejuvenation of Jalan Besar Kajang to revitalise the neglected back street into a vibrant mural street that celebrates Kajang’s rich local culture and history in collaboration with Kajang Municipal Council
- 04 Other activities such as Christmas celebration at Orphanage and old folks’ home visit
- 05 Contribution to Flood Relief Initiative at Simpang Renggam, Parit Yaani and Seri Medan

To date the Students Aid Programme (“SAP”) under the Eco World Foundation has helped a cumulative total of 8,179 underprivileged students, with 1,846 students supported this year.

IN FY2023 THE SAP SUPPORTED

Primary students	Secondary students	Tertiary students
1,554	261	31

Our Performance

2,041 hours of CSR programmes conducted

A total of **323 volunteers** gathered for the Group's CSR activities

Total Amount Invested in CSR Programmes

FY2021
RM310,000

FY2022
RM1,700,000

FY2023
RM2,659,192

PROFILE OF DIRECTORS



TAN SRI ABDUL RASHID BIN ABDUL MANAF

Founder & Non-Independent Non-Executive Director

Malaysian Male Age 77

Date of Appointment/Redesignation

- 29 November 2013 - Non-Independent Non-Executive Chairman
- 20 March 2015 - Re-designated as Founder & Non-Independent Non-Executive Director

Membership of Board Committee

Nil

Academic/Professional Qualification/Membership

Barrister-at-Law (Middle Temple London)

Other Present Directorship

Listed Company

- Chairman of Salcon Berhad

Public Company

Nil

Skills and Experience

- Full-time businessman (2006-present)
- Chairman of Perak Corporation Berhad (2020-2022)
- Group Chairman of Cahya Mata Sarawak Berhad (2018-2021)
- Chairman of the Board of S P Setia Berhad (1997-2012)
- Senior Partner of a legal firm in Kuala Lumpur before his retirement (1977-2006)
- Held the following positions in the Malaysian judicial and legal service (1970-1977):
 - Magistrate at Kuala Lumpur
 - President of the Sessions Court in Klang
 - Senior Federal Counsel for the Income Tax Department



TAN SRI DATO' SRI LIEW KEE SIN

Executive Chairman

Malaysian Male Age 65

Date of Appointment/Redesignation

- 5 May 2014 - Non-Independent Non-Executive Director
- 20 March 2015 - Re-designated as Non-Independent Non-Executive Chairman
- 1 April 2020 - Re-designated as Executive Chairman

Membership of Board Committee

Nil

Academic/Professional Qualification/Membership

- Honorary Doctorates by INTI International University, MAHSA University, Heriot-Watt University Malaysia, and Binary University of Management & Entrepreneurship
- Bachelor of Economics (Business Administration), University Malaya

Other Present Directorship

Listed Company

- Executive Vice Chairman of Eco World International Berhad

Public Company

Nil

Skills and Experience

- First Chairman of the Battersea Project Holding Company Limited (2012-2015)
- Led the Malaysian consortium of S P Setia Berhad, Sime Darby Berhad and the Employees Provident Fund Board (EPF) in successfully bidding for the Battersea Power Station site in London, United Kingdom (2012)
- President & CEO/Group Managing Director of S P Setia Berhad (1996-2014)
- Member of Authority of the Iskandar Regional Development Authority (2013-2019)
- Set up own property development business (1990-1996)
- Joined a property development company (1986-1990)
- Worked at Asiavest Merchant Bankers (M) Berhad (1981-1985)

International Awards/Recognition

- Honorary Commander of the Most Excellent Order of the British Empire (CBE) 2022
- UK-Malaysia Business Personality of the Year by the British Malaysian Chamber of Commerce - Business Excellence Awards 2018
- Malaysia Country Winner (2011) and Judge (2014 & 2015) at the Ernst & Young World Entrepreneur of the Year Awards



**DATO'
LEONG KOK WAH**

Non-Independent
Non-Executive Deputy Chairman

Malaysian Male Age 70

Date of Appointment

- 29 November 2013

Membership of Board Committee

Nil

Academic/Professional Qualification/Membership

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

Other Present Directorship

Listed Company

- Salcon Berhad

Public Company

Nil

Skills and Experience

- Has vast experience in stockbroking, asset management and options as well as futures trading
- Held senior positions in the financial industry
- Director of various companies in Malaysia
- Director of MUI Continental Berhad (2015-2021)
- Director of S P Setia Berhad (2000-2013)



**DATO'
CHANG KHIM WAH**

Executive Director, President &
Chief Executive Officer

Malaysian Male Age 59

Date of Appointment/Redesignation

- 7 October 2013 - Executive Director
- 12 December 2013 - Re-designated as Executive Director, President & Chief Executive Officer

Membership of Board Committee

Nil

Academic/Professional Qualification/Membership

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

Other Present Directorship

Listed Company

Nil

Public Company

- Eco World Capital Berhad
- Eco World Capital Assets Berhad
- Eco World Capital Services Berhad

Skills and Experience

- Has vast experience in the property development industry
- Non-Independent and Non-Executive Director of Eco World International Berhad (2020-2023)
- Director and Executive Vice President of S P Setia Berhad (Southern and Northern property divisions including its offices in Singapore and Indonesia) (2007-2013)
- Joined S P Setia Berhad in 1994 and promoted to be the General Manager of Property South in 2000
- Joined KTA-Tenaga Sdn. Bhd. as Civil Engineer, one of the biggest consultancy firms in Malaysia, specialising in dam designs and water supply systems (1991-1994)
- Consultant Engineer of Lyall & Macoun Consulting Engineers, in Australia (1989-1991)

Award

- The Edge Malaysia Property Excellence Award - Outstanding Property CEO Award 2015

PROFILE OF DIRECTORS



LIEW TIAN XIONG

Executive Director,
Deputy President &
Deputy Chief Executive Officer

Malaysian Male Age 32

Date of Appointment

- 29 November 2013 – Executive Director
- 1 January 2022 – Deputy President & Deputy Chief Executive Officer

Membership of Board Committee

Nil

Academic/Professional Qualification/Membership

- Bachelor of Commerce, University of Melbourne, Australia

Other Present Directorship

Listed Company

Nil

Public Company

- Eco World Foundation

Skills and Experience

- Held various positions under EcoWorld Malaysia prior to his promotion to Deputy President & Deputy Chief Executive Officer (2013-2021):
 - Divisional General Manager of Digital Technology Services department (merger of Group Management Information System and EcoWorld X departments)
 - Divisional General Manager of EcoWorld X, the digital innovation arm of EcoWorld Malaysia for developing technology and applications to better meet the needs and lifestyle aspirations of EcoWorld communities
 - Joint Divisional General Manager of Eco Ardence project
 - Attached with Group Corporate Finance and Group Branding departments
- Attachment with Pheim Asset Management Sdn. Bhd. (2010 and 2011)
- Attachment with AmBank (M) Berhad (2010)

Award

- Life at Work Awards 2023 – 2nd Runner Up for the CEO Champion Award



LOW MEI LING

Senior Independent
Non-Executive Director

Malaysian Female Age 62

Date of Appointment/Redesignation

- 29 March 2018 – Independent Non-Executive Director
- 14 December 2023 – Re-designated as Senior Independent Non-Executive Director

Membership of Board Committees

- Chairperson of Audit Committee
- Chairperson of Investment Committee
- Member of Remuneration Committee

Academic/Professional Qualification/Membership

- Master of Business Administration (MBA) in Finance (City, University of London)
- Bachelor of Science (Hons) in Banking & International Finance (City, University of London)

Other Present Directorship

Listed Company

Nil

Public Company

Nil

Skills and Experience

- One of the pioneers in Malaysian equity research
- Research Advisor & Senior General Manager, Institutional Sales of Affin Securities Sdn. Bhd. prior to early retirement (1997-2004)
- General Manager, Institutional Sales of Mayban Securities Sdn. Bhd. (1996-1997)
- CEO of SBB Securities Sdn. Bhd., spearheaded Southern Bank's diversification into stockbroking (1991-1996)
- Held various positions under Jardine Fleming (now part of JP Morgan) (1985-1990):
 - Director of Jardine Fleming Broking, Hong Kong
 - Research Head of Singapore and Malaysia markets
 - General Manager and Head of Kuala Lumpur office
 - Research Manager
 - Investment Analyst



**DATO' NOOR FARIDA
BINTI MOHD ARIFFIN**

Independent
Non-Executive Director

Malaysian Female Age 77

Date of Appointment

- 20 March 2015

Membership of Board Committees

- Chairperson of Remuneration Committee
- Member of Audit Committee
- Member of Nomination Committee

Academic/Professional Qualification/Membership

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

Other Present Directorship

Listed Company

Nil

Public Company

Nil

Skills and Experience

- Consultant to the government of Timor-Leste to advise them on the delimitation of their maritime boundary with Indonesia (2019)
- Chairman of Pembangunan Sumber Manusia Berhad (2018-2020)
- Independent Director of S P Setia Berhad (2009-2015)
- Held the following roles (2000-2008):
 - Member of the Permanent Court of Arbitration, based at The Peace Palace in The Hague, The Netherlands
 - Ambassador of Malaysia to the Kingdom of the Netherlands
 - The Malaysian Co-Agent to the International Court of Justice for Pulau Ligitan and Pulau Sipadan Case against Indonesia; and Pulau Batu Puteh dispute between Malaysia and Singapore
 - The Malaysian Permanent Representative to the Organisation for the Prohibition of Chemical Weapons (OPCW), in The Hague
 - Chair of the 8th Conference of States Parties of the Chemical Weapons Convention ("**Convention**") and the Drafting Group on the Political Declaration at its First Review Conference of the Convention
- Held the following key positions in the public service spanning over 40 years (1971-2011) before her retirement:
 - Special Adviser on Maritime Issues to the Minister of Foreign Affairs Malaysia
 - 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
 - The Under-Secretary of the newly formed Territorial and Maritime Division of the Foreign Ministry
 - Head of the Legal Division of the Ministry (1993)
- Served in various capacities in the Malaysian judicial and legal service:
 - Magistrate, Senior Assistant Registrar in High Courts of Kuala Lumpur and Penang
 - Sessions Court judge
 - Legal Officer with the Economic Planning Unit of the Prime Minister's Department
 - Director of the Legal Aid Bureau



MRS. LUCY CHONG

Independent
Non-Executive Director

Malaysian Female Age 67

Date of Appointment

- 20 May 2020

Membership of Board Committees

- Chairperson of Nomination Committee
- Member of Remuneration Committee
- Member of Whistleblowing Committee

Academic/Professional Qualification/Membership

- Bachelor of Economics, First Class Honours, University Malaya

Other Present Directorship

Listed Company

Nil

Public Company

- Good Shepherd Services
- BOS Wealth Management Malaysia Berhad

Skills and Experience

- A retired equities specialist with 40 years of solid experience in fund management and stockbroking, covering Malaysia and the ASEAN
- Held various positions in Maybank Group prior to her retirement:
 - Assumed the twin roles of Regional Co-Head of Institutional Equities and Regional Head of Corporate Access (2017-2019)
 - Regional Head of ASEAN Sales (2015-2017)
 - Headed Malaysia Institutional Sales team and appointed as the Regional Head of Corporate Access (2014-2019)
 - Co-Head of Maybank Investment Bank's Institutional Equities Team and led the team to become the top brokerage house in Malaysia and ranked no. 1 for Overall Brokerage, Sales Services and Corporate Access in Malaysia (2012-2014)
 - Head of a boutique team handling sales to institutional clients (1998-2012)
- Sales person at various stockbroking houses (1993-1998)
- Joined Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) as an Investment Executive with last position held as Head of Investment and Treasury Department (1979-1993) managing many government funds (ranked top 2 under her portfolio) such as:
 - Employees Provident Fund (EPF)
 - Lembaga Tabung Angkatan Tentera (LTAT)
 - Federal Land Development Authority (FELDA)

Award

- Asiamoney - Best Sales Person for Malaysia for years 2012 to 2016

PROFILE OF DIRECTORS



SAR SAU YEE

Independent
Non-Executive Director

Malaysian Female Age 67

Date of Appointment

- 1 October 2021

Membership of Board Committees

- Chairperson of Whistleblowing Committee
- Member of Investment Committee
- Member of Nomination Committee

Academic/Professional Qualification/Membership

- Barrister-at-Law (Lincoln's Inn), England & Wales
- Advocate & Solicitor, High Court of Malaya
- Member of the Malaysian Bar
- Member of International Bar Association

Other Present Directorship

Listed Company

Nil

Public Company

Nil

Skills and Experience

- Over 40 years of experience as an Advocate & Solicitor, dealing mainly with real estate transactions
- Consultant with Julius Leonie Chai (1 January 2024-present)
- Consultant with Shearn Delamore & Co (2022-2023)
- Commenced pupillage with Shearn Delamore & Co in 1978. Head of the Real Estate Practice Group of the said firm until her retirement as Partner on 31 December 2021. Had a short stint as a legal officer with an international petroleum company from September 1987 to February 1988 (1978-2021)



DATO' SERI ROSMAN BIN MOHAMED

Independent
Non-Executive Director

Malaysian Male Age 62

Date of Appointment

- 16 June 2022

Membership of Board Committees

- Member of Audit Committee
- Member of Whistleblowing Committee

Academic/Professional Qualification/Membership

- Master of Business Administration, Saint Louis University, Missouri, United States of America
- Bachelor of Business Administration (Accounting), Urbana University, Ohio, United States of America
- Executive Diploma in Marketing & Selling Bank Services, International Management Centre, Buckingham, United Kingdom
- Diploma in Accountancy, Ungku Omar Polytechnic, Perak, Malaysia

Other Present Directorship

Listed Company

- Boustead Holdings Berhad
- Khind Holdings Bhd.

Public Company

Nil

Skills and Experience

- Has over 37 years of local and international experience, in devising and executing strategies revolving around organisational effectiveness, services enhancement, people management, mobilisation and team-motivation
- Currently holds the following roles:
 - Council member of the Ibrahim Johor Economic Council
 - Chairman of a few private limited companies in Malaysia
 - Professor of Practice of Putra Business School, University Putra Malaysia
 - Consultant of Cisco (M) Sdn. Bhd.
- Director of Ni Hsin Group Berhad (2021-2022)
- Joined Bank Kerjasama Rakyat Malaysia Berhad ("**Bank Rakyat**") as the Chief Executive Officer/Acting Managing Director/Board Member (2019-2021)
- Held the following positions prior to joining Bank Rakyat:
 - Managing Director (Centre of Excellence) of Abdul Latif Jameel, Saudi Arabia (Toyota Saudi) ("**ALJ**") (2015-2018)
 - Managing Partner of LDS (M) Sdn. Bhd. and Top Performers Leadership Centre, Malaysia (2014-2015)
 - Senior General Manager (Corporate Services) of Bank Rakyat (2012-2013)
 - Managing Director (Kaizen Business Development and Human Resources, Jeddah Saudi Arabia) of ALJ (2008-2012)
 - Regional Business Development & Human Resources Director for Asia Pacific of Cabot Corporation, United States of America (2001-2008)
 - Senior Manager (Change Management) of British American Tobacco Malaysia (1998-2001)
 - Founder and Consultant of Growthworks (Asia) Sdn. Bhd. (1993-1997)
 - Head of Training/Credit Manager of Malayan Banking Berhad (1988-1993)
 - Executive Accounting Officer of Road Transport Department of Malaysia (1982-1983)



NG SOON LAI @ NG SIEK CHUAN

Independent
Non-Executive Director

Malaysian Male Age 69

Date of Appointment

- 22 June 2023

Membership of Board Committee

- Member of Audit Committee

Academic/Professional Qualification/Membership

- Fellow of the Institute of Chartered Accountants in England & Wales

Other Present Directorship

Listed Company

- ELK-Desa Resources Berhad
- WCT Holdings Berhad

Public Company

Nil

Skills and Experience

- Has over 32 years of experience in the audit and financial services industry
- Was a director of the following companies:
 - S P Setia Berhad
 - Hiap Teck Venture Berhad
 - Unico-Desa Plantations Berhad
 - Tune Insurance Malaysia Berhad
 - Tune Protect Group Berhad
 - Deutsche Bank (Malaysia) Berhad
 - China Construction Bank (Malaysia) Berhad
- Held various positions in Alliance Bank Malaysia Berhad Group:
 - Member of the board of Alliance Merchant Bank Berhad (now known as Alliance Investment Bank Berhad) (2002-2005)
 - Chief Executive Director of Alliance Bank Malaysia Berhad (1994-2005)
 - General Manager of Credit and Marketing of Alliance Bank Malaysia Berhad (1991-1993)
- Served in various positions in the following merchant bank and financial institution prior to joining Alliance Bank Malaysia Berhad (1980-1991):
 - Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad)
 - Kuala Lumpur Finance Berhad
- Began his career in accounting profession with Coopers & Lybrand in London and Kuala Lumpur (1977-1979)



DATUK HEAH KOK BOON

Alternate Director &
Chief Financial Officer

Malaysian Male Age 56

Date of Appointment

- 28 November 2013 - Chief Financial Officer
- 1 April 2022 - Alternate Director to Tan Sri Dato' Sri Liew Kee Sin

Membership of Board Committee

- Member of Investment Committee (Management Representative)

Academic/Professional Qualification/Membership

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

Other Present Directorship

Listed Company

- Eco World International Berhad

Public Company

- Eco World Capital Berhad
- Eco World Capital Assets Berhad
- Eco World Capital Services Berhad

Skills and Experience

- Executive Director of EcoWorld Malaysia (2013-2022)
- More than 30 years' experience in audit, corporate finance and corporate investment
- Non-Independent Non-Executive Director of Eco World International Berhad (April 2017-September 2017), reappointed on 23 October 2023
- Involved in various corporate exercises to grow EcoWorld Malaysia from a property company with GDV of RM1 billion to the present GDV of over RM80 billion (2013-present)
- Head of Corporate Affairs of S P Setia Berhad (2007-2013)
- Joined the Corporate Finance Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) with last position held as the Executive Vice President (1993-2007)
- Audit exposures under the audit department of KPMG Malaysia (1989-1993)

Notes:

- (i) Tan Sri Dato' Sri Liew Kee Sin who is the Executive Chairman and substantial shareholder of the Company, is also the father of Mr. Liew Tian Xiong, the Executive Director and substantial shareholder of the Company.

Save as disclosed above, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.

- (ii) None of the Directors have any conflict of interest with the Company.

- (iii) None of the Directors have been convicted of any offence within the past 5 years (other than traffic offences, if any), nor public sanction or penalties imposed by the regulatory bodies during the financial year ended 31 October 2023.

- (iv) The attendance of the Directors at Board Meetings held during the financial year ended 31 October 2023 is disclosed in the Corporate Governance Overview Statement.

PROFILE OF KEY SENIOR MANAGEMENT



HO KWEE HONG

Divisional General Manager,
Eco Central

Malaysian Female Age 48

Date of Appointment

- 1 July 2016

Academic/Professional Qualification/Membership

- Master of Science in Water Resources Engineering, University Putra Malaysia
- Bachelor of Civil Engineering, University Putra Malaysia

Skills and Experience

- A qualified engineer with more than 24 years of experience in consultancy, construction and property development industries
- Setting the strategic direction of the projects and overseeing the development of Eco Sanctuary, Eco Grandeur, Eco Business Park V, Eco Ardence and Eco North projects of EcoWorld Malaysia (2014-present)
- In charge of the following in S P Setia Berhad (2003-2014):
 - Spearheaded the team in formulation of strategic direction of group-wide product & service quality programme
 - Led the award-winning property division in overall master planning, product development, sales & marketing, credit control, programming, budgeting and implementation of developments
- Design Engineer in various mega infrastructure projects in Malaysia such as Kelantan River Flood Forecasting, Electrified Double Track and SMART Tunnel (2000-2003)



PHAN YAN CHAN

Divisional General Manager,
Eco South

Malaysian Male Age 54

Date of Appointment

- 1 May 2013

Academic/Professional Qualification/Membership

- Chartered Accountant of Malaysian Institute of Accountants
- Fellow of the Association of Chartered Certified Accountants, United Kingdom

Skills and Experience

- More than 32 years of experience in property development industry
- Overseeing the following in Eco South (2013-present):
 - Development of Eco Spring, Eco Summer and Eco Tropics projects
 - Development of Eco Botanic and Eco Business Park projects in Iskandar Malaysia
 - Formulation of sales and marketing strategies, overall project coordination, quality control and every aspect of property development in Johor Bahru
- Divisional General Manager of S P Setia Berhad in charge of projects in Johor Bahru, namely Setia Indah, Setia Tropika and Setia Eco Cascadia with a combined GDV of approximately RM10 billion (2007-2013)



YAP YOKE CHING

Divisional General Manager,
Eco Central

Malaysian Female Age 50

Date of Appointment

- 1 July 2016

Academic/Professional Qualification/Membership

- Bachelor Degree in Business Administration, RMIT University, Melbourne, Australia

Skills and Experience

- Overseeing the development of Eco Majestic, Eco Sky and Eco Forest projects (2014-present)
- Held the following positions in S P Setia Berhad (2004-2012):
 - Deputy General Manager in charge of the Setia Alam project, an award-winning township in the Klang Valley
 - Head of Sales and Marketing of numerous development projects, namely Pusat Bandar Puchong, Bukit Indah Johor, Setia Putrajaya, Setia Alam and Eco Lakes (Vietnam), which involved launching and managing of turnkey projects, opening of new markets, formulating sales strategy as well as marketing and branding of products



DATO' IR. CHAN SOO HOW

Divisional General Manager,
Eco North

Malaysian Male Age 56

Date of Appointment

- 1 July 2018

Academic/Professional Qualification/Membership

- Bachelor of Engineering, University of Leeds, United Kingdom
- Professional Engineer registered with the Board of Engineers, Malaysia
- Member of the Institution of Engineers, Malaysia

Skills and Experience

- 32 years of experience in civil engineering, planning and design; construction and project management for implementation stage; site management through involvement in numerous development projects, namely KL Eco City, Tun Razak Exchange, Southkey Megamall, Sunway Iskandar and Alam Impian
- In charge of the following in EcoWorld Malaysia:
 - Managing operation of development in Northern region, projects include Eco Meadows, Eco Horizon, Eco Sun and Eco Terraces (2018-present)
 - Project planning and implementation in Eco Sanctuary and Eco Grandeur (2015-2018)
- Senior Manager (Infrastructure) of S P Setia Berhad in charge of KL Eco City project (2013-2015)

PROFILE OF KEY SENIOR MANAGEMENT



SRI RAM A/L SIVASAMBU

Chief Executive Officer,
BBCC Development Sdn. Bhd.

Malaysian

Male

Age 48

Date of Appointment

- 10 August 2023

Academic/Professional Qualification/Membership

- Master of Business Administration, University Technology Malaysia
- Bachelor of Civil Engineering, University Science Malaysia

Skills and Experience

- More than 23 years of experience in managing large-scale integrated developments and construction projects
- Overseeing the Bukit Bintang City Centre development (2023-present)
- Chief Operating Officer of BBCC Development Sdn. Bhd., managing the planning and construction of the Bukit Bintang City Centre development (2018-2023)
- Project Director of S P Setia Berhad for the 21-acre KL Eco City integrated development project (2013-2015)
- Held the following positions in Lend Lease Projects (M) Sdn. Bhd. (2009-2013):
 - Senior Project Manager, headed the Project Management Team for the KL Eco City integrated development of S P Setia Berhad
 - Project Manager, managed the design and construction of Platinum Park Phases 3 & 4 for Naza TTDI Development Sdn. Bhd.
- Worked in the Middle East region on various building projects in a construction management role (2006-2009)
- Senior Project Engineer of Peremba Construction Sdn. Bhd. (2002-2007)
- Design Engineer of Ranhill Bersekutu Sdn. Bhd. (2000-2002)

Notes:

- (i) None of the Senior Management holds any directorship in any listed companies and public companies.
- (ii) None of the Senior Management has any family relationship with any Director and/or major shareholder of the Company.
- (iii) None of the Senior Management has any conflict of interest with the Company.
- (iv) None of the Senior Management has been convicted of any offence within the past 5 years (other than traffic offences, if any), nor public sanction or penalties imposed by the regulatory bodies during the financial year ended 31 October 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Eco World Development Group Berhad (“the Company”) and its subsidiaries (“the Group” or “EcoWorld”) is committed to upholding an exemplary corporate governance culture across our operations while conducting our business in an ethical and professional manner. Our Corporate Governance Overview Statement (“CG Statement”) provides an overview of the Company’s corporate governance approaches and practices during FY2023, guided by the principles and best practices set out in the Malaysian Code on Corporate Governance (“MCCG”).

The Board of Directors of the Company (“Board”) is dedicated to upholding top-tier governance, ethics and integrity. This commitment is rooted in our mission to create sustained value and safeguard stakeholder interests. The Board is guided by the Group’s governance framework, which is consistently refined and enhanced in alignment with the following best practices, requirements and guidelines:

This CG Statement articulates the application of the Group’s corporate governance practices following the three key principles of the MCCG.

- MCCG** Malaysian Code on Corporate Governance
- MMLR** Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- CG Guide** Corporate Governance Guide (4th Edition)



Application of Recommended Corporate Governance Practices

	Total	Applied	Departure	Not Applicable	Not Adopted
Recommended Practices	43	41	2	0	0
Step-up Practices	5	2	0	0	3

The Group has applied 41 out of 43 recommended Practices in the MCCG and 2 out of 5 Step-up Practices in the financial year ended 31 October 2023 (“FY2023”). The 2 departures are outlined below:

Practice 6.1 For large companies, the Board engages independent experts at least every three years to facilitate objective and candid board evaluation.

Practice 8.2 The Board discloses on a named basis the top five Senior Management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This CG Statement supplements the Corporate Governance Report ("the CG Report") set out in the format pursuant to Paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") ("MMLR"), available on the Company's website at www.ecoworld.my, as well as the website of Bursa Malaysia Securities. The CG Report outlines the application of the Group towards each Practice established in the MCCG during FY2023 as well as explanations for any departures from the recommended Practices.

The CG Statement which incorporates the Audit Committee ("AC") Report, Nomination Committee ("NC") Report and Remuneration Committee ("RC") Report, together with the CG Report, were approved by the Board on 7 February 2024.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board strives to optimise value by fulfilling our purpose of pursuing better and greater ways to enrich people's living experience. EcoWorld believes that sound governance contributes to living our values through enhanced accountability, strong risk and performance management. The Board is responsible for the effective leadership and strategic direction of the Company to achieve long-term goals and to deliver sustainable value to stakeholders. In doing so, the Board adopts policies and procedures and secures necessary resources to enhance the strategic focus and effectiveness of the Group in achieving its objectives.

I. BOARD RESPONSIBILITIES

The following is a summary of the Board's duties in achieving the goals and overall vision of the Group in pursuit of **Creating Tomorrow & Beyond**:

BOARD'S KEY ROLES AND RESPONSIBILITIES

- Strategic oversight over business conduct and management;
- Reviewing the adequacy and integrity of management information and internal control systems;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing and adopting a strategic plan that supports long-term value creation and business sustainability;

- Advocating the values of sound corporate governance across the Group;
- Ensuring adherence to high standards of integrity, ethics and professional behaviour;
- Strategic oversight on sustainability performance and progress, including ESG-related risks and opportunities such as climate change;
- Succession planning; and
- Ensuring effective engagement with stakeholders.

The Board works to ensure that our strategic and sustainability goals, and objectives align with our brand core values of Sustainability, Tenacity, Solidarity, Innovation, Collaboration and Inclusion.

Board Focus Areas during FY2023

Throughout FY2023, the Board deliberated on the following matters in addition to routine business:-

(i) Governance

- Submission of Integrity Pledge by the Board to demonstrate personal and collective commitment at Board level against corrupt practices.
- Appointment of a new Independent Director to comply with the MCCG.

(ii) Group's operations

- Enhancement of the Group's digital platform to more effectively engage with prospective customers, expedite sales conversion and improve the efficiency of daily operations.
- Increase the Group's landbank.

(iii) Financial

- Declaration of dividends to align with shareholders' expectations and long-term value creation.
- Improvement of profitability by introducing new products, both affordable and high-end homes, with higher gross profit margins.
- Recognition of land sales to a foreign company to build a factory, in line with the Government's policy to attract foreign investors.

(iv) Risk matters

- Revision of the Group's Risk Appetite Statement to include a new key risk area, "Climate Change", in line with the Group's commitment to environmental sustainability.
- Revision of the Group's risk parameters to reflect a new approach for assessing risk.
- Revision of the Group's risk management policy and guidelines ("RMPG") document to align with the Group's current practices, the updated Risk Appetite Statement and risk parameters.

(v) Sustainability matters

- Adoption of a Climate Change Policy for the Group to formalise its commitment to expedite climate change initiatives within its operations.
- Adoption of a "Net Zero 2050 Roadmap", which delineates the roadmap for achieving net zero carbon by 2050.
- Endorsement of a Supplier Environmental, Social and Governance ("ESG") risk assessment to evaluate the Group's primary contractors and suppliers, in order to assess ESG impact and drive sustainability across the Group's supply chain.

(vi) Remuneration

- Adoption of a performance incentive scheme for eligible employees to ensure long-term sustainability and to reward, motivate and retain high performing staff.
- Adjustment of salary for eligible employees to align with market trends and inflation.
- Reviewal of the practice of other comparable listed companies in the property development industry on their payment structure of Directors' fees.
- Endorsement of the total compensation or remuneration philosophy of EcoWorld.
- Approval of the ESG key performance indicators ("KPI") for Executive Directors and Senior Management in the C-Suite category ("C-Suite Management Personnel") which linked the achievement of the Group's sustainability goals and KPI to their performance evaluation and remunerations.

(vii) Policy

- Revision of the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to formalise the inclusion of the joint ventures and associate companies.
- Adoption of Eco World Investment Policy which outlines the investment philosophy and criteria for non-property development activities with the aim to achieve sustainable and profitable returns while minimising risks.
- Revision of the Whistleblowing Policy and the written procedures for dealing with complaints received from whistleblowers to align with the Whistleblower Protection Act 2010.
- Revision of the Directors' Fit and Proper Policy ("Fit & Proper Policy") to include background checks on potential candidates to be appointed as directors.

Future Priorities

Moving forward, the priorities of the Board for FY2024 will be in the following areas:

- Continue enhancing the Group's ESG and climate change commitment by setting a short-, mid-, and long-term target to achieve net zero carbon by 2050;
- Constructing more affordable *Duduk* apartments to address the concerns on rising cost of living;
- Continue improving profit margin and maximise value for shareholders;
- Continue with the digital transformation journey;
- Expanding the Group's industrial development; and
- Developing a robust succession planning strategy to ensure organisational stability and business sustainability with the eventual leadership transitions.

Board Charter and Terms of Reference

The Board Charter details the roles and responsibilities of the Board, board committees, individual Directors, the President & Chief Executive Officer ("President & CEO") and the Management.

It guides the Board in matters related to board governance and delineates the protocols for conducting Board meetings. Issues specifically pertaining to the Board and those assigned to the board committees are clearly addressed in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Charter is revised as and when necessary. It was last revised on 26 October 2023 to be aligned with the amendments to the MMLR in relation to conflict of interest, and the revised guide on Code of Ethics for Company Director & Company Secretary, issued by the Companies Commission of Malaysia ("Guide on Code for Company Director & Company Secretary"). The reviewal and approval of sustainability matters such as strategies, key targets, performance, progress, issues, and related policies have been included as the Board's reserved matters. The Board Charter is available on the Company's website at www.ecoworld.my.

The Board is assisted by 5 board committees, namely the AC, NC, RC, Whistleblowing Committee ("WC") and Investment Committee ("IC") (collectively referred to as "Board Committees").

The Terms of Reference ("TOR") of the Board Committees are updated regularly and aligned with the latest MCCG and MMLR requirements. The Board Committees assist the Board in oversight and management of matters related to governance and compliance. The Board is briefed on matters discussed by the Board Committees at its meetings.

The role of the Chairman of the Board and the President & CEO

The roles of Chairman and the President & CEO are held by separate persons to facilitate the segregation of roles and responsibilities between them and even distribution of power and authority, in line with the intention of the Board Charter.

The Chairman of the Board, Tan Sri Dato' Sri Liew Kee Sin ("Tan Sri Liew"), is a strong believer of good corporate governance and has vast experience in the property sector, providing effective leadership to the Board. For the purposes of having checks and balances as well as to ensure an objective review by the Board pertaining to all issues brought up by the Board Committees, Tan Sri Liew is not a member of any of the Board Committees.

The President & CEO of the Group, Dato' Chang Khim Wah ("Dato' Chang"), oversees the daily business operations carried out by the Management team, including overseeing the implementation of strategies directed by the Board. Regular meetings are held by Management to discuss and resolve issues involving operations. Dato' Chang and Management are accountable to the Board for the authority assigned to them as well as for the Group's performance.

Senior Independent Director

The Board has appointed Mdm. Low Mei Ling as the Senior Independent Director to coordinate the activities of the Independent Directors. As such, any questions or concerns about the Group may be directed to her at meiling.low@ecoworld.my.

Company Secretaries

The Board is supported by qualified and competent Company Secretaries. All Directors have unrestricted access to the Company Secretaries, who give advice and support to the Board.

Board Meetings

The Board meets regularly, at least 5 times annually, and will hold either physical or remote meetings to consider and deliberate special matters as and when required. The Board meetings for each financial year are scheduled before the end of the preceding financial year to allow Directors to have sufficient time to plan and attend the meetings.

A total of 7 Board meetings were held during FY2023. The Directors' attendance record is as follows:

Name of Board Member	Attendance
Tan Sri Abdul Rashid Bin Abdul Manaf	6/7
Tan Sri Dato' Sri Liew Kee Sin	7/7
Dato' Leong Kok Wah	7/7
Dato' Chang Khim Wah	7/7
Liew Tian Xiong	7/7
Dato' Noor Farida Binti Mohd Ariffin	7/7
Low Mei Ling	7/7
Mrs. Lucy Chong	7/7
Sar Sau Yee	7/7
Dato' Seri Rosman Bin Mohamed	7/7
Ng Soon Lai @ Ng Siek Chuan ¹	3/3
Tang Kin Kheong ²	3/3
Dato' Haji Obet Bin Tawil ²	3/3

Notes:

¹ Appointed on 22 June 2023.

² Retired on 30 March 2023.

The meeting agenda is set and meeting materials such as board papers are provided to all Board members, in a timely manner prior to the scheduled Board meetings electronically. This enables paperless Board meetings and the Directors to access meeting materials wherever they are located. The minutes of meeting will be distributed in a timely manner with action items for follow-up by Management.

Time Commitment

Directors are expected to devote adequate time and focus to fulfilling their duties. Before candidates are appointed as Directors, they are required to disclose their external directorships to ensure that they have sufficient time to carry out their responsibilities on the Board.

All Directors attended more than 50% of Board meetings held, being the minimum stipulated under Paragraph 15.05 of the MMLR. Additionally, the Board also approves non-material matters by way of circular resolutions.

Director's Training and Development

As part of the induction process, newly appointed Directors will meet with Senior Management who brief them on important aspects of the Group, including the Group's history, culture, operations, environment, business, strategies and financial position. They were also informed of their fiduciary duties and the Board's expectations of their performance and commitment.

During FY2023, the Independent Directors were invited to a site visit to Iskandar Malaysia, Johor together with the Management to gain deeper insights into the Company's projects at Iskandar Malaysia.

All Directors have completed the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities. Bursa Malaysia Securities has introduced a new mandatory sustainability training for Directors (MAP II) in June 2023. As at the date of this Integrated Annual Report ("IAR"), 9 out of the 12 Directors (including 1 Alternate Director) have attended the MAP II, ahead of 1 August 2025, being the last date to complete the MAP II, while 2 more Directors have registered for the MAP II in February and June 2024.

During FY2023, the Directors have attended training programmes and seminars to keep abreast of changes in law, regulations, the business environment, risk management practices, sustainability matters as well as general economic and industry developments. The training programmes and seminars attended by each Director during FY2023 are detailed in the CG Report which is available on the Company's website at www.ecoworld.my.

Code of Conduct and Ethics

In creating a robust corporate culture that fosters high standards of ethical conduct, transparency and accountability, the Board has adopted several policies, programmes and codes to guide Directors, employees and stakeholders in their commitment to perform with integrity. These include the Anti-Corruption Compliance Programme ("ACC Programme"), the ABC Policy, the Directors' Code of Conduct and Ethics ("Code for Directors") and the Code of Conduct and Business Ethics for Employees ("Code for Employees").

The ACC Programme, which is based on the Guidelines on Adequate Procedures issued under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amended 2018), was launched on a Group-wide basis in year 2020. The ACC Programme is reviewed annually to assess the effectiveness of anti-corruption efforts implemented by the Group.

The ABC Policy was last revised on 23 March 2023 to formalise the inclusion of the joint ventures and associate companies. The Code for Directors was last revised on 26 October 2023 to reflect the relevant updates under the revised Guide on Code for Company Director & Company Secretary.

During FY2023, the Directors of the Company demonstrated their personal and collective commitment at Board level against corrupt practices via the submission of the Integrity Pledge.

The ABC Policy, Code for Directors and Code for Employees are available on the Company's website at www.ecoworld.my.

Whistleblowing

The Whistleblowing Policy promotes an open working environment where employees and/or stakeholders may report any incident of alleged improper conduct confidentially without fear of reprisal to the WC. The Whistleblowing Policy outlines the procedures for dealing with matters lodged by whistleblowers. The Whistleblowing Policy and written procedures were revised by the Board on 26 October 2023 to align with the Whistleblower Protection Act 2010.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The WC is responsible for investigating complaints of alleged improper conduct on an independent and confidential basis and taking any other necessary action. The WC comprises 3 Independent Directors.

Composition of the WC

Sar Sau Yee
Chairperson, Independent Director
(re-designated as Chairperson on 22 June 2023)

Mrs. Lucy Chong
Member, Independent Director

Dato' Seri Rosman Bin Mohamed
Member, Independent Director
(appointed on 22 June 2023)

The WC held 1 meeting during FY2023 that was attended by all members.

During the said meeting, the WC reviewed the investigation report with regard to a complaint received in relation to the awarding of contracts for business units.

Upon review, the WC was satisfied that there was no evidence of any wrongdoing or misuse of power in the process of awarding the contracts. Proper steps had been taken during the tender process and the process was in line with the Group's tender practice.

The Whistleblowing Policy and the TOR of the WC are available on the Company's website at www.ecoworld.my.

Investment Framework

The Board has adopted the Eco World Investment Policy in FY2023 which outlines the principles and criteria of investment with the aim to achieve sustainable and profitable returns while minimising risks.

EcoWorld's investment philosophy is rooted in the principles of value investing, which prioritise understanding businesses, seeking a margin of safety, adopting a long-term perspective, emphasising quality management, and financial discipline, through healthy profits and cash generation.

The IC is responsible for assisting the Board to review and consider investment proposals outside the ordinary course of business of the Group and to make its recommendations on the proposals to the Board for approval.

The IC comprises 2 Independent Directors and 1 Management Representative.

Composition of the IC

Low Mei Ling
Chairperson, Senior Independent Director

Sar Sau Yee
Member, Independent Director

Datuk Heah Kok Boon
Member, Management Representative

The IC held 1 meeting during FY2023 that was attended by all members.

During the aforesaid meeting, the IC evaluated and deliberated an investment proposal which was outside the ordinary course of business of the Group. However, the proposal did not materialise as it did not meet the Group's investment criteria.

As the IC is a new Board committee, the IC also held numerous informal meetings to discuss and finalise the TOR of the IC, which is available on the Company's website at www.ecoworld.my.

Sustainability

The Board and Management are dedicated to advancing sustainability throughout the Group's activities and the communities it serves. The implementation of the Group's business sustainability practices has been overseen by the Sustainability Committee since the year 2017. The Sustainability Report 2023 ("SR 2023") and the Sustainability Statement on pages 46 to 69 of this IAR provides comprehensive information on the Group's sustainability governance framework and efforts.

II. BOARD COMPOSITION

The NC assists the Board in the evaluation of the performance of the Board, Board Committees and individual Directors as well as in the consideration of potential candidates for appointment to the Board. The NC consists exclusively of Independent Directors.

Following the retirement of Mr. Tang Kin Kheong and Dato' Haji Obet Bin Tawil at the 49th Annual General Meeting of the Company ("AGM"), Mr. Ng Soon Lai @ Ng Siek Chuan was appointed to the Board on 22 June 2023. The Board now comprises 11 Directors, with a majority (55%) of Independent Directors. Datuk Heah Kok Boon, who is the Alternate Director of Tan Sri Liew, is not taken into account in computing the Board composition.

Dato' Noor Farida Binti Mohd Ariffin who will reach a tenure of 9 years at the forthcoming 50th AGM will not be seeking re-election, in line with Practice 5.3 of the MCCG, which does not encourage Independent Directors to serve for more than 9 years. The Board will continue to source for a suitable candidate to replace her as soon as possible to ensure compliance with Practice 5.2 of the MCCG, which requires the Board to comprise a majority of Independent Directors.

As the Board is still undergoing a period of refreshment in line with Practice 5.3 of the MCCG, the Board is of the view that the engagement of independent experts to perform a formal and objective Board evaluation as required under Practice 6.1 of the MCCG should be deferred until the composition of the Board has been stabilised. Further details on the annual Board evaluation conducted by the NC are set out in the NC Report on page 96 of this IAR.

The composition, authority, duties and responsibilities of the NC and the summary of work carried out to discharge its duties for FY2023 are set out in the NC Report on pages 92 to 96 of this IAR.

III. REMUNERATION

Remuneration policies and procedures for Directors and C-Suite Management Personnel are developed, reviewed, revised and implemented by the RC, which consists exclusively of Independent Directors.

Since the year 2020, the Group has departed from Practice 8.2 of the MCCG which requires disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000 as the Board is of the view that such information, if disclosed, raises personal security concerns on the part of the Senior Management personnel and could result in employee poaching by competitors. The alternative form of disclosure (on an unnamed basis in bands of RM50,000) is outlined in the CG Report which is available on the Company's website at www.ecoworld.my.

The detailed composition, authority, duties and responsibilities of the RC and the summary of work carried out to discharge its duties for FY2023 are detailed in the RC Report on pages 97 to 98 of this IAR.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC is made up solely of Independent Directors. In the AC Report on pages 88 to 91 of this IAR, the detailed duties and responsibilities of the AC as well as a summary of the work performed to fulfil its duties for FY2023, are described.

Assessment of Suitability, Objectivity and Independence of the External Auditors

The AC is responsible for the audit quality as well as the suitability, objectivity, effectiveness and independence of external auditors in establishing the standards and reliability of the audited financial statements and conducts an assessment annually. The AC ensures that any non-audit services provided by external auditors do not conflict with their principal role as auditors and that the non-audit fees incurred are not significant (constitute less than 50% of the total amount of audit fees payable to the external auditors).

The Board has in place an External Auditors Assessment Policy ("EAA Policy") which outlines the necessary guidelines and procedures in evaluating the performance of the external auditors. A minimum of 3 years cooling-off period has to be observed before a former partner of the external audit firm can be appointed as a member of the AC. The EAA Policy is available on the Company's website at www.ecoworld.my.

During its meeting held on 14 November 2023, the AC assessed the performance, competency, independence, technical capabilities and resource sufficiency of the external auditors. As part of the assessment, the AC referred to the Annual Transparency Report issued by our external auditors, Baker Tilly Monteiro Heng PLT ("Baker Tilly"). Based on the assessment, the AC was satisfied with the independence and performance of Baker Tilly and recommended to the Board to put forth a proposal for the re-appointment of Baker Tilly at the forthcoming 50th AGM.

Assessment of the Internal Audit Function

The AC is also responsible for assessing the internal audit function, including reviewing the adequacy of scope, functions, competency, resources, and independence carried out by the Group Corporate Governance ("GCG") team.

The internal audit plan was reviewed and approved by the AC. GCG would report to the AC on its audit findings on a quarterly basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During its meeting held on 14 November 2023, the AC assessed the performance, competency, independence, technical capabilities and resource sufficiency of the GCG team. Based on the assessment, the AC was satisfied with the overall performance of GCG in FY2023.

In FY2023, the AC also engaged the Institute of Internal Auditors Malaysia ("IIAM") to perform an external Quality Assurance Review ("QAR") on GCG by virtue of self-assessment undertaken by GCG with independent validation by IIAM on the self-assessment result. The AC noted that based on the QAR, GCG has been assessed to have generally conformed with all applicable standards of the Institute of Internal Auditors ("IIA").

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for ensuring both the adequacy and integrity of the Group's internal control systems and the existence of a sound framework for internal controls and risk management.

The Board has in place an effective Enterprise Risk Management ("ERM") framework that outlines the Group's risk management system including risk identification, assessment, management, mitigation, monitoring and governance.

The Risk Management Committee ("RMC") comprises Senior Management, oversees risk management matters within the Group and reports to the AC on a half-yearly basis on the Group's aggregated risk position and significant risk issues. The RMC ensures that the implementation of the RMPG is properly carried out throughout the Group by Management. Additionally, the RMC also conducts an annual review of the Group's risk parameters to ensure that changes in circumstances of risk appetite are accurately reflected in the risk parameters.

GCG undertakes the internal audit function and assists the AC in assessing the effectiveness of the Group's governance, risk management and internal control processes. The Integrity Team is responsible for the effective operation of the ACC Programme.

The RMC comprises the following members:

Member	Executive Position
Datuk Heah Kok Boon (Chairman)	Chief Financial Officer
Dato' Soo Chan Fai	Group Financial Controller
Ho Kwee Hong	Divisional General Manager, Eco Central
Phan Yan Chan (appointed on 22 May 2023)	Divisional General Manager, Eco South
Lim Eng Tiong	Divisional General Manager, Group Contracts Division
Ong Yew Leng	General Manager, Digital Technology Services

The Group's ERM framework is based on the ISO 31000:2018 Risk Management Guidelines where its elements have been integrated into the Group's RMPG, which was approved by the Board in June 2018. The Group's risk management process and the communication of these risks have been laid out in the RMPG.

The Group's Risk Appetite Statement was issued during the financial year ended 31 October 2022. This statement clearly outlines the amount of risk the Group is willing to take, or the Group's risk capacity. It was issued to provide clear guidelines on the risk parameters that must be observed in the attainment of the Group's strategic goals and targets.

During FY2023, the Board revised the Group's Risk Appetite Statement to incorporate elements of climate change risk and adjusted the risk parameters to better reflect the Group's risk appetite. The RMPG document was also revised to align with the Group's latest risk parameters and Risk Appetite Statement.

EcoWorld recognises the critical significance of adhering to internal control processes. The Group has established the Quality Management System ("QMS") and Environment Management System ("EMS"), both of which have received successful accreditation from SIRIM since the year 2014, aligning with the ISO 9001:2015 standard for QMS and ISO 14001:2015 standard for EMS. A clearly defined set of business operations and processes has been implemented and maintained to foster consistent practices. In our relentless dedication to operational excellence, we have conducted comprehensive internal audits at regular intervals. These internal audits serve as a systematic and objective examination of our processes, procedures, and documentation to verify compliance with the standards. Our Group

Quality Management team diligently examines key processes, identifying opportunities for refinement and addressing any non-conformities. By cultivating a culture of transparency and accountability, the internal audit process not only sustains our certification but also actively contributes to elevating overall quality and customer satisfaction within our organisation.

The Statement on Risk Management and Internal Control found on pages 101 to 106 of this IAR delineates the Group's risk organisational structure, risk management practices, the ERM framework and internal controls within the Group. The function of the internal auditors and the work carried out to discharge their duties for FY2023 are set out in the AC Report on page 91 of this IAR.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company is committed to maintaining regular, transparent and efficient communication with all our stakeholders, providing a clear representation of our financial, business, operational and sustainability performance. The Company communicates with stakeholders and the public through various channels to ensure effective dissemination of information on our continuous development.

We continue to utilise technological advancements to enhance the quality of our engagement with shareholders. With the full adoption of the Integrated Reporting framework this year, the Company has issued its first-ever IAR. The IAR improves the quality of information available to investors and promotes greater transparency and accountability.

Communication with Stakeholders

- Integrated Annual Report
- Company website
- Announcements and disclosures to Bursa Malaysia Securities
- AGMs

Communication with Mass Media

- Press Releases
- Press Conferences

Communication with Analysts and Investors

- Investor conferences
- Analyst briefings

II. CONDUCT OF GENERAL MEETINGS

The Board views the shareholders' general meetings as a useful communication platform with its shareholders. To be in line with good corporate governance practices, the Company has provided at least 28 days' notice for its AGMs since the Company's 44th AGM. The Board has also incorporated the 28-day notice period into its Board Charter. All Directors and external auditors are expected to attend all shareholders' meetings and to respond to questions or concerns raised by shareholders at the meetings. Since the COVID-19 pandemic, the Company has held its AGMs virtually where shareholders have been able to participate using remote participation and voting facilities ("RPV"). As such, the Company has strived to ensure that the required infrastructure, equipment and proper settings were in place for seamless meeting proceedings, and has taken the necessary measures to ensure cyber security practices are in place in the event of any cyber threats that may occur.

The 49th AGM was live streamed using the RPV provided by SS E Solutions Sdn. Bhd. via its online meeting platform. During the 49th AGM, in addition to answering questions posed by shareholders, the President & CEO gave a presentation on the performance and outlook of the Group. To encourage shareholders' participation at the 49th AGM, shareholders were allowed to submit questions prior to the 49th AGM electronically by email to eservices@sshshb.com.my.

During the 49th AGM, they were also allowed to submit questions in the form of typed texts through a text box within the meeting platform. Questions submitted by shareholders were read out and answered verbally either by the Chairman of the 49th AGM or the President & CEO. The poll voting results were displayed on the live streaming screen while they were announced by the Chairman of the 49th AGM. The minutes of the 49th AGM including the questions raised at the meeting and the answers provided were uploaded onto the Company's website at www.ecoworld.my on 9 May 2023, which was no later than 30 business days after the conclusion of the 49th AGM.

AUDIT COMMITTEE REPORT

As of the financial year ended 31 October 2023 ("FY2023"), the Audit Committee ("AC") comprises 4 members, all of whom are Independent Directors.

Composition of the AC

Low Mei Ling

Chairperson, Senior Independent Director
(re-designated as Chairperson on 22 June 2023)

Dato' Noor Farida Binti Mohd Ariffin

Member, Independent Director

Dato' Seri Rosman Bin Mohamed

Member, Independent Director

Ng Soon Lai @ Ng Siek Chuan

Member, Independent Director
(appointed on 22 June 2023)

Meetings

The AC held 7 meetings during FY2023. The attendance record of each AC member is as follows:

Name of AC Member	Attendance
Low Mei Ling	7/7
Dato' Noor Farida Binti Mohd Ariffin	6/7
Dato' Seri Rosman Bin Mohamed	7/7
Ng Soon Lai @ Ng Siek Chuan ¹	2/2
Tang Kin Kheong ²	4/4

Notes:

¹ Appointed on 22 June 2023.

² Retired from the Board of Directors of the Company ("Board") on 30 March 2023.

The President & Chief Executive Officer, Deputy President & Deputy Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Head of Group Finance and Head of Group Corporate Governance ("GCG") are invited to attend the AC meetings. Other Senior Management members may also be invited to brief the AC on specific matters from time to time.

External auditors are invited to present their audit plan, audit findings, other significant external audit matters, and to assist the AC in evaluating the unaudited quarterly financial reports and statutory financial statements. For the avoidance of doubt, the assistance provided by the external auditors does not constitute a review of the unaudited quarterly financial reports by the external auditors.

The AC Chairperson engages continuously with Senior Management as well as the external and internal auditors to stay up-to-date on matters affecting the Group. Where significant issues are identified, the AC Chairperson communicates and consults with the other AC members by means of email or through meetings.

Authority, Duties and Responsibilities of the AC

The AC is governed by its Terms of Reference ("TOR"), which is available on the Company's website at www.ecoworld.my.

Summary of Work

In line with its responsibilities outlined in its TOR, the AC discharged its functions and duties for FY2023 through the completion of the following work:

1. Financial Statements

- Reviewed the unaudited quarterly financial reports and statutory financial statements prior to recommending to the Board for approval.
- Reviewed matters highlighted by external auditors with regards to the financial statements, discussed with Management and the external auditors the financial reporting standards applied, including the judgments exercised in the application of those standards.

In respect of the above, key matters discussed included:

- Impairment assessment of the Group's investment in Eco World International Berhad; and
- Presentation and accounting treatment on placement of short-term funds.

2. External Audit

(a) Reviewed the external auditors' audit plan for FY2023 which consists of the risk assessment and audit approach, and scope of work.

(b) Reviewed the external auditors' audit report which consists of the significant audit findings, potential key audit matters, matters for control improvements, and financial reporting matters.

The audit findings were presented upon the completion of the interim field audit and also upon the completion of the final field audit.

(c) Noted that in response to an enquiry by the external auditors, the Management, the internal auditors, and the AC members, verbally confirmed that they had no knowledge of any actual, suspected or alleged fraud and non-compliance or suspected non-compliance with laws and regulations affecting the Group.

(d) Met with external auditors without the presence of Management twice, on 20 September 2023 and 13 December 2023 in order for the external auditors to express any concerns they may have.

(e) Obtained written assurance of external auditors' professional independence.

(f) Evaluated the external auditors' suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group. The evaluation was performed with reference to the Annual Transparency Report issued by the audit firm. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.

(g) Ensured that the independence and objectivity of external auditors would not be affected by the performance of non-audit services prior to approval of appointment.

(h) Subsequent to evaluating the performance and independence of the external auditors, recommended to the Board to propose the re-appointment of the external auditors at the forthcoming 50th Annual General Meeting of the Company.

3. Internal Audit

(a) Reviewed and approved the internal audit annual plan proposed by GCG for FY2023 to ensure the adequacy of audit scope and coverage of the Group's activities and that the internal audit plan remains resilient with regards to potential risks in the business environment.

(b) Considered the results of the audits undertaken and Management's responses to the salient observations raised and recommendation proposed, including reviewing the internal audit reports and discussing significant matters with Management and internal auditors to achieve a consensus and determine Management's commitment to address these matters and the time taken to resolve them. Reported significant matters to the Board.

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

(d) Met with GCG twice in the private sessions without the presence of Management on 20 September 2023 and 13 December 2023 respectively, in assuring that the mechanisms for corporate accountability were well-established and functioning as expected, and at the same time providing an opportunity for GCG to express any concerns they may have.

(e) Approved the engagement of the Institute of Internal Auditors Malaysia ("IIAM") to perform an external Quality Assurance Review ("QAR") of the internal audit function, where an independent validation was conducted to verify the assertions made in the Self-Assessment Report concerning the adequate fulfilment of the expectations of key stakeholders of the Company and its conformity to the mandatory elements of the International Professional Practices Framework ("IPPF").

(f) Evaluated the performance of GCG during FY2023 as well as the adequacy and competency of the GCG's resources to carry out internal audit engagement works.

AUDIT COMMITTEE REPORT

4. Risk Management and Internal Control

Discussed and reviewed the following matters with the Chairman of the Risk Management Committee ("RMC"):

- reports on the Group's risk profile and the mitigation controls implemented to manage identified risks at the second and fourth quarterly AC meetings;
- proposed changes to the Group's Risk Appetite Statement to include a new key risk area, "Climate Change", for the Board's approval;
- proposed changes to the Group's risk parameters to reflect new approach for assessing risk, for the Board's approval;
- proposed changes to the Risk Management Policy and Guidelines documents to reflect the latest changes in risk parameters and Risk Appetite Statement for the Board's approval;
- the implications associated with using artificial intelligence chatbot platforms within the Group's business operations;
- the risk of manpower shortages faced by the contractors and the impact of increasing cost of construction to the Group's gross profit margin;
- details of health, safety and environmental risks, including action plans and mitigation strategies;
- scope and timeline for the implementation and conduct of the fraud risk assessment programme as well as report on the fraud risk assessment and the risk treatment plans implemented to control the identified risks;
- the annual updates to the Anti-Corruption Compliance Programme ("ACC Programme") for FY2023 in accordance with the Guidelines on Adequate Procedures issued in accordance with Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amended 2018) as implemented by the Integrity Team; and
- the proposed ACC Programme for the financial year ending 31 October 2024.

5. Related Party Transactions ("RPTs")

- (a) Took note of RPTs, both on a quarterly basis and as they arise, to ensure that those transactions were on terms not more favourable than those generally available to the public and are in the best interest of the Group; are fair, reasonable and on normal commercial terms; and are not detrimental to the interests of the minority shareholders of the Company.
- (b) On a quarterly basis, took note of all recurrent RPTs, to ensure that those transactions were in accordance with the mandate approved by shareholders.

6. Other Matters

- (a) Reviewed the Statement on Risk Management and Internal Control, the Corporate Governance Report ("CG Report") and the Corporate Governance Overview Statement incorporating this AC Report, the Nomination Committee ("NC") Report, the Remuneration Committee Report as well as the Additional Compliance Information and recommended to the Board for approval and inclusion in this Integrated Annual Report.
- (b) Reviewed and recommended to the Board for approval the circular to shareholders in relation to the proposed renewal of shareholders' mandates for recurrent RPTs of a revenue or trading nature.
- (c) Reviewed and recommended to the Board for approval the revised Anti-Bribery and Anti-Corruption Policy to formalise the inclusion of the joint ventures and associate companies.

Evaluation of the AC

For FY2023, in view that 1 out of the 3 NC members is also a member of the AC, the assessment of the AC in terms of office, competency and performance was done by all Directors (save for the AC members).

Internal audit function

The GCG is the in-house internal audit function established to provide independent and objective assurance on the adequacy and effectiveness of the governance, risk management and internal control systems and processes implemented by the Management. GCG reports functionally to the AC. All GCG members are independent of the activities it audits and from the day-to-day operations of the business units, and free from conflicts of interest or any relationships that could affect their objectivity and independence as internal auditors.

The AC reviews GCG's resource requirements, authority and functionality, and staff competency on an annual basis to ensure that the internal audit function is adequately and appropriately resourced and equipped to carry out its duties effectively. The qualifications of the Head of GCG and the departmental resources are comprehensively outlined in the CG Report, which can be accessed on the Company's website at www.ecoworld.my.

GCG conducts its internal audits in accordance with the approved internal audit annual plan 2023 ("IAAP23") approved by the AC in September 2022. The IAAP23 was developed based on a risk-based approach while the COSO Internal Control - Integrated Framework Principles was used to assess the adequacy and effectiveness of internal controls. The IAAP23 also took into consideration the Group's key strategies, AC's and Management's feedback on their areas of concerns and potential risks.

GCG is guided by the Audit Charter and Audit Methodology approved by the AC, while its processes and activities are governed by the Group's Code and Conducts and Business Ethics and the International Standards for the Professional Practice of Internal Auditing laid down in IPPF, a conceptual framework promulgated by the Institute of Internal Auditors ("IIA").

The Quality Assurance and Improvement Programme ("QAIP") continues to be used to assess the quality of the audit works against the International Standards promulgated by IIA. During FY2023, GCG adopted a Self-Assessment with Independent Validation ("SAIV") for a 5-yearly QAR exercise. The QAR Team from IIAM concluded that the works performed by GCG had generally conformed to the mandatory elements and standards of the IPPF. The AC was satisfied with the overall performance of GCG.

The works carried out by GCG for FY2023 included the following:

- Developed the risk-based IAAP23 for FY2023 and revised the IAAP23 accordingly, taking into consideration of the latest developments surrounding the business operating environment, and the needs to address uncertainties and concerns arising from current audits.
- Reviewed and tested the system of internal control on key operating processes based on the approved internal audit annual plan using a risk-based approach and progressively issuing detailed internal audit reports to the AC;
- Follow-up audits were conducted to determine the status of previous audit recommendations;
- During FY2023, GCG completed 13 assurance assignments which covered key processes at support units and business units across the Northern, Southern and Central regions. These reports together with follow-up reports were tabled at the quarterly AC meetings for deliberation;
- Reviewed RPTs on a quarterly basis to ensure that those transactions were on terms not more favourable than those generally available to the public; and
- Reviewed recurring RPTs on a quarterly basis in accordance with the guidelines set out in the circular to shareholders for recurrent RPTs of a revenue or trading nature.

The total cost incurred in maintaining the internal audit function for FY2023 was RM0.84 million (FY2022: RM0.70 million), comprising mainly salaries, bonuses, medical allowances, staff trainings, travelling and accommodation expenses and subsistence allowances for audit assignments.

NOMINATION COMMITTEE REPORT

As of the financial year ended 31 October 2023 ("FY2023"), the Nomination Committee ("NC") comprises 3 members, all of whom are Independent Directors.

Composition of the NC

Mrs. Lucy Chong
Chairperson, Independent Director

Dato' Noor Farida Binti Mohd Ariffin
Member, Independent Director

Sar Sau Yee
Member, Independent Director
(appointed on 22 June 2023)

The NC held 2 meetings during FY2023. The attendance record of each NC member is as follows:

Name of NC Member	Attendance
Mrs. Lucy Chong	2/2
Dato' Noor Farida Binti Mohd Ariffin	2/2
Sar Sau Yee ¹	0/0
Tang Kin Kheong ²	2/2
Dato' Haji Obet Bin Tawil ²	2/2

Notes:

¹ Appointed on 22 June 2023. There were no NC meetings held since then.

² Retired from the Board of Directors of the Company ("Board") on 30 March 2023.

Authority, Duties and Responsibilities of the NC

In overseeing the selection of Directors, the NC ensures that the composition of the Board comprises an appropriate mix of skills, knowledge, experience, independence, core competencies and diversity as well as to ensure there are succession plans for the Directors and Senior Management. The NC is governed by its Terms of Reference ("TOR") which is available on the Company's website at www.ecoworld.my.

Summary of Work

The NC carried out the following work in discharging its duties for FY2023:

1. Composition of the Board and Board Committees

- Reviewed and assessed the profile, potential conflict of interests as well as fitness and probity of Mr. Ng Soon Lai @ Ng Siek Chuan and, recommended his appointment as an Independent Director to the Board for approval.

- Reviewed the changes in the composition of the Board Committees, including the Audit Committee ("AC"), NC, Remuneration Committee and Whistleblowing Committee, and recommended to the Board for approval.

- Reviewed and assessed the appointment of Mdm. Low Mei Ling as the Senior Independent Director, and recommended to the Board for approval.

2. Retirement and Re-election

Prior to recommending the re-election of the Directors to be tabled at the forthcoming 50th Annual General Meeting of the Company ("AGM"), the NC also reviewed and assessed the retiring Directors (save for the Independent Director who has served for a tenure of 9 years and is not seeking re-election) in terms of their performance and contribution. The assessment took into consideration the criteria prescribed in the Directors' Fit and Proper Policy ("Fit & Proper Policy").

3. Annual Performance Assessment

- The questionnaires in the evaluation forms were reviewed prior to undertaking the evaluation process.
- The Board was evaluated in terms of the required mix of skills, expertise, composition, size and experience.
- The performance of Directors was reviewed whereby each Director underwent an evaluation process involving self-assessment.
- The independence of the Independent Directors was evaluated based on the criteria of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").
- The effectiveness of the Board and Board Committees in carrying out their respective duties was evaluated.
- The term of office, competency and performance of the AC were reviewed.
- The competency of the Company Secretaries was evaluated along with their performance.

4. Succession Planning

Noted on the succession planning for management with focus on human capital planning and development.

5. Other Matters

- (a) The Fit & Proper Policy was reviewed to include background checks on potential candidates to be appointed as directors, and recommended to the Board for adoption.
- (b) The TOR of the NC was reviewed to be in line with the amended MMLR which addresses issues associated with conflict of interest involving directors and key senior management and to formalise the recommendation on the appointment of a Senior Independent Director as part of the duties and responsibilities of the NC. The proposed changes were recommended to the Board for approval.
- (c) The NC Report was reviewed and issued for inclusion in this Integrated Annual Report ("IAR").

Board Composition

The Board

To ensure the Board efficiently discharges its duties, the NC annually reviews the structure, size and composition of the Board.

Following the changes to the Board composition in FY2023 as noted below:

- retirement of Mr. Tang Kin Kheong and Dato' Haji Obet Bin Tawil as Independent Directors on 30 March 2023; and
- appointment of Mr. Ng Soon Lai @ Ng Siek Chuan as Independent Director on 22 June 2023,

the Board now comprises 11 Directors, with a majority of Independent Directors and the percentage of women Directors is 36%. Datuk Heah Kok Boon who is the Alternate Director to Tan Sri Dato' Sri Liew Kee Sin, is not taken into account in computing Board composition.

The NC noted the intention of Dato' Noor Farida Binti Mohd Ariffin ("Dato' Noor Farida") to retire and not seek re-election at the forthcoming 50th AGM to be in line with Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG"), which does not encourage the tenure of an independent director to exceed a term limit of 9 years. Hence, she will hold office as Director until the conclusion of the forthcoming 50th AGM. In view of the retirement of Dato' Noor Farida at the forthcoming 50th AGM, the NC will source for new candidate(s) to ensure compliance with MCCG and to enhance the composition of the Board.

Independent Directors

According to Practice 5.3 of the MCCG, the tenure of an independent director shall not exceed a cumulative term limit of 9 years. Upon completion of the 9 years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond the 9-year tenure (but shall not exceed 12 years), it should justify and seek annual shareholders' approval through a two-tier voting process subject to prior assessment by the NC.

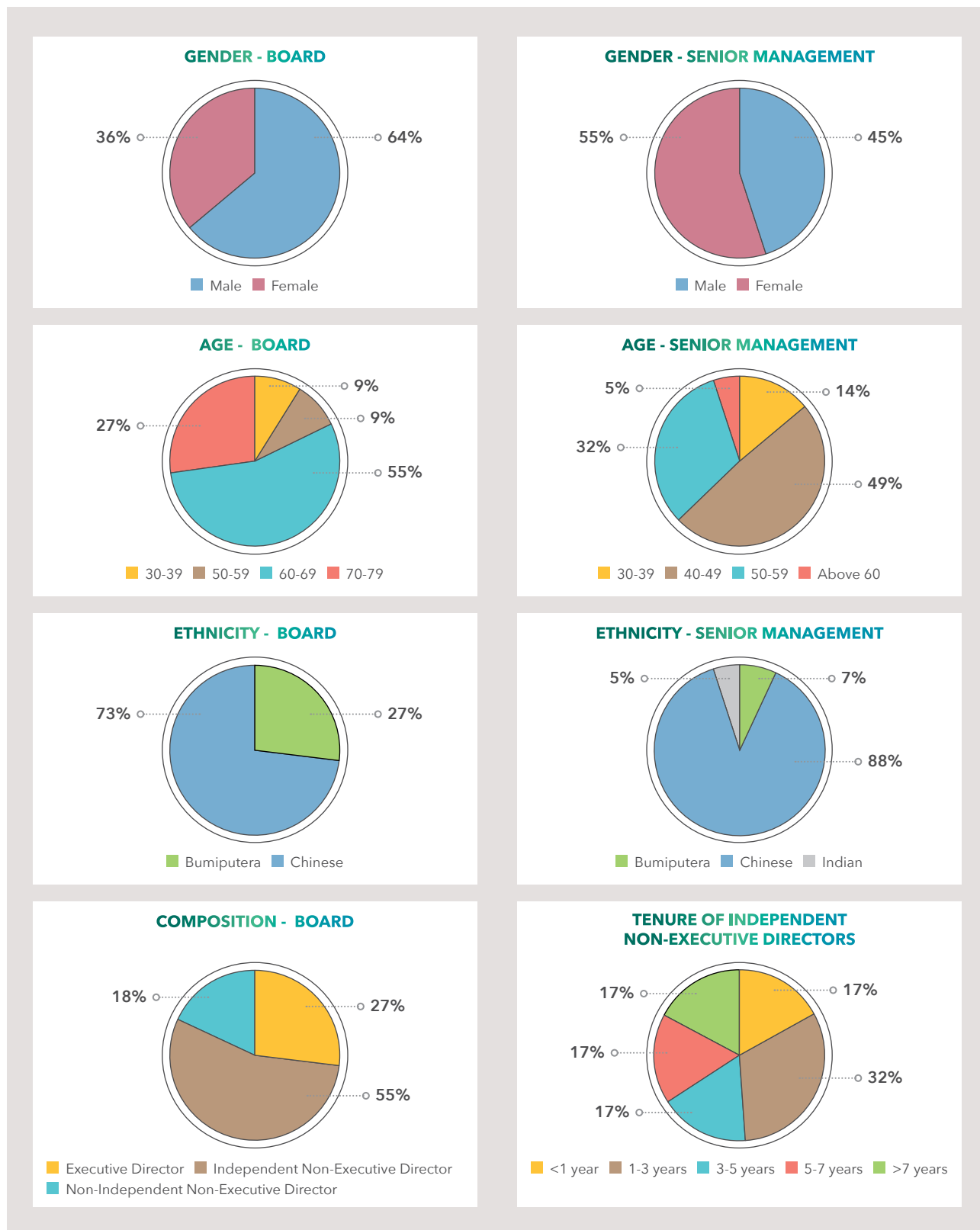
With the retirement of Dato' Noor Farida at the forthcoming 50th AGM, the number of Independent Directors will reduce from 6 to 5, which is 50% of the total number of Directors on the Board. Hence, will not comply with Practice 5.2 of the MCCG whereby a majority of the Board must comprise Independent Directors. The Board will source for new candidate to replace Dato' Noor Farida before the end of the next financial year to ensure compliance to the MCCG.

Board Diversity

The Board recognises that diversity in perspective, skills, experience, expertise, age and gender as well as the requisite independence among Board members ensures the competitive advantage of the Group in the industry. As such, the Board adopted an Equality, Diversity and Inclusion ("EDI") Policy with the aim of maintaining a Board comprising Directors from a diverse blend of backgrounds for its successful functioning. The Fit & Proper Policy was also adopted to serve as a guide to ensure all Directors of the Group have the necessary character, experience, integrity, competence, and time to effectively discharge their role as Directors of the Group. Both the Fit & Proper Policy and the EDI Policy are available on the Company's website at www.ecoworld.my.

NOMINATION COMMITTEE REPORT

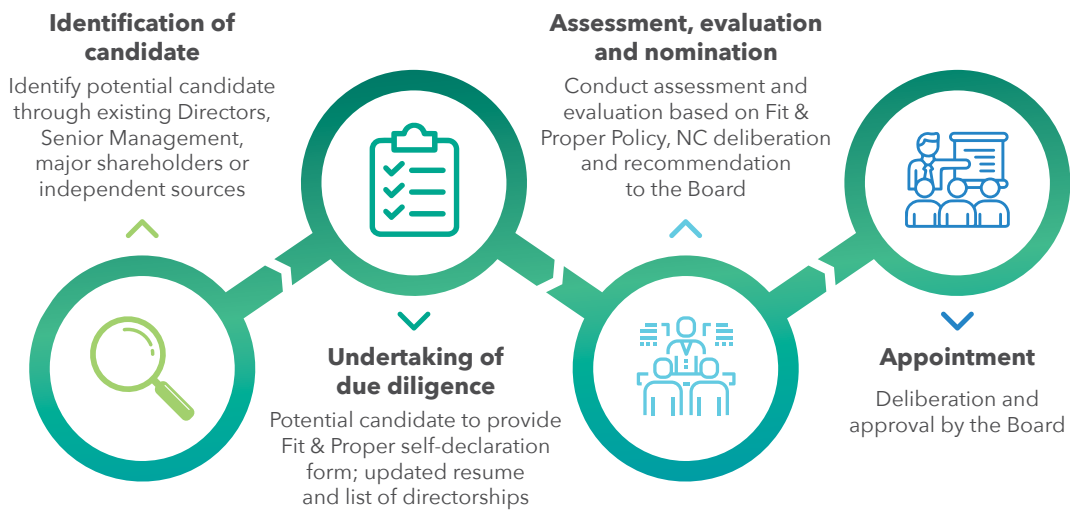
The Group also views gender diversity as an essential element for a dynamic workplace and ensures that women candidates are considered during recruitment. As of FY2023, the Group has 36% women Directors and 55% women in Senior Management. The profile of the Board and Senior Management is summarised as below:



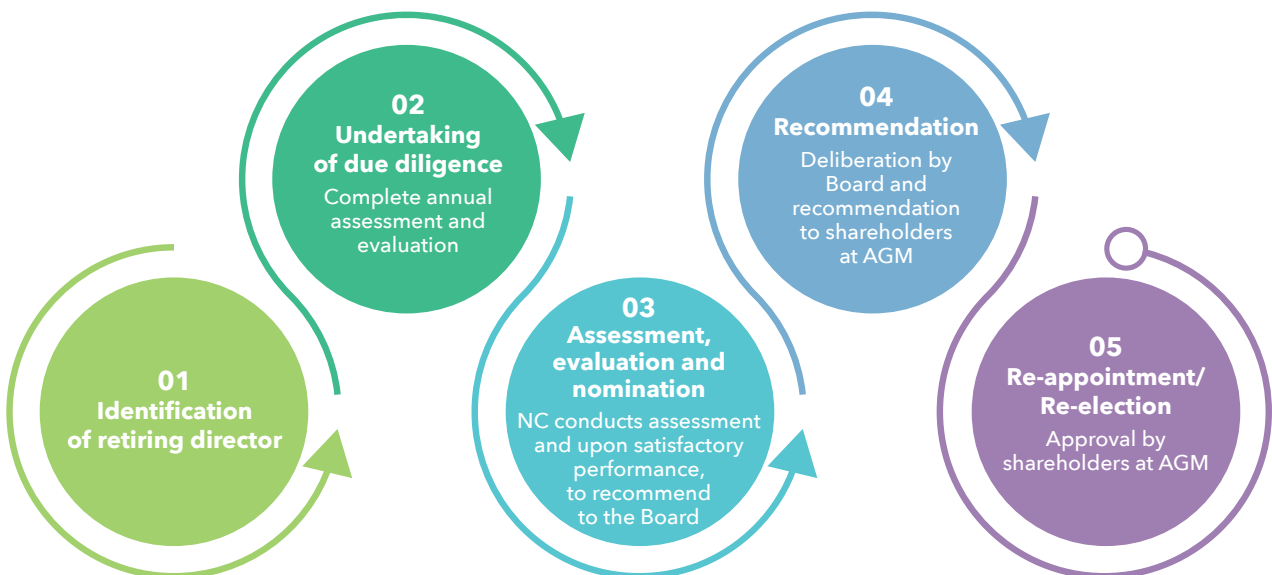
Board Selection, Appointment, Re-appointment and Re-election

The Fit & Proper Policy was adopted on 16 June 2022 and includes guidelines and methods to ensure a formal, rigorous and transparent process for the appointment, re-appointment and/or re-election of Directors of the Group. The processes and procedures for the appointment, re-appointment and/or re-election of Directors of the Company are illustrated as follows:

1. Appointment of Director



2. Re-appointment and/or re-election of existing Director



NOMINATION COMMITTEE REPORT

In appointing Directors, certain factors are considered by the NC. These include background, knowledge, fit and proper criteria (integrity, competency, experience and commitment), potential contribution to the Group, the current composition of the Board and Board Committees, the current and future needs of the Group, boardroom diversity, tenure of each Director, any existing or potential conflict of interest, and for appointment as Independent Directors, the candidates' independence. This is in line with the Group's practice of being an equal opportunity employer where all appointments are strictly based on merit.

For the recommendation on re-election of retiring Directors, a satisfactory evaluation based on performance and contribution to the Board is required. The assessment and recommendation of the NC and the Board on the proposed re-election of the retiring Directors at the forthcoming 50th AGM are set out in the explanatory notes to the Notice of the 50th AGM. The profiles of the retiring Directors are set out in the Board Profiles on pages 70, 73 and 75 of this IAR.

Board Evaluation

The Board has deferred the engagement of independent experts to perform a Board evaluation as mentioned on page 85 of this IAR. For FY2023, the NC continued to carry out the annual assessment and evaluation of the Board and Board Committees in terms of its effectiveness in areas including responsibilities, composition, decision-making and boardroom activities. This also included reviewing its performance in addressing the Company's material sustainability risks and opportunities.

The Board and Board Committees were assessed collectively, based on structure, processes and responsibilities. The individual Directors self-assessed their commitment, integrity, skills, contribution, performance, character and personality, as well as understanding of the Group's environmental, social & governance strategy. With regards to Independent Directors, their independence was also assessed.

The NC had on 14 November 2023 reviewed the questionnaires in the performance evaluation forms to ensure that they remained relevant.

The evaluation results were reviewed by the NC. Upon assessing the results, the NC concluded that they were generally satisfied with the effectiveness of the Board as a whole as well as the effectiveness of various committees. The NC was also satisfied with the contribution and performance of each Director, the Chairman of the Board, the current size and composition of the Board as well as their skill sets, and the independence of the Independent Directors.

The Corporate Governance Report sets out the details of the processes and criteria used in the evaluation as well as the evaluation results, which is available on the Company's website at www.ecoworld.my.

REMUNERATION COMMITTEE REPORT

As of the financial year ended 31 October 2023 ("FY2023"), the Remuneration Committee ("RC") comprises 3 members, all of whom are Independent Directors.

Composition of the RC

Dato' Noor Farida Binti Mohd Ariffin
Chairperson, Independent Director

Low Mei Ling
Member, Senior Independent Director

Mrs. Lucy Chong
Member, Independent Director
(appointed on 22 June 2023)

The RC held 4 meetings during FY2023. The attendance record of each RC member is as follows:

Name of RC Member	Attendance
Dato' Noor Farida Binti Mohd Ariffin	4/4
Low Mei Ling	4/4
Mrs. Lucy Chong ¹	1/1
Tang Kin Kheong ²	2/2

Notes:

¹ Appointed on 22 June 2023.

² Retired from the Board of Directors of the Company ("Board") on 30 March 2023.

Authority, Duties and Responsibilities of the RC

The role of the RC is to establish, review and recommend to the Board, the remuneration policies for Directors and Senior Management in the C-Suite category ("C-Suite Management Personnel"). The RC is governed by its Terms of Reference ("TOR") which is available on the Company's website at www.ecoworld.my.

Summary of Work

The RC performed the following work in discharging its duties for FY2023:

1. Remuneration Matters

- (a) Reviewed the Total Compensation or Remuneration Philosophy of Eco World.

- (b) Reviewed the total compensation of the C-Suite Management Personnel based on the benchmarking study conducted by an external consultant as well as data extracted from the Corporate Governance Report ("CG Report") of property development companies, and thereafter, proposed wage adjustment to the Board for approval to ensure their remuneration is aligned with market trends.
- (c) Reviewed the proposed payment of fees and remuneration of the Non-Executive Directors to reflect the experience, time demanded to discharge their duties and responsibilities undertaken and recommended to the Board to propose to shareholders for approval.

2. Additional Benefits

- (a) Reviewed the proposed payment of retirement gratuity to the former Independent Directors who retired at the 48th and 49th Annual General Meeting of the Company ("AGM"), and the Independent Director who will retire at the 50th AGM, and recommended to the Board to propose to shareholders for approval.
- (b) Reviewed the proposed payment of performance incentive schemes to the Executive Directors, C-Suite Management Personnel, and employees of the Group for the financial year ended 31 October 2022, and recommended to the Board for approval.
- (c) Reviewed the proposed inflationary wage adjustment to the C-Suite Management Personnel, and employees of the Group and recommended to the Board for approval.
- (d) Reviewed the benefits-in-kind for Executive Directors, and Chief Financial Officer, and recommended to the Board for approval.
- (e) Reviewed the proposed payment of performance incentive schemes to the C-Suite Management Personnel and employees of the Group as well as special bonus to the Executive Chairman and Chief Executive Officer for FY2023, and recommended to the Board for approval.

3. Other Matters

Reviewed and issued this RC Report for inclusion in the Integrated Annual Report.

REMUNERATION COMMITTEE REPORT

Remuneration Policy and Procedures for Directors and C-Suite Management Personnel

The Director's and C-Suite Remuneration Policies are guided by these principles:



The remuneration packages for both Executive Directors and C-Suite Management Personnel reward both corporate and individual performance and comprise both fixed and variable elements. The remuneration is competitive and consistent with industry standards as well as the complexity of the business and the role. Executive Directors do not deliberate on their own remuneration and excuse themselves from the meeting during the relevant agenda.

The remuneration packages of the Non-Executive Directors comprise a fixed fee, meeting allowances and benefits that are not linked to financial results. The remuneration packages are structured to reflect the roles, responsibilities, experience required and time demanded in discharging their duties and responsibilities. The remuneration payable to the Non-Executive Directors is subject to the approval of shareholders at the AGM. Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration.

The Directors' Remuneration Policy and the C-Suite Remuneration Policy are available on the Company's website at www.ecoworld.my.

Remuneration of Directors and Top 5 Senior Management Personnel

The remuneration of Directors on a named basis for FY2023 is disclosed in the CG Report which is available on the Company's website at www.ecoworld.my.

As explained in the Corporate Governance Overview Statement, the Board has decided not to apply Practice 8.2 of the Malaysian Code on Corporate Governance which requires the disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000. The alternative form of disclosure is set out in the CG Report which is available on the Company's website at www.ecoworld.my.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 regulatory requirements.

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

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 October 2023.

Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 October 2023 are as follows:

	Group (RM)	Company (RM)
Audit Fees	692,000	200,000
Non-audit Fees	47,600	6,000
Total	739,600	206,000

Recurrent Related Party Transactions of Revenue or Trading Nature

At the last Annual General Meeting held on 30 March 2023, the Company had obtained a general mandate from its shareholders for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in respect of the sale of land or land-based properties ("RRPT Mandate").

The details of the recurrent related party transactions conducted during the financial year ended 31 October 2023 pursuant to the RRPT Mandate are disclosed in page 184, Note 37(b) to the financial statements in this Annual Report.

The aggregate value of the recurrent related party transactions of a revenue or trading nature conducted pursuant to the RRPT Mandate for the financial year ended 31 October 2023 did not exceed 10% of the percentage ratios as prescribed under Section 3.3(a) of the Practice Note 12 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Material Contracts

Save as disclosed in Note 37 to the financial statements in this Annual Report, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of EcoWorld Malaysia is pleased to present our Statement on Risk Management and Internal Control for the financial year ended 31 October 2023. The Statement is in line with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia and in compliance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers endorsed by Bursa Malaysia.

The Group has also complied with Principle B of the Malaysian Code on Corporate Governance 2021 which requires the Board of a listed issuer to establish and maintain a sound risk management framework and internal control system.

BOARD RESPONSIBILITY

The Board is responsible for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. The Board affirms the importance of establishing the tone at the top. This involves setting the leadership culture and reinforcing its commitment towards maintaining effective risk management and internal control, and its responsibility towards the governance of risk and all the actions of the Board Committees with regards to the execution of delegated oversight responsibilities, in order to safeguard shareholders' investments and the Group's assets.

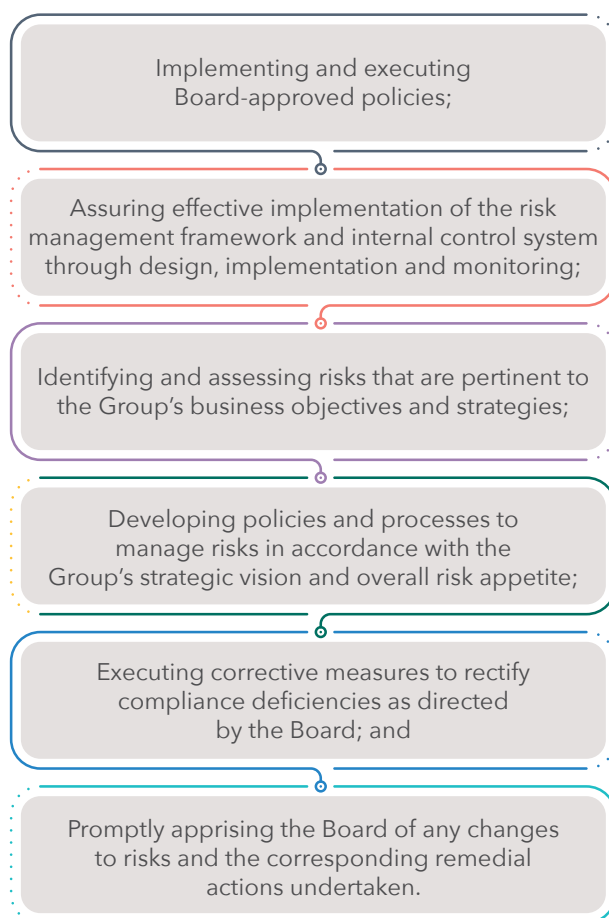
As such, a governance structure has been established by the Board to ensure the effective stewardship of risk management and internal control within the Group at all levels. This includes fraud risk, corruption risk and climate-related risks and opportunities. The Board is assisted by the Audit Committee ("**AC**"), which is empowered by its terms of reference to ensure independent oversight of internal control and risk management.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that the Group's risk management framework and internal control system are designed to manage or mitigate, rather than eliminate, risks that may hinder the Group from achieving its goals and business objectives. Hence, the system provides reasonable but not absolute assurance against any occurrence of material misstatement, loss or fraud.

MANAGEMENT RESPONSIBILITY

The Management assists the Board in the implementation of the Group's policies and procedures on risk management and internal control by identifying, evaluating, measuring, monitoring and reporting risks as well as any deficiencies and non-compliance, with timely and proper remedial actions taken as and when required.

Management's responsibilities in relation to risk management and internal control are:



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

I RISK MANAGEMENT

Risk Management Framework

The Group's Enterprise Risk Management ("ERM") framework, which is incorporated into the Risk Management Policy and Guidelines approved by the Board, provides a structured and consistent approach to risk management across the Group. The ERM framework facilitates effective and continuous identification, assessment, management, monitoring and reporting of these risks to provide reasonable assurance regarding the achievement of the Group business objectives. The framework is subject to continuous review and improvement, in response to changes in the risk profiles while remaining aligned with the Group's overall business strategy.

Risks are categorised according to strategic, operational, financial and compliance matters based on the Group's business objectives. Fraud Risk Management ("FRM") has also been embedded progressively into the framework.

The Group's risk management framework, benchmarked against the ISO 31000:2018 Risk Management - Guidelines, is customised to suit the Group's business and operating environment, embedding both ERM and FRM into key activities, initiatives and processes of the Group.

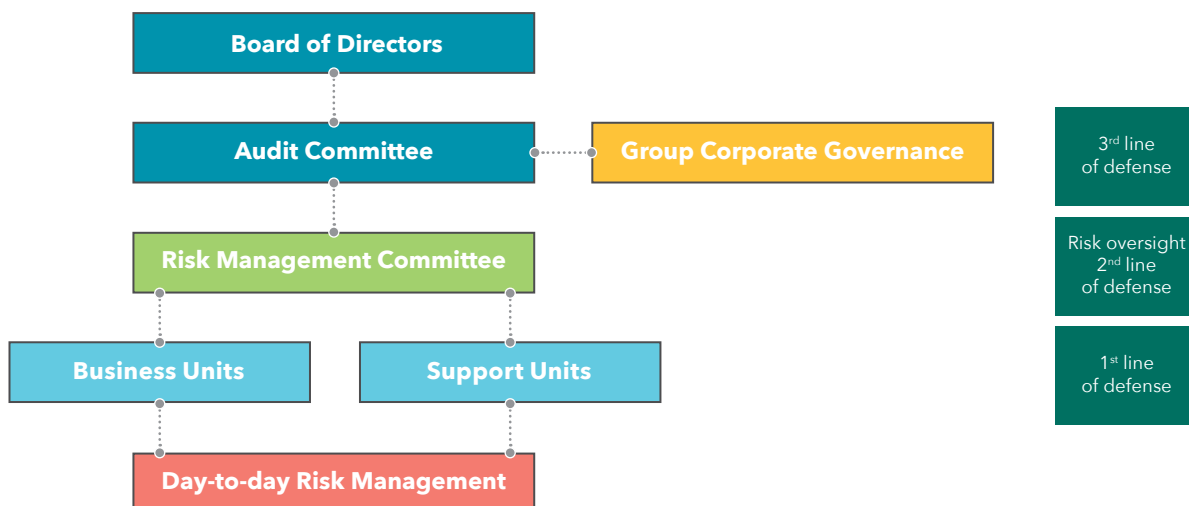
The ERM framework adopted by the Group consists of five elements as detailed below. It has been structured by aligning to the strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks, thereby creating value for the Group.

The risk organisational structure of the Group is illustrated in Diagram below:

ERM Framework Element	Description
Risk Governance	Establish an approach to develop, support and embed risk strategy and accountability.
Risk Assessment	Identify and analyse risks (including fraud risk) across the Group.
Control Activities	Develop and deploy control activities to mitigate the risk identified.
Information & Communication	Continuous communication to obtain information to support risk management.
Monitoring Activities	Report, monitor and conduct activities to provide insight on risk management strengths and weaknesses.

Risk Management Oversight

The Group's governance structure for risk management is illustrated in the diagram below:



The Risk Management Committee (“**RMC**”) oversees risk management matters within the Group. The Committee is responsible for the effectiveness and adequacy of the Group’s risk management system, framework, policy, risks and controls associated with the Group’s operations and compliance with applicable laws and regulations.

Members of the RMC constitute senior management from all business units and relevant Head Office support units. The RMC is chaired by the Chief Financial Officer who reports to the AC on behalf of the RMC. A risk coordinator assists the RMC by acting as the focal point for all risk management activities within the Group.

RMC meetings are held on a quarterly basis and their meeting minutes presented at the AC’s quarterly meetings for comments and clarifications. The RMC also reports the Group’s aggregated risk position and significant risk issues to the AC on a half-yearly basis.

Day-to-day risk management responsibilities reside with the respective business units and support units, where action plans are developed and implemented to manage and mitigate risks.

Risk Management Process

The risk management framework establishes the context of risk in relation to the Group’s business and sets out the process for risk identification, assessment and management with continuous monitoring, review and communication. A risk template capturing all key risks identified with detailed assessments and respective mitigating controls to be implemented, or already implemented, is reviewed by the heads of business units and support units, to manage these risks.

All key risks are consolidated and presented for deliberation at quarterly RMC meetings where significant risk management matters discussed are recorded in the minutes of meeting. These minutes are shared with the AC every quarter, enabling members of the AC to discuss and seek clarification on risk management matters on a timely basis.

Key findings on significant risk issues and the activities of the RMC are presented to the AC at least twice a year.

Risk Appetite and Tolerance

The appropriate risk appetite and corresponding risk parameters of the Group and its joint ventures are established by the Board via the RMC. Integral to the ERM framework, risk appetite sets the tone for risk taking in general and provides direction in assessing whether the Group is operating within acceptable limits in achieving its strategic objectives.

Defined risk parameters, aligned to the Group’s risk appetite, provide a guide for consistent evaluation of risks and prioritise risk mitigation actions. Both financial and non-financial risk parameters are reviewed by the Management and RMC as the need arises, ensuring that the risk parameters reflect changes in risk appetite or circumstances in a fair and timely manner.

II KEY RISKS

Risk identification and assessments are conducted on an ongoing basis for existing, new and emerging risks to evaluate their impact on financial performance and operations across the Group. The management of our key risks can be found on “Our Key Risks and Impacts” on page 42.

III INTERNAL CONTROL

The Group has established a system of internal control that provides effective governance and oversight of internal control, comprising a set of mechanisms and processes for the identification, assessment and management of key risks faced by the Group. The system of internal control is reviewed and updated when there are changes to the business environment and/or regulatory guidelines, while the processes are tested periodically to ensure the effectiveness and efficiency of internal control procedures.

These structured processes have been in place for the financial year ended 31 October 2023 and up to the date of approval of this Statement on Risk Management and Internal Control. The key elements of the Group’s system of internal control are:

Board Committees

The Board discharges its duties with the assistance of several board committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Investment Committee and Whistleblowing Committee. These board committees are governed by their respective terms of reference which outline specific duties to review and consider all matters within their scope of responsibility.

Associate-controlled entities and jointly-controlled businesses over which the Group does not have complete management authority are exempted from the Group’s internal control system. Board representation in these entities ensures that the Group’s interests are safeguarded.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Governance and Reporting Structure

The formal organisational structure of the Group clearly defines the lines of reporting and the accountabilities and responsibilities of respective functions within the Group. In addition, the Board and its various board committees are governed by well-defined terms of reference.

Policies and Procedures

Elements of internal control have been embedded and documented in the form of policies and operating procedures of the Group which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in standard operating procedures.

Code of Conduct and Business Ethics

On 2 May 2014, the Group issued a Code of Conduct and Business Ethics ("**CCBE**") for employees and business representatives such as vendors, suppliers and contractors, to reflect the Group's commitment to a strong culture of integrity and ethical values. The CCBE, last updated on 17 March 2020, is reviewed as and when necessary to remain relevant in addressing any ethical issues that may arise within the organisation.

All employees are required to acknowledge that they have read and understood the CCBE upon commencement of employment and subsequently on an annual basis. The directors' Code of Conduct and Ethics ("**CCE**") is embedded into the Board Charter, with its first adoption of CCE in 2014. Both the Board Charter and the CCE were last updated on 26 October 2023. CCE is reviewed as and when necessary to maintain its relevance.

Anti-Bribery and Anti-Corruption Policy

The Group adopts a zero-tolerance approach to bribery and corruption in all its forms and is committed to conducting business with the highest standards of ethics and integrity. The Group established its Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**") on 9 March 2020 which prohibits all forms of bribery and corrupt practices, in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Policy was last updated on 23 March 2023 with further refinement.

The Group has made it mandatory for all employees to read the ABC Policy and to take an annual online assessment test to gauge their understanding of the subject. In addition, all business partners including consultants and contractors are required to acknowledge and comply with the Policy. For more information, please refer to page 54 within the Sustainability Statement.

Whistleblowing Policy

The Group established a Whistleblowing Policy which outlines the Group's commitment to allow, support and encourage employees and other stakeholders to raise concerns in a responsible, transparent and confidential manner without being subject to victimisation or discriminatory treatment. These concerns entail any wrongdoings, malpractices or illegal activities within the Group. The policy was last revised on 22 June 2023.

A Whistleblowing Committee comprising three independent non-executive directors is prepared to investigate any suspected misconduct, improprieties or breaches related to financial reporting, compliance or violations of the Group's CCBE and ABC Policy as well as protect those who step forward to report such activities.

A periodic educational newsletter titled 'Integrity Observer' on the themes of integrity, anti-bribery and anti-corruption is circulated among employees, serving as a reminder or refresher to employees on the Do's and Don'ts, and the matters that should be reported to the WC and/or the Integrity Team.

Group Performance Review

Senior management meetings are conducted quarterly to discuss financial performance, business development, operational and corporate matters of the Group. In addition, comprehensive information on the Group's financial performance, achievement of KPIs and progress of key projects are presented by Senior Management to the Board on a quarterly basis for an open and transparent communication and update.

Limits of Authority

The Group has established the Limits of Authority ("**LOA**") to provide a well-defined framework of authority and accountability assigned and delegated to each approving authority within the organisation. The LOA is reviewed periodically and updated to reflect changes in the organisation.

Financial Budgeting

The Group manages the performance of its business units by establishing annual business plans and budgets at the start of each financial year to track and assess actual performance against the set targets. These annual business plans and budgets are prepared by Senior Management and approved by the Board.

Talent Management

The Group has implemented guidelines on talent management, including robust recruitment strategies to attract skilled, competent and right talents to join the Group. Continuous on-the-job trainings and talent development programmes are conducted to ensure the employees are adequately trained and fit to carry out their duties and responsibilities. Annual performance appraisal is in place to ensure employees meet the set expectation and maintain high competency and capability levels, while at the same time get rewarded accordingly.

Workplace Safety and Health

The Group is committed towards the well-being of its workforce by upholding high standards of occupational safety and health at construction sites and all business premises.

Periodic health and safety audits are performed, including checks on contractors to enforce for compliance of safety regulations on-site. Any hazards arising are identified at an early stage and appropriate measures are taken to reduce these dangers and minimise safety incidents at the workplace.

The Group upholds well-defined health and safety policies and procedures, and constantly raises awareness on health and safety through training initiatives.

Regular building maintenance and physical checks on Group facilities are also performed at all offices and sales galleries to ensure the safety of employees and visitors. For more information, please refer to pages 44 and 63 within the Sustainability Statement.

Information Technology Management and Cyber Security

Comprehensive management information systems are in place to enable the Management to make business decisions in an accurate and timely manner via data capturing, compilation, analysis and reporting of relevant data across the Group.

The Group runs a team of Information Technology ("IT") professionals comprising in-house and outsourced specialists who implement IT security policies and procedures based on relevant data security standards and industry-recommended practices. Independent, external assessments are conducted semi-annually to ensure that the IT systems are robust, effective and continuously improved to reinforce the Group's cyber resilience.

Software and human lines of defence are deployed against ever-evolving cyber threats and challenges. Layers of new controls are regularly enforced and proactively monitored to protect the Group's critical business systems. Employee awareness of IT risks and cyber security are also essential, so regular educational briefings, awareness emails, roadshows and phishing tests are held to ensure employees continue to stay vigilant of cyber threats.

Another element of systems control is the Group-wide digital transformation programme which aims to minimise the risks from human intervention and improve process efficiency through wider use of system automation. Group services and businesses will be digitalised by replacing non-digital processes and older digital technology with new digital technology.

Investor Relations

The Group conducts quarterly results briefings following the release of Group financial results, and holds regular meetings to provide corporate updates for the investment and financial communities. These meetings provide an opportunity for fund managers, investment analysts and bankers to seek clarification from Senior Management.

Sustainability and ESG

The Group's Sustainability Committee ("SC") was established in 2017 to assist the Board in the implementation of the Group's sustainability goals and initiatives. It is chaired by the Chief Executive Officer and comprises key senior management across all disciplines, regions of operation and support functions. The Board is the ultimate authority over the Group's sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives.

An independent non-executive director is a member of the SC to provide sustainability insights, both from a governance standpoint and the perspective of external stakeholders, to enhance the Board's oversight of sustainability matters.

The SC reports to the Board on a half-yearly basis in relation to the Group's sustainability initiatives and the holistic approach taken to identify and manage material sustainability matters that constitute the Group's ESG risks and opportunities. For more information, please refer to page 46 within the Sustainability Statement and the Sustainability Report 2023 which can be downloaded from the Group's corporate website.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

IV INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and undertaken by Group Corporate Governance (“**GCG**”). GCG reports to the Audit Committee on the adequacy and effectiveness of the Group’s governance, risk management and internal control systems.

A description of the GCG’s activities during the financial year ended 31 October 2023 can be found in the Audit Committee Report included in this Annual Report.

V ASSURANCE TO THE BOARD

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively in all material respects.

VI REVIEW BY THE BOARD

After considering the assurances of the Chief Executive Officer and Chief Financial Officer, the Board is of the opinion that the risk management processes and system of internal control are adequate and sound to provide reasonable assurance to protect and safeguard the shareholders’ investments and the Group’s assets. This includes addressing key risks impacting the Group for the financial year under review and through the date of approval of this Statement on Risk Management and Internal Control.

During the financial year, no major internal control issue was identified that may result in any material loss or uncertainty that would require disclosure in this Annual Report.

All major risks affecting the Group will be continuously monitored with necessary measures taken to mitigate them. The Group’s risk management and system of internal control will be constantly reviewed and strengthened to ensure its adequacy and effectiveness in safeguarding shareholders’ investments and the Group’s assets.

VII REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia for the financial year ended 31 October 2023. Their review was performed under a limited assurance engagement in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The external auditors are not required to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on the procedures performed and evidence obtained, nothing has come to the external auditors’ attention that causes them to believe that:

1. this Statement on Risk Management and Internal Control intended to be included in the Annual Report has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
2. this Statement on Risk Management and Internal Control is factually inaccurate.

This statement was approved by the Board of Directors on 7 February 2024.

The background of the page features a collage of financial data visualizations. On the left, there is a bar chart with several vertical bars of varying heights. In the center, a line graph is overlaid with a white line and several data points. On the right, a candlestick chart is visible, showing price movements with white and black bars. A silver pen is positioned diagonally across the lower-left quadrant, pointing towards the center. The word 'MARKET' is faintly visible in the upper-left area. The overall color palette is a muted, monochromatic green and grey.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2023.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	189,323	428,752
Attributable to:		
Owners of the Company	189,323	428,752
Non-controlling interests	-	-
	189,323	428,752

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Third interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2022, paid on 19 January 2023	58,887
First interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2023, paid on 20 July 2023	58,887
Second interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2023, paid on 19 October 2023	58,887
	176,661

On 14 December 2023, the directors declared a final dividend of 2 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2023, which was paid on 19 January 2024. This final dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2024.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF A MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction and event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

AUDITORS' REMUNERATION AND INDEMNITY

The remuneration paid or payable to auditors of the Group and of the Company during the financial year were RM742,000 and RM206,000, respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 ("the Act") in Malaysia.

ISSUE OF SHARES AND DEBENTURES

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

WARRANTS 2022/2029

The salient terms of the Warrants 2022/2029 are disclosed in Note 19 to the financial statements.

There were no Warrants 2022/2029 exercised during the financial year.

DIRECTORS OF THE COMPANY

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

Tan Sri Abdul Rashid bin Abdul Manaf

Tan Sri Dato' Sri Liew Kee Sin *

Dato' Leong Kok Wah

Dato' Chang Khim Wah *

Liew Tian Xiong *

Low Mei Ling

Dato' Noor Farida binti Mohd Ariffin

Lim Hiah Eng (Mrs. Lucy Chong)

Sar Sau Yee

Dato' Seri Rosman bin Mohamed

Ng Soon Lai @ Ng Siek Chuan

(Appointed on 22 June 2023)

Datuk Heah Kok Boon (Alternate Director to Tan Sri Dato' Sri Liew Kee Sin) *

Tang Kin Kheong

(Retired on 30 March 2023)

Dato' Haji Obet bin Tawil

(Retired on 30 March 2023)

* Also directors of certain subsidiaries

DIRECTORS OF SUBSIDIARIES

The following persons (in addition to those who are also directors of the Company as indicated above) served as directors of certain subsidiaries during the financial year and during the period from the end of the financial year to the date of this report:

Phan Yan Chan

Ho Kwee Hong

Yap Yoke Ching

Catherine Lim Siew Kia

Dato' Chan Soo How

Tan Yee Ling

Ling Tien Heng

Ngu Poi Shu

Lim Eng Tiong

(Appointed on 1 June 2023)

Sri Ram A/L Sivasambu

(Appointed on 10 August 2023)

Dato' Seri Sundarajoo A/L Somu

(Resigned on 1 June 2023)

Low Thiam Chin

(Resigned on 10 August 2023)

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Act, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			At 31 October 2023 Unit '000
	At 1 November 2022 Unit '000	Bought Unit '000	Sold Unit '000	
Direct interests:				
Tan Sri Dato' Sri Liew Kee Sin	276,988	-	-	276,988
Dato' Chang Khim Wah	8,650	-	-	8,650
Liew Tian Xiong	215,781	247	-	216,028
Datuk Heah Kok Boon	1,609	-	-	1,609
Deemed/Indirect interests:				
Tan Sri Abdul Rashid bin Abdul Manaf @	219,875	-	-	219,875
Tan Sri Dato' Sri Liew Kee Sin ^	158,250	-	-	158,250
Dato' Leong Kok Wah #	1,189,794	-	-	1,189,794
Liew Tian Xiong *	-	210	-	210
Sar Sau Yee **	15	-	-	15

	Number of Warrants 2022/2029			At 31 October 2023 Unit '000
	At 1 November 2022 Unit '000	Bought Unit '000	Sold Unit '000	
Direct interests:				
Tan Sri Dato' Sri Liew Kee Sin	55,397	-	-	55,397
Dato' Chang Khim Wah	1,730	-	-	1,730
Liew Tian Xiong	43,156	-	-	43,156
Datuk Heah Kok Boon	322	-	-	322
Deemed/Indirect interests:				
Tan Sri Abdul Rashid bin Abdul Manaf @	44,495	-	-	44,495
Tan Sri Dato' Sri Liew Kee Sin ^	31,650	-	-	31,650
Dato' Leong Kok Wah #	238,479	-	-	238,479
Sar Sau Yee **	3	-	-	3

Notes:

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

^ Deemed interest by virtue of his interest in 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.

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

* Deemed interest by virtue of his interest in Tian Yuan Capital Sdn. Bhd. pursuant to Section 8 of the Act.

** Indirect interest by virtue of her spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.

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

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

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) 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.

The details of remuneration received and receivable by directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Salaries, bonus and other emoluments	29,882	580
Defined contribution plan	3,483	-
Fees	1,394	1,394
Estimated monetary value of benefits-in-kind	2,307	211
Total directors' remuneration	37,066	2,185

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

INDEMNITY FOR DIRECTORS AND OFFICERS

The directors and officers of the Company and its subsidiaries are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O Insurance effected was RM20,000,000. The insurance premium for the D&O Insurance paid during the financial year amounted to RM36,960.

SUBSIDIARIES

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

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

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of the significant events during and subsequent to the end of the financial year are disclosed in Note 43 to the financial statements.

AUDITORS

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

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

DATO' CHANG KHIM WAH

Director

LIEW TIAN XIONG

Director

Kuala Lumpur

Date: 7 February 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	144,300	149,986	-	-
Investment property	6	20,434	19,973	-	-
Inventories	7	3,212,740	3,789,092	-	-
Investment in subsidiaries	8	-	-	3,089,225	3,183,225
Investment in associates	9	54,056	67,448	83,865	80,111
Investment in joint ventures	10	1,056,568	1,292,396	14,000	14,000
Trade and other receivables	11	1,064,707	1,043,832	1,637,529	1,506,406
Lease receivables	12	432	1,710	-	-
Deferred tax assets	13	93,170	102,911	-	-
Deposits	18	20,000	20,000	-	-
Total non-current assets		5,666,407	6,487,348	4,824,619	4,783,742
Current assets					
Inventories	7	989,742	957,639	-	-
Contract assets	14	169,954	97,391	-	-
Current tax assets		96,252	81,087	-	220
Trade and other receivables	15	617,569	427,078	340,744	192,975
Lease receivables	12	1,278	1,326	-	-
Other current assets	16	25,077	31,895	-	-
Short-term funds	17	642,737	-	642,737	-
Cash and deposits	18	693,827	1,315,962	195,923	690,990
Total current assets		3,236,436	2,912,378	1,179,404	884,185
TOTAL ASSETS		8,902,843	9,399,726	6,004,023	5,667,927

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	3,614,868	3,614,868	3,614,868	3,614,868
Foreign currency translation reserve		22,179	10	-	-
Cash flow hedge reserve		-	(225)	-	-
Retained earnings		1,136,480	1,123,818	413,807	161,716
TOTAL EQUITY		4,773,527	4,738,471	4,028,675	3,776,584
Non-current liabilities					
Loans and borrowings	20	1,800,878	1,726,987	-	-
Lease liabilities	21	3,524	7,151	-	-
Other payables	22	152,460	289,674	1,266,971	1,034,738
Deferred tax liabilities	13	120,773	81,284	-	-
Total non-current liabilities		2,077,635	2,105,096	1,266,971	1,034,738
Current liabilities					
Trade and other payables	23	790,123	835,361	366,742	211,605
Contract liabilities	14	460,570	579,421	-	-
Other current liabilities	24	54,261	58,380	-	-
Bank overdrafts	25	9,232	21,432	-	-
Loans and borrowings	20	730,725	1,056,312	340,000	645,000
Lease liabilities	21	3,993	3,879	-	-
Current tax liabilities		2,777	1,374	1,635	-
Total current liabilities		2,051,681	2,556,159	708,377	856,605
TOTAL LIABILITIES		4,129,316	4,661,255	1,975,348	1,891,343
TOTAL EQUITY AND LIABILITIES		8,902,843	9,399,726	6,004,023	5,667,927

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	26	2,226,862	2,043,570	519,350	171,000
Cost of sales		(1,688,296)	(1,553,126)	-	-
Gross profit		538,566	490,444	519,350	171,000
Other income	27	102,818	74,139	141,532	102,285
Selling and marketing expenses		(66,745)	(34,691)	-	-
Administrative expenses		(185,430)	(186,967)	(4,008)	(4,168)
Impairment loss on investment in a subsidiary		-	-	(94,000)	(185,000)
Impairment loss on investment in a joint venture		(82,000)	(81,000)	-	-
Net (impairment loss)/reversal of impairment loss on financial instruments		(1,416)	(1,564)	(4,095)	73
Operating profit		305,793	260,361	558,779	84,190
Finance costs	28	(122,730)	(96,873)	(124,630)	(83,321)
Share of results in joint ventures, net of tax		104,106	73,435	-	-
Share of results in associates, net of tax		(17,146)	(11,162)	-	-
Profit before tax	29	270,023	225,761	434,149	869
Income tax expense	32	(80,700)	(68,552)	(5,397)	(4,370)
Profit/(Loss) for the financial year		189,323	157,209	428,752	(3,501)
Other comprehensive (loss)/income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences of translation of foreign operation		(560)	(851)	-	-
Share of other comprehensive income/(loss) of joint ventures		22,954	(35,975)	-	-
Total comprehensive income/(loss) for the financial year		211,717	120,383	428,752	(3,501)
Profit/(Loss) attributable to:					
Owners of the Company		189,323	157,209	428,752	(3,501)
Non-controlling interests		-	-	-	-
		189,323	157,209	428,752	(3,501)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		211,717	120,383	428,752	(3,501)
Non-controlling interests		-	-	-	-
		211,717	120,383	428,752	(3,501)
Earnings per share (sen):					
- basic/diluted	33	6.43	5.34		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Share capital RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group						
At 1 November 2021	3,614,865	194,395	36,966	(355)	919,433	4,765,304
Total comprehensive income/ (loss) for the financial year						
Profit for the financial year	-	-	-	-	157,209	157,209
Other comprehensive (loss)/ income for the financial year	-	-	(36,956)	130	-	(36,826)
Total comprehensive (loss)/income	-	-	(36,956)	130	157,209	120,383
Transactions with owners:						
- Conversion of Warrants 2015/2022	3	(1)	-	-	-	2
- Transfer of warrant reserve to retained earnings upon expiry of Warrants 2015/2022	-	(194,394)	-	-	194,394	-
- Dividends paid (Note 34)	-	-	-	-	(147,218)	(147,218)
At 31 October 2022	3,614,868	-	10	(225)	1,123,818	4,738,471
Total comprehensive income for the financial year						
Profit for the financial year	-	-	-	-	189,323	189,323
Other comprehensive income for the financial year	-	-	22,169	225	-	22,394
Total comprehensive income	-	-	22,169	225	189,323	211,717
Transaction with owners:						
- Dividends paid (Note 34)	-	-	-	-	(176,661)	(176,661)
At 31 October 2023	3,614,868	-	22,179	-	1,136,480	4,773,527
Company						
At 1 November 2021	3,614,865	194,395	-	-	118,041	3,927,301
Total comprehensive loss for the financial year						
	-	-	-	-	(3,501)	(3,501)
Transactions with owners:						
- Conversion of Warrants 2015/2022	3	(1)	-	-	-	2
- Transfer of warrant reserve to retained earnings upon expiry of Warrants 2015/2022	-	(194,394)	-	-	194,394	-
- Dividends paid (Note 34)	-	-	-	-	(147,218)	(147,218)
At 31 October 2022	3,614,868	-	-	-	161,716	3,776,584
Total comprehensive income for the financial year						
	-	-	-	-	428,752	428,752
Transaction with owners:						
- Dividends paid (Note 34)	-	-	-	-	(176,661)	(176,661)
At 31 October 2023	3,614,868	-	-	-	413,807	4,028,675

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		270,023	225,761	434,149	869
Adjustments for:					
Depreciation of property, plant and equipment		22,346	21,591	-	-
Dividend income from subsidiaries		-	-	(519,350)	(171,000)
Gain on disposal of property, plant and equipment		(307)	(117)	-	-
Gain on disposal of investment in an associate		-	(3,175)	-	-
(Gain)/Loss on termination/derecognition of leases		(344)	414	-	-
Reversal of impairment loss on right-of-use assets		-	(2,556)	-	-
Impairment loss on trade receivables		2,188	1,417	-	-
Impairment loss on other receivables		-	189	-	-
Reversal of impairment loss on trade receivables		(772)	(42)	-	-
Impairment loss on amounts due from subsidiaries		-	-	4,095	1,703
Reversal of impairment loss on amounts due from subsidiaries		-	-	-	(1,776)
Impairment loss on investment in a subsidiary		-	-	94,000	185,000
Reversal of impairment loss on investment in a subsidiary		-	-	(450)	-
Impairment loss on investment in a joint venture		82,000	81,000	-	-
Interest expense		122,730	96,873	124,630	83,321
Interest income		(76,618)	(55,151)	(136,997)	(101,740)
Property, plant and equipment written off		613	17	-	-
Share of results in joint ventures		(104,106)	(73,435)	-	-
Share of results in associates		17,146	11,162	-	-
Unrealised gain on foreign exchange		(582)	(966)	-	-
Fair value gain on financial instruments		(3,438)	-	(3,438)	-
Net write down/(reversal of write down) of inventories		673	(4,847)	-	-
Operating profit/(loss) before changes in working capital					
		331,552	298,135	(3,361)	(3,623)
Changes in working capital:					
Inventories - property under development		618,011	426,285	-	-
Inventories - completed properties		132,725	447,555	-	-
Contract assets/liabilities		(191,414)	(193,132)	-	-
Receivables		(110,426)	249,068	-	(152)
Payables		(22,812)	(106,119)	(581)	(2,762)
Net cash generated from/(used in) operations					
		757,636	1,121,792	(3,942)	(6,537)
Interest paid		(141,980)	(125,551)	-	-
Interest received		8,490	5,326	3,075	172
Dividends received from subsidiaries		-	-	149,350	-
Income taxes paid		(51,946)	(65,595)	(3,542)	(4,638)
Net cash from/(used in) operating activities					
		572,200	935,972	144,941	(11,003)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
Additions to investment property		(461)	(233)	-	-
Additions to inventories - land held for property development		(339,217)	(130,581)	-	-
Proceeds from disposal of property, plant and equipment		595	251	-	-
Purchase of property, plant and equipment		(16,886)	(3,119)	-	-
Subscription of shares in subsidiaries		-	-	-	(250)
Redemption of preference shares in subsidiaries		-	-	450	98,592
Subscription of shares in an associate		(3,754)	(3,277)	(3,754)	(3,277)
Deposit paid for acquisition of land		(21,107)	-	-	-
Interest received from deposits		19,650	7,672	15,794	3,614
Interest received from joint ventures		55,200	21,200	55,200	21,200
Interest received from subsidiaries		-	-	72,364	11,414
Dividends received from joint ventures		240,840	-	-	-
Advances to subsidiaries		-	-	(712,874)	(409,840)
Repayment from subsidiaries		-	-	637,369	702,113
Net advances to joint ventures		(36,000)	(37,000)	(36,000)	(37,000)
Placement of deposits pledged and/or with maturity of more than 3 months and short-term funds		(589,419)	(73,096)	(639,312)	(10)
Net cash (used in)/from investing activities		(690,559)	(218,183)	(610,763)	386,556
Cash flows from financing activities					
Proceeds from conversion of warrants		-	2	-	2
Dividends paid on ordinary shares		(176,661)	(147,218)	(176,661)	(147,218)
Drawdown of bank borrowings	(a)	856,046	926,280	75,000	30,000
Repayment of bank borrowings	(a)	(1,111,249)	(999,372)	(380,000)	(76,500)
Payment of lease liabilities	(a)	(4,272)	(3,654)	-	-
Advances from subsidiaries		-	-	611,686	792,014
Repayment to subsidiaries		-	-	(129,471)	(405,310)
Interest paid		(5,591)	(13,181)	(29,812)	(26,880)
Net cash (used in)/from financing activities		(441,727)	(237,143)	(29,258)	166,108
Net (decrease)/increase in cash and cash equivalents		(560,086)	480,646	(495,080)	541,661
Cash and cash equivalents at the beginning of the financial year		1,235,035	754,307	690,506	148,845
Effects of exchange rate changes on cash and cash equivalents		31	82	-	-
Cash and cash equivalents at the end of the financial year		674,980	1,235,035	195,426	690,506

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and cash equivalents included in the statements of cash flows comprise the following amounts:					
Deposits with licensed banks	18	228,451	249,727	88,448	102,904
Cash in hand and at banks	18	485,376	1,086,235	107,475	588,086
Bank overdrafts	25	(9,232)	(21,432)	-	-
		704,595	1,314,530	195,923	690,990
Less: Deposits pledged and/or with maturity of more than 3 months		(29,615)	(79,495)	(497)	(484)
		674,980	1,235,035	195,426	690,506

(a) Reconciliation of liabilities arising from financing activities:

	At 1 November 2022 RM'000	Cash flows RM'000	Non-cash transaction cost/ Remeasurement RM'000	At 31 October 2023 RM'000
Group				
Term loans	418,643	(167,270)	2,626	253,999
Bridging loans	304,357	(101,438)	217	203,136
Medium term notes	319,462	(50,000)	319	269,781
Sukuk	727,719	550,000	290	1,278,009
Revolving credits	1,013,118	(486,495)	55	526,678
Lease liabilities	11,030	(4,272)	759	7,517
	2,794,329	(259,475)	4,266	2,539,120

	At 1 November 2021 RM'000	Cash flows RM'000	Non-cash transaction cost/ Remeasurement RM'000	At 31 October 2022 RM'000
Group				
Term loans	575,713	(158,453)	1,383	418,643
Bridging loans	269,143	35,678	(464)	304,357
Medium term notes	588,992	(270,000)	470	319,462
Sukuk	178,677	550,000	(958)	727,719
Revolving credits	1,243,489	(230,317)	(54)	1,013,118
Lease liabilities	12,661	(3,654)	2,023	11,030
	2,868,675	(76,746)	2,400	2,794,329

Company

Changes in liabilities arising from financing activities comprise entirely of changes arising from cash flows.

(b) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM6,112,000 (2022: RM6,004,000).

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Eco World Development Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and 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 Unit No. 19-01, Menara The Stride, Bukit Bintang City Centre, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 February 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards ^
MFRS 3	Business Combinations
MFRS 9	Financial Instruments ^
MFRS 16	Leases ^
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture ^

^ *The Annual Improvements to MFRSs 2018-2020*

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but are yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but are yet to be effective:

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2023 [#]
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2023 [#] /1 January 2024
MFRS 9 Financial Instruments	1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 January 2024
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023 [#] /1 January 2024
MFRS 107 Statement of Cash Flows	1 January 2023 [#] /1 January 2024
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2023 [#]
MFRS 119 Employee Benefits	1 January 2023 [#]
MFRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128 Investments in Associates and Joint Ventures	Deferred/1 January 2023 [#]
MFRS 132 Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136 Impairment of Assets	1 January 2023 [#]
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 140 Investment Property	1 January 2023 [#]

[#] Amendments as to the consequence of MFRS 17 Insurance Contracts becoming effective

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but are yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendment, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendment, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

Except for the requirement to disclose material accounting policy information as required by the amendments to MFRS 101, the initial application of the above applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior years financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. It also requires the Group and the Company to exercise judgement in the process of applying their accounting policies. Although these estimates and judgements are based on the Group's best knowledge of current events and actions, actual results may differ.

The areas where assumptions and major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, or areas involving judgements that have most effect on the amounts recognised in the financial statements are disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation and economic entities

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

(a) Subsidiaries and business combinations

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(a) Subsidiaries and business combinations (Continued)

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 amount that relates to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that is 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;

over

- the net fair value of the identifiable assets acquired and the liabilities (including contingent 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.

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 previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed of the previously held equity interest.

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 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 a 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. Any gain or loss arising from the loss of control is recognised in profit or loss.

If the Group retains any interest in the former subsidiary, such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(b) Associates and joint ventures

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

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, where decisions about the activities undertaken by the joint venture require unanimous consent of the parties sharing control.

Associates or joint ventures are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

Under the equity method, an investment in an associate or a joint venture is initially recognised at cost. Thereafter, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate or joint venture, after adjustments to align its accounting policies with those of the Group.

Goodwill relating to an associate or a joint venture is added to the carrying amount of the investment.

Any excess of the Group's share of the fair value of the associate's or joint venture's identifiable net assets over the cost of the investment is not deducted from the carrying amount of investment and is instead recognised as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a legal or constructive obligation or has made payments on behalf of the investee.

Should the associate or joint venture subsequently report profits, the Group only resumes the recognition of its share of such profits after it equals the share of losses previously not recognised.

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in a former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9.

The difference between the carrying amount of an associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(b) Associates and joint ventures (Continued)

When the Group reduces its ownership interest in an associate or a joint venture but continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income.

(c) 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.

When the Group transacts with an associate or a joint venture, profits and losses resulting from these transactions are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate or joint venture that are not related to the Group.

The unrealised profits on transactions between the Group and the associate or joint venture are eliminated. Unrealised losses are also eliminated, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

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

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

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

(b) Translation of foreign operations

In the consolidated financial statements, assets and liabilities of foreign operations denominated in a functional currency other than the presentation currency are translated into the presentation currency at exchange rates prevailing at the reporting date. Income and expense items are translated at exchange rates ruling at the transaction dates.

Exchange differences arising on translation are recognised in other comprehensive income. If the foreign operation is not a wholly-owned subsidiary, the relevant share of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the realised cumulative foreign exchange translation reserve related to that foreign operation is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency transactions and operations (Continued)

(b) Translation of foreign operations (Continued)

For a partial disposal not involving loss of control of a subsidiary, the relevant share of the cumulative 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 realised cumulative foreign exchange translation reserve is reclassified to profit or loss.

3.3 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 contractual provisions of the financial instrument.

(a) Initial recognition

Except for the trade receivables that do not contain a significant financing component, financial instruments are recognised initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs attributable to a financial asset or financial liability carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables that do not contain a significant financing component or where the Group expects the period between when the promised goods are transferred and when the customer pays will be one year or less are measured at the transaction price determined under MFRS 15.

(b) Subsequent measurement

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

(i) Financial assets

The financial assets are classified in the following categories:

(a) Amortised cost

The Group's and the Company's financial assets consist of debt instruments that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. These financial assets are measured at amortised cost.

Accordingly, the Group and the Company classify the financial assets as financial assets measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

The policy for the recognition and measurement of impairment is in accordance with Note 3.10 to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(b) Fair value through profit or loss ("FVPL")

The Group's and the Company's financial assets consist of financial assets designated upon initial recognition at fair value through profit or loss.

Accordingly, the Group and the Company classify the financial assets as FVPL.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(b) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(ii) Financial liabilities

The Group classifies its financial liabilities as financial liabilities measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the EIR amortisation process.

(c) 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 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 amount of the loss allowance determined using the general 3-stage approach as described in Note 3.10(a)(i) to the financial statements and the amount initially recognised, and where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) 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 expired. 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.

(e) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment and depreciation

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is set out in Note 3.10(b) to the financial statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, as well as any costs of dismantling and removing the asset and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16 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 item of property, plant and equipment.

(b) Subsequent costs

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

(c) Depreciation

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

All other property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following rates:

Buildings	2% - 13%
Motor vehicles	16% - 20%
Office equipment and fittings	10% - 33%
Office renovation, site office equipment and communication equipment	10% - 20%

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

(d) Derecognition

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

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

(a) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee.

The Group presents right-of-use assets as part of the property, plant and equipment and lease liabilities in Notes 5 and 21, respectively, in the financial statements.

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated cost to restore the underlying asset, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option in a lease agreement, the right-of-use asset is depreciated over the useful life of the underlying asset.

The annual depreciation rates of the Group's right-of-use assets are as follows:

Signboards	12%
Motor vehicles	33%
Buildings	16% - 80%

The depreciation starts from the commencement date of the lease. In addition, the right-of-use asset is reduced by any impairment losses, and adjusted for any remeasurement of the lease liabilities. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10 to the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments include fixed lease payments, less any lease incentives and any exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if there is a change in the Group's estimate of lease term, or when a lease contract is modified and the lease modification is not accounted for as a separate lease. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments associated with these leases on a straight-line basis over the lease term.

(b) Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. In determining the classification of each lease, the Group assesses whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

(b) Lessor accounting (Continued)

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or an operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(a) to the financial statements, then it classifies the sub-lease as an operating lease.

If the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.6 Investment properties

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

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

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

3.7 Inventories

Inventories comprising properties held for sale are valued at the lower of cost and net realisable value.

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.

Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Land held for property development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property under development and completed properties

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

The cost of unsold completed properties is determined on a specific identification basis.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Contract assets/liabilities

A contract asset is recognised for the excess of revenue recognised over progress billings and deposits or advances received from purchasers of properties.

When progress billings and deposits or advances received from purchasers of properties exceed revenue recognised, the Group recognises a contract liability for the difference.

The policy for the recognition and measurement of impairment losses on contract assets is in accordance with Note 3.10 to the financial statements.

3.9 Cash and cash equivalents

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 amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits which have maturity of more than three months.

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts are subject to the impairment requirement in MFRS 9 to account for expected credit losses. Expected credit loss ("ECL") is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance as follows:

(i) General 3-stage approach

At each reporting date, the Group measures loss allowance for other receivables and cash and bank balances at an amount equal to credit losses that result from default events that are possible within the next 12 months ("12-month ECL") if credit risk on a financial instrument has not increased significantly since initial recognition.

For other financial instruments, a loss allowance at an amount equal to credit losses over the remaining life of the exposure ("lifetime ECL") is required.

(ii) Simplified approach for trade receivables and contract assets

The Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime ECL at each reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

The Group considers a financial asset to be in default (or credit-impaired) when contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. Nevertheless, in other cases, the Group may also consider internal and external information that indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Those information includes instances where:

- the counterparty is in significant financial difficulty;
- the counterparty is in breach of financial covenants;
- the lender of the counterparty having granted to the counterparty a concession that the lender would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

Impairment losses (or reversal) are recognised in profit or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty no longer have assets or a source of income that could generate sufficient cash flows to repay the amount owing.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) 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 makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or 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 were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

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.

3.11 Current versus non-current classification

The Group classifies assets and liabilities in statements of financial position as current and non-current. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the financial year; or
- a cash or a cash equivalent which is not restricted from being exchanged or used to settle a liability for at least twelve months after the financial year.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the financial year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the financial year.

The Group classifies all other liabilities as non-current.

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

3.12 Share capital

Ordinary shares

Ordinary shares are equity instruments and are classified as equity. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Transaction costs that are directly attributable to the issuance of ordinary shares are deducted against equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year in which the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund, the national defined contribution plan and the Central Provident Fund, Singapore's defined contribution plan. Such contributions are recognised as an expense in profit or loss in the financial year in which the employees render their services.

3.14 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 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.

3.15 Revenue and other income

(a) Revenue

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied based on each contract with a customer or on a combination of contracts with the same customer (or related parties of the customer). For practical expediency, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income (Continued)

(a) Revenue (Continued)

Financing components

The Group has applied the practical expedient of not adjusting the promised amount of consideration for the effects of a significant financing components if the Group expects the period between the transfer of the promised goods or services to the customer and payment by the customer to be one year or less.

(i) Property development

The Group develops and sells lands, residential and commercial properties.

Contracts with customers may include multiple distinct promises to customers and these are accounted for as separate performance obligations. Where the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margins.

Revenue from the sales of properties under development is recognised as and when the control of the property is transferred to the customer. Based on the terms of the contract and applicable laws, control is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, which in turn is determined by the proportion that property development costs incurred for work performed to-date bear over the estimated total property development costs (an input method).

Revenue from the sale of completed properties is recognised at a point in time when control of the property is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised net of customers' legal fees.

The Group determines that sales of properties under Help2Own scheme contain a significant financing component. Consequently, the amount of the promised consideration is adjusted for the time value of money and the related interest income is recognised using the effective interest method over the term of the deferment.

The Group also determines that its sales of properties under Stay2Own scheme includes a variable amount. Revenue from these sales is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For residential properties and commercial properties, the Group's obligations are to rectify any defects that become apparent within the relevant defect liability period. No provision for rectification costs has been made as at the end of the financial year, as there has been no known material defects reported and only minimal costs have been incurred in the past.

(ii) Management fees

Management fees are recognised over time as services are rendered based on time elapsed. Credit term of the management fee billed is 30 days.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income (Continued)

(a) Revenue (Continued)

(iii) Sales of other goods

Revenue from the sale of other goods is recognised at a point in time when control of the goods is transferred to the customer, being the time when the customer accepts the delivery of the goods.

Revenue is recognised based on the price specified in the contract, net of any discounts.

Sales are made with a credit term ranging from 30 to 60 days, which is consistent with market practice and therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts delivery of the goods.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of good to the customer.

(iv) Dividend income

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

(b) Other income

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Rental income

Rental income, net of lease incentives granted, is recognised on a straight-line basis over the term of the lease.

3.16 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 the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred the borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Income earned on the temporary investment of borrowed funds pending disbursement for expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except when it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates that have been enacted or substantively enacted by the end of the financial year, adjusted for any over or under recognised current tax expense in respect of previous financial years.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (Continued)

(c) Goods and services tax ("GST") and sales and service tax ("SST")

GST in Malaysia was abolished and replaced by SST on 1 September 2018.

Revenue is stated net of any SST collected.

GST or SST paid on goods and services purchased are recognised as part of the cost of purchase of such goods and services, unless the GST is recoverable from the tax authority, in which case the GST paid is recognised as a receivable.

3.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding for the effects of any dilutive potential ordinary shares.

3.19 Contingent liabilities and contingent assets

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

Additionally, contingent liabilities include a present obligation that arises from past events where:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.20 Fair value measurements

The fair value of an asset or a liability, except for share-based payments and lease transactions, is determined as the price that would be received from the sale of 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 assets, 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Fair value measurements (Continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.22 Contract acquisition costs

Contract acquisition costs are incremental costs of obtaining a contract with a customer. Contract acquisition costs are recognised as an asset when the Group expects that those costs are recoverable through property development revenue earned from the customer.

These costs are amortised on a systematic basis that is consistent with the transfer to the customer of the properties to which the asset relates.

The Group has applied the practical expedient to recognise contract acquisition costs as an expense when incurred for contracts with an amortisation period of one year or less.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract acquisition costs asset exceeds the remaining consideration that the Group expects to receive for the specific contract that the costs relate to (after deducting additional costs required to be incurred in relation to the contracts).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

4.1 Impairment assessment of investment in joint ventures (Note 10 to the financial statements)

The Group assesses its investment in joint ventures at the end of the reporting period for any objective evidence that the investment may be impaired as a result of one or more events that have occurred. Where there is objective evidence of impairment, the Group determines its share of the present value of the estimated future cash flows expected to be generated by the joint venture. In estimating the present value of the estimated cash flows, the Group applies a suitable discount rate and make assumptions underlying the cash flow projections such as future sales of development properties and future costs of development

Cash flows projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Capitalisation of borrowing costs (Note 7 to the financial statements)

Borrowing costs that are directly attributable to the acquisition or development of qualifying inventories are capitalised as part of the cost of those assets. The Group begins the capitalisation of borrowing costs when it has incurred the borrowing costs and continues to undertake activities that are necessary to prepare the asset for its intended use or sale. When each phase of the development is ready for its intended sale, the Group ceases the capitalisation of the borrowing costs incurred on that phase.

Significant judgement is required to determine whether the activities meet the criteria of an active development that benefits future development phases.

4.3 Recognition of property development revenue (Note 26 to the financial statements)

The Group recognises property development revenue in profit or loss based on the progress towards complete satisfaction of performance obligations. The progress towards complete satisfaction of performance obligations is determined by the proportion that property development costs incurred for work performed to-date bear over the estimated total property development costs.

In determining the progress towards complete satisfaction of performance obligations, significant judgement is required in the estimation of property development costs incurred to-date, total property development revenue (including estimated variable consideration) and total development costs, as well as the recoverability of the development projects. The estimated total revenue and development costs are affected by a variety of uncertainties that depend on the outcome of future events. In making this judgement, the Group relies on past experience and the work of specialists.

4.4 Impairment assessment of investment in subsidiaries (Note 8 to the financial statements)

The Company assesses impairment of its investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries. In estimating the present value of the estimated cash flows, the Company applies a suitable discount rate and make assumptions underlying the cash flow projections such as expected revenue from sales of properties.

Cash flow projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

	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	Right-of-use assets RM'000	Total RM'000
Group								
2023								
Cost								
At 1 November 2022	13,165	193,041	20,628	38,772	44,493	-	13,983	324,082
Additions	-	12,003	2,044	832	140	1,867	1,646	18,532
Disposals	-	-	(2,595)	(148)	(286)	-	(544)	(3,573)
Written off	-	(824)	(6)	(665)	(9,186)	(145)	-	(10,826)
Termination of lease contracts	-	-	-	-	-	-	(3,081)	(3,081)
Expiration of lease contracts	-	-	-	-	-	-	(20)	(20)
Exchange differences	-	-	-	202	-	-	-	202
At 31 October 2023	13,165	204,220	20,071	38,993	35,161	1,722	11,984	325,316
Accumulated depreciation and impairment losses								
At 1 November 2022	-	68,861	18,505	35,404	43,039	-	8,287	174,096
Depreciation for the financial year	-	17,556	814	1,544	583	-	1,849	22,346
Disposals	-	-	(2,310)	(148)	(283)	-	(436)	(3,177)
Written off	-	(485)	(6)	(660)	(9,062)	-	-	(10,213)
Termination of lease contracts	-	-	-	-	-	-	(2,218)	(2,218)
Expiration of lease contracts	-	-	-	-	-	-	(20)	(20)
Exchange differences	-	-	-	202	-	-	-	202
At 31 October 2023	-	85,932	17,003	36,342	34,277	-	7,462	181,016
Carrying amount								
At 31 October 2023	13,165	118,288	3,068	2,651	884	1,722	4,522	144,300

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	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	Right-of-use assets RM'000	Total RM'000
Group								
2022								
Cost								
At 1 November 2021	13,165	178,807	21,359	38,495	44,280	13,696	14,173	323,975
Additions	-	26	202	498	282	2,111	4,585	7,704
Disposals	-	-	(851)	(163)	(16)	-	-	(1,030)
Written off	-	-	(82)	(58)	(53)	-	-	(193)
Reclassification	-	14,208	-	-	-	(14,208)	-	-
Adjustment #	-	-	-	-	-	(1,599)	-	(1,599)
Termination of lease contracts	-	-	-	-	-	-	(4,401)	(4,401)
Expiration of lease contracts	-	-	-	-	-	-	(374)	(374)
At 31 October 2022	13,165	193,041	20,628	38,772	44,493	-	13,983	324,082
Accumulated depreciation and impairment losses								
At 1 November 2021	-	52,117	18,491	34,370	41,825	-	10,718	157,521
Depreciation for the financial year	-	16,744	800	1,255	1,280	-	1,512	21,591
Disposals	-	-	(720)	(163)	(13)	-	-	(896)
Written off	-	-	(66)	(57)	(53)	-	-	(176)
Net reversal of impairment losses	-	-	-	-	-	-	(2,556)	(2,556)
Termination of lease contracts	-	-	-	-	-	-	(1,013)	(1,013)
Expiration of lease contracts	-	-	-	-	-	-	(374)	(374)
Exchange differences	-	-	-	(1)	-	-	-	(1)
At 31 October 2022	-	68,861	18,505	35,404	43,039	-	8,287	174,096
Carrying amount								
At 31 October 2022	13,165	124,180	2,123	3,368	1,454	-	5,696	149,986

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment and fittings RM'000	Other assets * RM'000	Total RM'000
Company 2023			
Cost			
At 1 November 2022/31 October 2023	195	300	495
Accumulated depreciation			
At 1 November 2022/31 October 2023	195	300	495
Carrying amount			
At 31 October 2023	-	-	-
2022			
Cost			
At 1 November 2021/31 October 2022	195	300	495
Accumulated depreciation			
At 1 November 2021/31 October 2022	195	300	495
Carrying amount			
At 31 October 2022	-	-	-

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

^ Capital work-in-progress comprises building under construction and computer software systems in the process of being implemented.

Adjustment made due to over accrual of construction cost upon completion of the building.

(a) Certain freehold land and buildings with a carrying amount of RM17,785,000 (2022: RM28,476,000) have been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

Information about leases for which the Group is a lessee is presented below:

	Signboards RM'000	Motor vehicles RM'000	Buildings RM'000	Total RM'000
Group				
Cost				
At 1 November 2021	1,418	544	12,211	14,173
Additions	-	-	4,585	4,585
Termination of lease contracts	-	-	(4,401)	(4,401)
Expiration of lease contracts	-	-	(374)	(374)
At 31 October 2022	1,418	544	12,021	13,983
Additions	-	124	1,522	1,646
Disposals	-	(544)	-	(544)
Termination of lease contracts	-	-	(3,081)	(3,081)
Expiration of lease contracts	-	-	(20)	(20)
At 31 October 2023	1,418	124	10,442	11,984
Accumulated depreciation and impairment losses				
At 1 November 2021	340	348	10,030	10,718
Depreciation for the financial year	170	88	1,254	1,512
Net reversal of impairment losses	-	-	(2,556)	(2,556)
Termination of lease contracts	-	-	(1,013)	(1,013)
Expiration of lease contracts	-	-	(374)	(374)
At 31 October 2022	510	436	7,341	8,287
Depreciation for the financial year	170	38	1,641	1,849
Disposals	-	(436)	-	(436)
Termination of lease contracts	-	-	(2,218)	(2,218)
Expiration of lease contracts	-	-	(20)	(20)
At 31 October 2023	680	38	6,744	7,462
Carrying amount				
At 31 October 2022	908	108	4,680	5,696
At 31 October 2023	738	86	3,698	4,522

Included in right-of-use assets are:

- (i) Residential properties leased by the Group that are yet to be sub-leased to employees under the Group's Home Ownership Programme for which a full impairment amounting to RM3,462,000 (2022: RM3,462,000) has been recognised; and
- (ii) Leases of signboards and motor vehicles that are for operational use and leases for premises that are for office use and staff accommodation.

The leases have lease terms ranging from 1 to 8 years (2022: 1 to 10 years), including option to extend.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT PROPERTY

	Group	
	2023 RM'000	2022 RM'000
At cost		
At 1 November 2022/2021	19,973	19,740
Additions	461	233
At 31 October	20,434	19,973
Represented by:		
Freehold land	20,434	19,973
Fair value	54,527	54,527

The fair value of the freehold land is categorised as Level 2 in the fair value hierarchy according to the criteria stated in Note 3.20 to the financial statements. 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 the price per square foot of comparable land.

The fair value has been determined from a valuation performed by a registered independent valuer having appropriate recognised professional qualification and experience in the location and category of the property being valued.

The investment property had been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

7. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
Non-current:		
Land held for property development		
- freehold land	1,783,602	2,189,378
- leasehold land	249,250	270,824
- development costs	1,179,888	1,328,890
	3,212,740	3,789,092
Current:		
Property under development		
- freehold land	509,225	419,295
- leasehold land	42,479	44,650
- development costs	199,228	132,934
Completed properties	238,810	360,760
	989,742	957,639
	4,202,482	4,746,731

NOTES TO THE FINANCIAL STATEMENTS

7. INVENTORIES (CONTINUED)

(a) Included in land held for property development during the financial year are:

	Group	
	2023 RM'000	2022 RM'000
Borrowing costs capitalised	34,081	53,327

(b) Certain land held for property development, property under development and completed properties have been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

(c) During the financial year, inventories recognised as cost of sales amounted to RM1,541,948,000 (2022: RM1,413,404,000).

(d) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year includes:

	Group	
	2023 RM'000	2022 RM'000
Write down of inventories	950	875
Reversal of amounts previously written down	(277)	(5,722)
	673	(4,847)

Amounts previously written down were reversed as the inventories were realised during the financial year at values higher than their previously written down values.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
At cost		
Unquoted ordinary shares	196,367	196,367
Unquoted redeemable convertible preference shares ("RCPS")	3,344,921	3,345,371
Less: Accumulated impairment losses	(452,063)	(358,513)
	3,089,225	3,183,225

Arising from an assessment of the underlying value of subsidiaries, the Company noted that the recoverable amount of a subsidiary was lower than its carrying amount in view of recent adverse conditions impacting the subsidiary. The recoverable amount of the investment was computed based on the Company's estimated future cash flows expected to be generated by the subsidiary taking into consideration the expected revenue from sales of properties and development costs of the properties.

Accordingly, an impairment loss of RM94,000,000 (2022: RM185,000,000) was recognised in profit or loss.

During the financial year, the Company redeemed a portion of RCPS in a subsidiary amounting to RM450,000, which was previously impaired. Accordingly, the impairment loss was reversed. The redemption of RCPS did not alter the Company's percentage ownership in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Movements in accumulated impairment losses are as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 November 2022/2021	358,513	173,513
Recognised during the financial year	94,000	185,000
Reversal during the financial year	(450)	-
At 31 October	452,063	358,513

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

	Ownership Interest		Principal activities
	2023 %	2022 %	
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	Construction services
Eco Sanctuary Sdn. Bhd.	100	100	Property development and property investment holding
Eco Sky Sdn. Bhd.	100	100	Property development
Eco Majestic Development Sdn. Bhd.	100⁺	100 ⁺	Property development and property investment holding
Eco Botanic Sdn. Bhd.	100	100	Property development
Eco Terraces Sdn. Bhd.	100	100	Property development
Eco Business Park 2 Sdn. Bhd.	100	100	Property development
Eco Meadows Sdn. Bhd.	100	100	Property development
Eco Summer Sdn. Bhd.	100	100	Property development and property investment holding
Eco Business Park 1 Sdn. Bhd.	100	100	Property development
Eco World Property Services (Eco South) Sdn. Bhd.	100	100	Property management services
Eco World Digital Services Sdn. Bhd.	100	100	Provision of digital solution services
Rentas Prestasi Sdn. Bhd. ("RPSB")	100	100	Investment holding
Eco World Development Management (BBCC) Sdn. Bhd.	100	100	Property development project management

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

	Ownership Interest 2023 %	2022 %	Principal activities
Eco World Trading Sdn. Bhd.	100	100	Traders or business of building materials
Eco World IBS Sdn. Bhd.	100	100	Investment holding
Eco World Development (S) Pte. Ltd. ^@	100	100	Marketing services
Meridian Insight Sdn. Bhd.	100	100	Investment holding
Eco World Capital Services Berhad	100	100	Issuer of notes under the Islamic Medium Term Note programme
Eco Macalister Development Sdn. Bhd.	100	100	Property investment holding
Eco World Project Management Sdn. Bhd. ("EWPM")	100	100	Property development project management
Eco World Property Services (Eco Central) Sdn. Bhd.	100	100	Property management services
Melia Spring Sdn. Bhd.	100	100	Property development
Eco Grandeur Sdn. Bhd. ("EGSB")	100	100	Investment holding
Eco World Capital (International) Sdn. Bhd. ("EWCI")	100	100	Investment holding
Eco World Property Services (Eco North) Sdn. Bhd.	100	100	Property management services
Eco World Capital Assets Berhad	100	100	Issuer of notes under the Medium Term Note programme
Jasa Hektar Sdn. Bhd.	100	100	Property development
Hasrat Budi Sdn. Bhd.	100	100	Investment holding
Eco World Strategic Capital 1 Sdn. Bhd.	100	100	Investment holding
Eco World Capital Berhad	100	100	Issuer of notes under the Islamic Medium Term Note programme
Eco Botanic 3 Sdn. Bhd. ("Eco Botanic 3") *	100	-	Property development
Eco Business Park 6 Sdn. Bhd. ("EBP 6") *	100	-	Property development
Antury Sdn. Bhd. ("Antury") *	100	-	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

	Ownership Interest 2023 %	2022 %	Principal activities
Held through FAPSB			
Eco Tropics Development Sdn. Bhd.	100	100	Property development
Held through EWPM			
Eco World DM Services Sdn. Bhd. ("EWDMS")	100	100	Provision of consultancy and property development project management services and investment holding

+ 98% held through RPSB and 2% held through the Company.

^ Audited by Baker Tilly TFW LLP, an independent member firm of Baker Tilly International.

@ Incorporated in Singapore.

* Unaudited and was consolidated using management account.

Incorporation of subsidiaries

On 2 August 2023, the Company incorporated Eco Botanic 3 as a wholly-owned subsidiary with an issued and paid-up share capital of RM2 comprising 2 ordinary shares.

On 23 August 2023, the Company incorporated EBP 6 as a wholly-owned subsidiary with an issued and paid-up share capital of RM2 comprising 2 ordinary shares.

On 22 September 2023, the Company incorporated Antury as a wholly-owned subsidiary with an issued and paid-up share capital of RM2 comprising 2 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted ordinary shares, at cost	981	561	932	512
Unquoted redeemable preference shares, at cost	82,933	79,599	82,933	79,599
Share of post-acquisition results and reserves	(29,858)	(12,712)	-	-
	54,056	67,448	83,865	80,111

Details of the associates, incorporated in Malaysia, are as follows:

	Ownership Interest		Principal activities	Financial year end
	2023 %	2022 %		
MFBBCC Retail Mall Sdn. Bhd. ("MFBBCC") [^]	10	10	Development and operation of retail mall	31 December [#]
Held through EWDMS				
Hara Kecil Property Management Sdn. Bhd. ("HKPM")	49	49	Property management services	31 October

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

[#] The financial information of the associate made up to 31 October have been audited for equity accounting purposes.

The Company has significant influence in the associates by having representation on its board of directors to participate in decision-making process over financial and operating policies.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) The following table illustrates the summarised aggregated financial information of associates and reconciles the information to the carrying amount of the Group's interest in associates as at 31 October 2023:

	MFBCC RM'000	HKPM RM'000	Total RM'000
2023			
Assets and liabilities			
Non-current assets	1,662,072	55	1,662,127
Current assets	136,862	3,383	140,245
Non-current liabilities	(26,958)	(4)	(26,962)
Current liabilities	(1,261,416)	(2,862)	(1,264,278)
Net assets	510,560	572	511,132
Results			
Loss for the financial year	(164,432)	(25)	(164,457)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	(164,432)	(25)	(164,457)
Reconciliation of net assets to carrying amount:			
Share of net assets at acquisition date, at book value	83,865	49	83,914
Share of post-acquisition (loss)/profit	(30,090)	232	(29,858)
Carrying amount in the statements of financial position	53,775	281	54,056
Group's share of results			
Group's share of loss	(17,134)	(12)	(17,146)
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive loss	(17,134)	(12)	(17,146)

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The following table illustrates the summarised aggregated financial information of associates and reconciles the information to the carrying amount of the Group's interest in associates as at 31 October 2022:

	MFBBCC RM'000	Other individually immaterial associates RM'000	Total RM'000
2022			
Assets and liabilities			
Non-current assets	1,679,835	38	1,679,873
Current assets	114,421	2,544	116,965
Non-current liabilities	(700,000)	(3)	(700,003)
Current liabilities	(547,747)	(1,981)	(549,728)
Net assets	546,509	598	547,107
Results			
(Loss)/Profit for the financial year	(90,064)	301	(89,763)
Other comprehensive income	-	-	-
Total comprehensive (loss)/income for the financial year	(90,064)	301	(89,763)
Reconciliation of net assets to carrying amount:			
Share of net assets/(liabilities) at acquisition date, at book value	80,111	(1,676)	78,435
Goodwill	-	25,725	25,725
Derecognition of investment	-	(24,000)	(24,000)
Cost of investment	80,111	49	80,160
Share of post-acquisition loss	(12,956)	(2,931)	(15,887)
Derecognition of investment	-	3,175	3,175
Carrying amount in the statements of financial position	67,155	293	67,448
Group's share of results			
Group's share of loss	(9,223)	(1,939)	(11,162)
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive loss	(9,223)	(1,939)	(11,162)

(c) During the financial year, the Company subscribed for additional ordinary shares and redeemable preference shares ("RPS") in MFBBCC amounting to RM420,000 and RM3,334,000, respectively. The subscription for the additional ordinary shares and RPS had resulted in the Company's percentage ownership in MFBBCC to increase from 10.24% to 10.42%.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT IN ASSOCIATES (CONTINUED)

- (d) In the previous financial year, the Group derecognised its 10% equity investment in MYSJ Sdn. Bhd. ("MYSJ") upon serving a put option on the previous owner of the underlying shares on 29 March 2022. The effect of the derecognition was as follows:

	Group 2022 RM'000
Derecognised	
Consideration receivable from exercise of put option	24,000
Less: Group's share on the identifiable net assets at derecognition date	(20,825)
Gain on derecognition of investment in MYSJ	3,175

Significant restrictions

An associate cannot distribute its profit unless approvals are obtained from its respective shareholders.

Commitments

The commitments relating to the Group's and the Company's interest in the associates are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Commitment for subscription of ordinary shares in an associate	124	-	124	-
Commitment for subscription of RPS in an associate	11,037	3,275	11,037	3,275
	11,161	3,275	11,161	3,275

Contingent liabilities

The Group is not required to share in the contingent liabilities, if any, of the associates.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted shares, at cost	777,600	777,600	-	-
Unquoted shares, at cost	382,894	382,894	14,000	14,000
Share of post-acquisition results and reserves, net of dividends received	281,717	415,178	-	-
Elimination of unrealised income	(165,343)	(144,976)	-	-
Less: Accumulated impairment losses	(220,300)	(138,300)	-	-
	1,056,568	1,292,396	14,000	14,000
Market value				
Quoted shares	220,320	171,720	-	-

Details of the joint ventures, all incorporated in Malaysia, are as follows:

	Ownership Interest		Principal activities	Financial year end
	2023 %	2022 %		
BBCC Development Sdn. Bhd. ("BBCC")	40	40	Property development and property investment holding	31 December #
Eco Horizon Sdn. Bhd. ("EHSB")	60	60	Property development and property investment holding	31 October
Paragon Pinnacle Sdn. Bhd. ("PPSB")	60	60	Property development and property investment holding	31 October
Held through EGSB				
Eco Ardence Sdn. Bhd. ("EASB")	50	50	Property development and property investment holding	31 October
Held through EWCI				
Eco World International Berhad ("EWI") ^	27	27	Investment holding	31 October

The financial information of the joint venture made up to 31 October have been audited for equity accounting purposes.

^ Audited by an audit firm other than Baker Tilly Monteiro Heng PLT.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2023:

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2023						
Assets and liabilities						
Non-current assets	1,718,298	1,977,286	1,058,897	1,008,807	839,763	6,603,051
Current assets	738,200	744,536	366,430	478,256	653,485	2,980,907
Non-current liabilities	(1,577,711)	(1,633,916)	(1,073,235)	(156,345)	-	(4,441,207)
Current liabilities	(862,932)	(738,558)	(242,379)	(442,208)	(15,030)	(2,301,107)
Net assets	15,855	349,348	109,713	888,510	1,478,218	2,841,644
Included in assets and liabilities are:						
Cash and cash equivalents	113,001	338,998	53,830	93,345	295,207	894,381
Non-current financial liabilities (excluding trade and other payables)	401,831	905,908	504,836	-	-	1,812,575
Current financial liabilities (excluding trade and other payables)	105,709	72,647	124,672	-	-	303,028
Results						
(Loss)/Profit for the financial year	(8,762)	97,335	42,610	74,010	(49,486)	155,707
Other comprehensive income	-	-	-	-	85,015	85,015
Total comprehensive (loss)/income	(8,762)	97,335	42,610	74,010	35,529	240,722
Included in total comprehensive income are:						
Revenue	242,386	613,433	338,356	488,495	104,798	1,787,468
Depreciation	(13,121)	(4,670)	(3,379)	(4,036)	(1,219)	(26,425)
Interest income	3,796	7,960	2,065	4,417	28,694	46,932
Interest expense	(59,809)	(19,473)	(17,213)	(957)	(16,598)	(114,050)
Income tax expense	2,031	(27,258)	(15,015)	(38,860)	(5,705)	(84,807)

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2023: (Continued)

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2023						
Reconciliation of net assets to carrying amount:						
Share of net assets/(liabilities) at acquisition date,						
at book value	2,000	895	3,580	(71,133)	702,831	638,173
Fair value adjustments	-	91,384	199	355,969	(115,647)	331,905
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	284,836	777,600	1,160,494
Share of post-acquisition profit/(loss)	4,342	200,066	62,049	173,441	(179,564)	260,334
Share of other comprehensive income	-	-	-	-	21,383	21,383
Elimination of unrealised income	(6,342)	(82,736)	(62,243)	(14,022)	-	(165,343)
Accumulated impairment losses	-	-	-	-	(220,300)	(220,300)
Carrying amount in the statement of financial position	-	209,609	3,585	444,255	399,119	1,056,568
Group's share of results						
Group's share of (loss)/profit	(3,505)	58,401	25,566	37,005	(13,361)	104,106
Group's share of other comprehensive income	-	-	-	-	22,954	22,954
Group's share of total comprehensive (loss)/income	(3,505)	58,401	25,566	37,005	9,593	127,060
Group's share of dividends	-	-	-	27,000	213,840	240,840

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2022:

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2022						
Assets and liabilities						
Non-current assets	1,798,574	2,085,039	1,226,929	1,101,010	1,436,810	7,648,362
Current assets	767,021	662,195	237,528	482,289	1,606,848	3,755,881
Non-current liabilities	(1,561,865)	(1,767,300)	(1,117,764)	(161,028)	(1,665)	(4,609,622)
Current liabilities	(976,199)	(698,675)	(263,296)	(545,722)	(503,599)	(2,987,491)
Net assets	27,531	281,259	83,397	876,549	2,538,394	3,807,130
Included in assets and liabilities are:						
Cash and cash equivalents	90,047	385,857	51,685	146,538	614,220	1,288,347
Non-current financial liabilities (excluding trade and other payables)	537,131	1,034,966	559,244	-	-	2,131,341
Current financial liabilities (excluding trade and other payables)	209,619	56,897	100,470	162,493	482,816	1,012,295
Results						
(Loss)/Profit for the financial year	(9,778)	95,445	32,357	87,529	(159,628)	45,925
Other comprehensive loss	-	-	-	-	(133,241)	(133,241)
Total comprehensive (loss)/income	(9,778)	95,445	32,357	87,529	(292,869)	(87,316)
Included in total comprehensive income are:						
Revenue	340,024	523,196	256,130	511,111	159,964	1,790,425
Depreciation	(10,222)	(4,274)	(3,170)	(4,183)	(1,475)	(23,324)
Interest income	673	5,008	1,503	5,466	4,781	17,431
Interest expense	(43,829)	(13,153)	(14,749)	(796)	(42,117)	(114,644)
Income tax expense	(4,077)	(53,228)	(11,320)	(48,832)	(3,896)	(121,353)

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2022: (Continued)

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2022						
Reconciliation of net assets to carrying amount:						
Share of net assets/(liabilities) at acquisition date, at book value	2,000	895	3,580	(71,133)	702,831	638,173
Fair value adjustments	-	91,384	199	355,969	(115,647)	331,905
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	284,836	777,600	1,160,494
Share of post-acquisition profit	9,012	147,752	46,259	166,089	47,637	416,749
Share of other comprehensive loss	-	-	-	-	(1,571)	(1,571)
Elimination of unrealised income	(11,012)	(71,276)	(50,038)	(12,650)	-	(144,976)
Accumulated impairment losses	-	-	-	-	(138,300)	(138,300)
Carrying amount in the statement of financial position	-	168,755	-	438,275	685,366	1,292,396
Group's share of results						
Group's share of (loss)/profit	(3,911)	57,267	19,414	43,765	(43,100)	73,435
Group's share of other comprehensive loss	-	-	-	-	(35,975)	(35,975)
Group's share of total comprehensive (loss)/income	(3,911)	57,267	19,414	43,765	(79,075)	37,460

There were no dividends paid by the joint ventures during the financial year ended 31 October 2022.

Review for impairment of EWI

As at 31 October 2023 and 31 October 2022, the Group's quoted investment in a joint venture, EWI, was assessed for impairment as the market value (Level 1 in the fair value hierarchy) was less than its carrying amount. The recoverable amount of the investment was computed based on the Group's share of the estimated future cash flows expected to be generated by EWI, taking into consideration the expected revenue from sales of properties and development costs of the properties.

Based on the assessment, an impairment loss of RM82,000,000 (2022: RM81,000,000) had been recognised in profit or loss during the financial year. The pre-tax discount rates used range from 9% to 14% (2022: 10% to 12%).

Significant restrictions

The joint ventures cannot distribute their profit unless approvals are obtained from the respective joint venture partners.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Commitments

The Group's and the Company's commitments to the joint ventures are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Commitment to fund development costs of joint ventures	125,000	125,000	125,000	125,000

Additionally, the Group has a contractual obligation to contribute funds proportionately to BBCC, EASB, PPSB and EHSB until their development projects are completed.

Contingent liabilities

The Group is not required to share in the contingent liabilities, if any, of the joint ventures.

11. TRADE AND OTHER RECEIVABLES - NON-CURRENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	32,787	61,665	-	-
Amounts due from subsidiaries	-	-	632,743	550,528
Amounts due from joint ventures	1,031,920	982,167	1,004,786	955,878
Total trade and other receivables	1,064,707	1,043,832	1,637,529	1,506,406

(a) Trade receivables

The long-term trade receivables are due from house buyers and which are to be settled based on instalment plans. These balances represent instalments due after 12 months. Therefore, these trade receivables are neither past due nor impaired.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries represent unsecured non-trade advances which are not expected to be settled within the next 12 months. These advances are expected to be settled in cash. These advances bear interest ranging from 4.81% to 5.94% (2022: 4.67% to 6.85%) per annum.

(c) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are not expected to be settled within the next 12 months. These advances are expected to be settled in cash. These advances bear interest ranging from 4.00% to 8.00% (2022: 3.50% to 8.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

12. LEASE RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Lease receivables:		
Non-current	432	1,710
Current	1,278	1,326
	1,710	3,036

The Group leases its leased properties to its employees. These leases have lease term of 5 years at commencement date.

These leases transfer substantially all the risk and rewards incidental to ownership of the right-of-use assets.

	Group	
	2023 RM'000	2022 RM'000
Gross investment in lease:		
- not later than one year	1,321	1,422
- one to two years	437	1,321
- two to three years	-	437
Total gross investment in lease	1,758	3,180
Less: Unearned interest income	(48)	(144)
Net investment in lease	1,710	3,036
Net investment in lease:		
- not later than one year	1,278	1,326
- one to two years	432	1,278
- two to three years	-	432
	1,710	3,036
Less: Amount due within 12 months	(1,278)	(1,326)
Amount due after 12 months	432	1,710

NOTES TO THE FINANCIAL STATEMENTS

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 November 2022/2021	21,627	66,911	-	2
Recognised in profit or loss:				
- income tax expense (Note 32)	(42,516)	(42,239)	-	(2)
- share of results in joint ventures	(6,714)	(3,045)	-	-
At 31 October	(27,603)	21,627	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	93,170	102,911	-	-
Deferred tax liabilities	(120,773)	(81,284)	-	-
	(27,603)	21,627	-	-

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

	At 1 November 2021 RM'000	Recognised in profit or loss RM'000	At 31 October 2022 RM'000	Recognised in profit or loss RM'000	At 31 October 2023 RM'000
Group					
Property development	(35,358)	(59,814)	(95,172)	(31,634)	(126,806)
Difference between the carrying amounts of property, plant and equipment and their tax base	(78)	156	78	112	190
Unutilised tax losses and unabsorbed capital allowances	50,632	14,123	64,755	(17,100)	47,655
Unrealised income	41,916	5,532	47,448	3,762	51,210
Others	9,799	(5,281)	4,518	(4,370)	148
	66,911	(45,284)	21,627	(49,230)	(27,603)
Company					
Others	2	(2)	-	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023	2022
	RM'000	RM'000
Property development	-	4,922
Unutilised tax losses	265,554	256,249
Unabsorbed capital allowances	2,450	3,691
Others	286	378
	268,290	265,240

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, the time limit to utilise business losses has been extended to a maximum of 10 consecutive years. This amendment is deemed to have effect from the year of assessment 2019.

Furthermore, unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

The unutilised tax losses are available for offset against future taxable profits of the subsidiaries which will expire in the following financial years:

	Group
	2023
	RM'000
2028	53,195
2029	11,084
2030	38,241
2031	67,427
2032	19,708
2033	23,743

14. CONTRACT ASSETS/(LIABILITIES)

The contract assets and contract liabilities arising from the development and sale of properties are summarised as follows:

	Group	
	2023	2022
	RM'000	RM'000
Contract assets	169,954	97,391
Contract liabilities	(460,570)	(579,421)
	(290,616)	(482,030)

NOTES TO THE FINANCIAL STATEMENTS

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Movements in the contract assets and contract liabilities are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 November 2022/2021	(482,030)	(675,162)
Revenue recognised during the financial year	2,077,744	1,905,652
Progress billings during the financial year	(1,886,330)	(1,712,520)
At 31 October	(290,616)	(482,030)

The contract assets represent the Group's rights to consideration for work completed on properties sold but not yet billed. Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This occurs when the Group issues progress billings to its customers. Payment is typically expected within 14 to 90 days (2022: 14 to 90 days).

The contract liabilities represent progress billings and deposits received for property development for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue over a period of 2 years.

15. TRADE AND OTHER RECEIVABLES - CURRENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables				
External parties	248,348	299,972	-	-
Stakeholders' sums	274,632	45,625	-	-
Amounts due from joint ventures	40,061	22,292	-	-
Amounts due from an associate	-	80	-	-
	563,041	367,969	-	-
Less: Allowance for impairment losses	(6,947)	(5,531)	-	-
	556,094	362,438	-	-
Other receivables				
External parties	13,114	35,677	-	-
GST refundable	2,173	2,410	-	-
Amounts due from subsidiaries	-	-	358,080	206,216
Amounts due from joint ventures	1,647	1,505	152	152
Amounts due from an associate	451	319	-	-
Deposit for acquisition of a development land (Note 43(a))	21,107	-	-	-
Other deposits	23,192	24,930	-	-
	61,684	64,841	358,232	206,368
Less: Allowance for impairment losses	(209)	(201)	(17,488)	(13,393)
	61,475	64,640	340,744	192,975
Total trade and other receivables	617,569	427,078	340,744	192,975

NOTES TO THE FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES - CURRENT (CONTINUED)

(a) Trade receivables

The normal credit terms granted to house buyers range from 14 to 90 days (2022: 14 to 90 days). Interest is charged on overdue accounts at 10% (2022: 10%) per annum.

Credit terms granted to other customers are assessed and approved on a case-by-case basis. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables comprise substantially amounts due from house buyers with end financing facilities. 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.

The stakeholders' sums are expected to be collected as follows:

	Group	
	2023 RM'000	2022 RM'000
- not later than one year	255,742	44,243
- later than one year and not later than five years	18,890	1,382
	274,632	45,625

Movements in allowance for impairment losses in trade receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 November 2022/2021	5,531	4,156
Recognised during the financial year	2,188	1,417
Reversal during the financial year	(772)	(42)
At 31 October	6,947	5,531

(b) Other receivables

(i) Included in other receivables of previous financial year was an amount recoverable from the derecognition of investment in MYSJ of RM24,000,000 plus a premium of RM2,841,000 resulting from the serving of the put option on 29 March 2022, as disclosed in Note 9(d) to the financial statements. Both these amounts have been received in full in the financial year ended 31 October 2023.

(ii) Movements in allowance for impairment losses in other receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 November 2022/2021	201	-
Recognised during the financial year	-	189
Foreign exchange difference	8	12
At 31 October	209	201

NOTES TO THE FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES - CURRENT (CONTINUED)

(c) Amounts due from subsidiaries

The amounts due from subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 4.97% to 6.03% (2022: 4.26% to 7.10%) per annum. These advances are expected to be settled in cash.

Arising from an assessment of the estimated cash flows of the subsidiaries, the Company noted that the recoverable values of certain amounts were lower than their carrying amounts. Accordingly, an impairment loss of RM4,095,000 (2022: RM1,703,000) was recognised in profit or loss of the Company.

In the previous financial year, the Company reversed an impairment loss on certain amounts due from subsidiaries which amounted to RM1,776,000.

Movements in allowance for impairment losses in amounts due from subsidiaries are as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 November 2022/2021	13,393	13,466
Recognised during the financial year	4,095	1,703
Reversal during the financial year	-	(1,776)
At 31 October	17,488	13,393

(d) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are repayable on demand and are expected to be settled in cash.

(e) Amounts due from an associate

The amounts due from an associate represent unsecured non-trade advances which are repayable on demand and are expected to be settled in cash.

(f) Other deposits

Included in other deposits are deposits paid to authorities in relation to township developments, totalling RM16,626,000 (2022: RM18,073,000).

NOTES TO THE FINANCIAL STATEMENTS

16. OTHER CURRENT ASSETS

	Group	
	2023 RM'000	2022 RM'000
Contract acquisition costs	3,447	6,606
Prepayments	21,630	25,289
	25,077	31,895

(a) Contract acquisition cost

Contract acquisition costs consist of commissions and fees paid to intermediaries to secure contracts with customers.

Contract acquisition costs are deferred and amortised in accordance with the pattern of transfer of goods or services under the contracts with customers.

During the financial year, amortisation amounting to RM3,316,000 (2022: RM3,354,000) was recognised as part of selling and marketing expenses. There has been no impairment of deferred amortisation costs.

(b) Prepayments

Prepayments mainly consist of prepaid operating and development expenses.

17. SHORT-TERM FUNDS

The short-term funds represent funds that are managed by financial institutions which invested in highly liquid money market instruments, fixed income instruments and deposits with financial institutions in Malaysia. These short-term funds are readily convertible to cash and have insignificant risk of changes in value.

The range of interest rates at the end of the financial year for short-term funds are 3.31% to 3.75% per annum.

NOTES TO THE FINANCIAL STATEMENTS

18. CASH AND DEPOSITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Deposits with licensed banks	20,000	20,000	-	-
	20,000	20,000	-	-
Current				
Cash in hand and at banks	485,376	1,086,235	107,475	588,086
Deposits with licensed banks	208,451	229,727	88,448	102,904
	693,827	1,315,962	195,923	690,990
	713,827	1,335,962	195,923	690,990

Included in cash and deposits are the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 *	150,324	144,053	-	-
Cash and deposits maintained in debt service reserve accounts, redemption accounts and escrow accounts	206,120	266,824	-	-
Deposits pledged to banks as security for banking facilities	20,497	70,484	497	484

* *Restricted from general use*

The range of interest rates at the end of the financial year for deposits with licensed banks are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Deposits with licensed banks	1.30 - 3.50	1.30 - 2.85	2.95 - 3.50	2.05 - 2.50

All deposits have maturity periods of 1 day to 2 years (2022: 1 day to 2 years).

NOTES TO THE FINANCIAL STATEMENTS

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Unit '000	2022 Unit '000	2023 RM'000	2022 RM'000
Issued and fully paid up (no par value):				
At 1 November 2022/2021	2,944,370	2,944,369	3,614,868	3,614,865
Conversion of Warrants 2015/2022 *	-	1	-	3
At 31 October	2,944,370	2,944,370	3,614,868	3,614,868

* Warrants 2015/2022 expired on 25 March 2022.

The holders of the Company's 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.

Warrants 2022/2029

The Company had on 13 April 2022 issued 588,873,836 free warrants pursuant to a bonus issue, on the basis of 1 free warrant for every 5 ordinary shares held in the Company ("Warrants 2022/2029").

The salient terms of the Warrants 2022/2029 are as follows:

- The warrants are constituted by a Deed Poll executed on 25 March 2022;
- The warrants are traded separately;
- Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at an exercise price of RM1.16 per share. Warrants are exercisable any time during the tenure of 7 years commencing from the date of issue, 13 April 2022 ("Exercise Period"). Warrants not exercised during the Exercise Period will lapse and shall cease to be valid;
- The exercise price of RM1.16 per share and/or the number of outstanding warrants shall be subject to adjustments that may be required during the Exercise Period by the Company, in consultation with and certified by the approved adviser or auditors appointed by the Company, in accordance with the terms and provisions of the Deed Poll; and
- Subject to the provisions in the Deed Poll, the Company is at liberty to issue shares and/or other securities to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company deems fit. Warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in a general meeting.

None of the Warrants 2022/2029 have been exercised since the date of issue.

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Secured				
Revolving credits	66,822	147,247	-	-
Term loans	253,186	297,874	-	-
Bridging loans	182,862	284,644	-	-
Medium term note 1 ("MTN 1")	19,999	19,999	-	-
Sukuk 1	179,279	178,978	-	-
Unsecured				
Medium term note 2 ("MTN 2")	-	249,504	-	-
Sukuk 2	1,098,730	548,741	-	-
	1,800,878	1,726,987	-	-
Current				
Secured				
Revolving credits	117,000	199,964	-	-
Term loans	813	120,769	-	-
Bridging loans	20,274	19,713	-	-
MTN 1	-	49,959	-	-
Unsecured				
Revolving credits	342,856	665,907	340,000	645,000
MTN 2	249,782	-	-	-
	730,725	1,056,312	340,000	645,000
	2,531,603	2,783,299	340,000	645,000
Total loans and borrowings				
Revolving credits	526,678	1,013,118	340,000	645,000
Term loans	253,999	418,643	-	-
Bridging loans	203,136	304,357	-	-
Medium term notes	269,781	319,462	-	-
Sukuk	1,278,009	727,719	-	-
	2,531,603	2,783,299	340,000	645,000
Repayable				
- not later than one year	730,725	1,056,312	340,000	645,000
- later than one year and not later than five years	1,764,875	1,684,827	-	-
- later than five years	36,003	42,160	-	-
	2,531,603	2,783,299	340,000	645,000

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONTINUED)

(a) Medium term notes ("MTNs")

- (i) The MTN 1 programme comprises notes of up to RM250 million in nominal value with tenure of up to 7 years from the date of first issuance.

As at 31 October 2023, the nominal value of notes issued under the MTN 1 programme was RM20 million (2022: RM70 million) with tenure of 6 1/4 years (2022: 5 to 6 1/4 years) from the dates of issuance.

- (ii) The MTN 2 programme comprises notes of up to RM500 million in nominal value with tenure of up to 15 years from the date of first issuance.

As at 31 October 2023, the nominal value of note issued under the MTN 2 programme was RM250 million (2022: RM250 million) with a tenure of 5 years from the date of issuance.

(b) Sukuk Wakalah Programme ("Sukuk")

- (i) The Sukuk 1 programme comprises Sukuk Wakalah of up to RM500 million in nominal value with tenure of up to 20 years from the date of first issuance.

As at 31 October 2023, the nominal value of Sukuk Wakalah issued under the Sukuk 1 programme was RM180 million (2022: RM180 million) with a tenure of 5 years from the date of issuance.

- (ii) The rated Sukuk 2 programme comprises rated Sukuk Wakalah of up to RM1.20 billion in nominal value with tenure of up to 30 years from the date of first issuance.

As at 31 October 2023, the nominal value of rated Sukuk Wakalah issued under the rated Sukuk 2 programme was RM1.10 billion (2022: RM550 million) with a tenure of 5 years from their respective dates of issuance.

(c) The secured loans and borrowings are supported by:

- (i) Legal charges over the Group's freehold land and buildings (Note 5), investment property (Note 6), inventories - land held for property development (Note 7) and inventories - property under development (Note 7);
- (ii) A specific debenture over the fixed and floating assets of certain subsidiaries;
- (iii) Legal charges over the Group's cash and deposits (Note 18); and
- (iv) Corporate guarantees issued by the Company.

(d) The range of interest rates at the end of the financial year are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Revolving credits	4.70 - 5.90	3.82 - 6.16	4.70 - 5.00	3.82 - 5.40
Term loans	4.42 - 5.90	3.83 - 6.85	-	-
Bridging loans	5.53 - 5.90	4.26 - 5.25	-	-
Medium term notes	3.36 - 6.10	2.55 - 6.10	-	-
Sukuk	4.90 - 5.85	5.69 - 5.85	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Non-current	3,524	7,151
Current	3,993	3,879
	7,517	11,030

Future minimum lease payments together with the present value of minimum lease payments are as follows:

	Group	
	2023 RM'000	2022 RM'000
Minimum lease payments:		
- not later than one year	4,237	4,276
- later than one year and not later than five years	3,723	7,474
- later than five years	-	110
	7,960	11,860
Less: Future finance charges	(443)	(830)
Present value of minimum lease payments	7,517	11,030
Present value of minimum lease payments:		
- not later than one year	3,993	3,879
- later than one year and not later than five years	3,524	7,043
- later than five years	-	108
	7,517	11,030
Less: Amount due within 12 months	(3,993)	(3,879)
Amount due after 12 months	3,524	7,151

Included in the lease liabilities of previous financial year was an amount of RM48,000 relating to lease of motor vehicles under hire purchase arrangement.

22. OTHER PAYABLES - NON-CURRENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Land acquisition costs	152,460	289,674	-	-
Amounts due to subsidiaries	-	-	1,266,971	1,034,738
	152,460	289,674	1,266,971	1,034,738

NOTES TO THE FINANCIAL STATEMENTS

22. OTHER PAYABLES - NON-CURRENT (CONTINUED)

(a) Land acquisition costs

The land acquisition costs represent amounts payable under deferred payment terms. The amount bears interest at 3.88% (2022: 3.88%) per annum.

	Group	
	2023 RM'000	2022 RM'000
The amount is payable as follows:		
- later than one year and not later than five years	152,460	213,444
- later than five years	-	76,230
	152,460	289,674

(b) Amounts due to subsidiaries

The amounts due to subsidiaries represent unsecured non-trade advances which are repayable not later than five years. These advances are expected to be settled in cash and bear interest ranging from 5.90% to 7.85% (2022: 6.69% to 7.85%) per annum.

23. TRADE AND OTHER PAYABLES - CURRENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables				
External parties	120,201	88,704	-	-
Retention sums on contracts	102,681	90,888	-	-
Accruals	403,369	446,141	-	-
	626,251	625,733	-	-
Other payables				
Other payables	36,615	72,835	275	843
Payroll liabilities	2,702	10,815	-	-
Deposits received	5,504	7,257	-	-
GST payable	618	468	-	-
SST payable	1,941	2,014	-	-
Accruals	116,274	115,851	2,380	2,925
Amounts due to subsidiaries	-	-	364,087	207,837
Amount due to a joint venture	118	-	-	-
Amount due to an associate	19	-	-	-
Provision for restoration costs	81	388	-	-
	163,872	209,628	366,742	211,605
Total trade and other payables	790,123	835,361	366,742	211,605

NOTES TO THE FINANCIAL STATEMENTS

23. TRADE AND OTHER PAYABLES - CURRENT (CONTINUED)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 14 to 90 days (2022: 14 to 90 days).

Retention sums are payable upon the expiry of the defect liability period and are expected to be settled as follows:

	Group	
	2023 RM'000	2022 RM'000
- not later than one year	49,456	41,386
- later than one year and not later than five years	53,225	49,502
	102,681	90,888

(b) Amounts due to subsidiaries

The amounts due to subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 5.69% to 7.10% (2022: 4.67% to 6.16%) per annum.

24. OTHER CURRENT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Other current liabilities		
Unrealised income on transactions with joint ventures	54,261	58,380

25. BANK OVERDRAFTS

The bank overdrafts are unsecured, bear interest ranging from 4.85% to 5.21% (2022: 4.10% to 4.71%) per annum and are guaranteed by the Company.

26. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers:				
Sale of properties	2,077,744	1,905,652	-	-
Rendering of development management services	78,540	77,190	-	-
Sale of other goods	70,578	60,728	-	-
	2,226,862	2,043,570	-	-
Revenue from other source:				
Dividend income	-	-	519,350	171,000
	2,226,862	2,043,570	519,350	171,000

NOTES TO THE FINANCIAL STATEMENTS

26. REVENUE (CONTINUED)

(a) Disaggregation of revenue

For the purpose of disclosure for disaggregation of revenue, revenue is disaggregated into primary geographical market and timing of revenue recognition (i.e. goods and services transferred at a point in time or transferred over time).

	Group	
	2023 RM'000	2022 RM'000
Primary geographical markets:		
Klang Valley	827,846	889,330
Iskandar Malaysia	1,386,513	1,095,991
Penang	12,503	58,249
	2,226,862	2,043,570
Timing of revenue recognition:		
At a point in time	643,530	803,246
Over time	1,583,332	1,240,324
	2,226,862	2,043,570

(b) Transaction price allocated to remaining performance obligations

As of 31 October 2023, the aggregate amount of the transaction price allocated to remaining performance obligations is RM2,091,656,000 (2022: RM1,832,381,000). The Group will recognise this amount of revenue as and when performance obligations are satisfied, which is expected to occur over the next 4 years.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 to not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

27. OTHER INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from:				
- subsidiaries	-	-	50,020	37,176
- joint ventures	43,644	34,797	68,108	60,778
- deposits	19,650	7,672	15,794	3,614
- overdue accounts	1,705	463	-	-
- others	11,619	12,219	3,075	172
Gain on disposal of property, plant and equipment	307	117	-	-
Gain on termination/derecognition of lease liabilities	344	-	-	-
Reversal of impairment loss on right-of-use assets	-	2,556	-	-
Reversal of impairment loss on investment in a subsidiary	-	-	450	-
Rental income	8,122	4,518	-	-
Unrealised gain on foreign exchange	582	966	-	-
Fair value gain on financial instruments	3,438	-	3,438	-
Gain on disposal of investment in an associate	-	3,175	-	-
Staff secondment fees	-	119	-	-
Sundry income	13,407	7,537	647	545
	102,818	74,139	141,532	102,285

28. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest paid and payable on:				
- term loans and bridging loans	16,246	17,683	-	-
- revolving credits	35,765	31,838	29,280	26,905
- medium term notes	16,098	28,212	-	-
- sukuk	48,404	10,974	-	-
- amounts due to subsidiaries	-	-	95,350	56,064
- bank overdrafts	1,309	1,229	-	-
- others	4,908	6,937	-	352
	122,730	96,873	124,630	83,321

NOTES TO THE FINANCIAL STATEMENTS

29. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration				
- statutory audit				
- Baker Tilly Monteiro Heng PLT	692	666	200	179
- Member firm of Baker Tilly International	23	22	-	-
- other services				
- Baker Tilly Monteiro Heng PLT	27	26	6	5
Depreciation of property, plant and equipment	22,346	21,591	-	-
Expenses relating to leases of low value assets:				
- office equipment	746	905	-	-
Expenses relating to short-term leases:				
- premises	639	1,034	-	-
Impairment loss on investment in a subsidiary	-	-	94,000	185,000
Impairment loss on investment in a joint venture	82,000	81,000	-	-
Property, plant and equipment written off	613	17	-	-
Loss on termination/derecognition of lease liabilities	-	414	-	-
Realised loss on foreign exchange	81	66	-	-
Net impairment loss/(reversal of impairment loss)				
on amounts due from subsidiaries	-	-	4,095	(73)
Net impairment loss on trade receivables	1,416	1,375	-	-
Impairment loss on other receivables	-	189	-	-
Net write down/(reversal of write down) of inventories	673	(4,847)	-	-

30. EMPLOYEE BENEFITS EXPENSE

The details of employee benefits expense (including executive directors) are as follows:

	Group	
	2023 RM'000	2022 RM'000
Salaries, bonus and allowances	155,508	160,320
Defined contribution plan	18,406	19,524
Social security contributions	969	841
Staff welfare	10,083	7,768
	184,966	188,453
Recognised in:		
Cost of sales	76,755	77,398
Administrative and other expenses	108,211	111,055
	184,966	188,453

NOTES TO THE FINANCIAL STATEMENTS

31. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by directors during the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive directors				
Salaries, bonus and other emoluments	29,302	38,091	-	-
Defined contribution plan	3,483	4,547	-	-
Estimated monetary value of benefits-in-kind	2,096	1,838	-	-
	34,881	44,476	-	-
Non-executive directors				
Fees	1,394	1,433	1,394	1,433
Other emoluments	580	204	580	204
Estimated monetary value of benefits-in-kind	211	204	211	204
	2,185	1,841	2,185	1,841
Total directors' remuneration	37,066	46,317	2,185	1,841

32. INCOME TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax				
- current year	40,017	26,376	5,970	4,407
- prior years	(1,833)	(63)	(573)	(39)
	38,184	26,313	5,397	4,368
Deferred tax (Note 13)				
- current year	35,115	48,411	-	2
- prior years	7,401	(6,172)	-	-
	42,516	42,239	-	2
	80,700	68,552	5,397	4,370

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) on the estimated assessable profit for the financial year. The corporate income tax of the subsidiary in Singapore is calculated at 17% (2022: 17%) on the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

32. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	270,023	225,761	434,149	869
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	64,806	54,183	104,196	209
Effect of different tax rate in other jurisdictions	(585)	(84)	-	-
Effect of share of results in:				
- joint ventures	(24,985)	(17,624)	-	-
- associates	4,115	2,679	-	-
Effects of:				
- non-taxable income	(3,854)	(164)	(127,569)	(41,466)
- non-deductible expenses	38,379	35,641	29,343	45,666
- tax incentives	(3,476)	(4,024)	-	-
Deferred tax assets not recognised	732	4,180	-	-
Under/(Over) accrual in prior years	5,568	(6,235)	(573)	(39)
Income tax expense	80,700	68,552	5,397	4,370

33. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	2023	2022
Profit attributable to owners of the Company (RM'000)	189,323	157,209
Weighted average number of ordinary shares in issue (Unit '000)	2,944,370	2,944,370
Basic earnings per ordinary share (sen)	6.43	5.34

NOTES TO THE FINANCIAL STATEMENTS

33. EARNINGS PER SHARE (CONTINUED)

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year that would have been in issue assuming full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value. However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

	2023	2022
Profit attributable to owners of the Company (RM'000)	189,323	157,209
Weighted average number of ordinary shares for basic earnings per share (Unit '000)	2,944,370	2,944,370
Effect of dilution from potential exercise of Warrants (Unit '000)	#	# @
Weighted average number of ordinary shares for diluted earnings per share (Unit '000)	2,944,370	2,944,370
Diluted earnings per ordinary share (sen) *	6.43	5.34

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.

@ The Warrants 2015/2022 expired on 25 March 2022 and warrants not exercised were removed from the Official List of Bursa Malaysia on 28 March 2022.

* Anti-dilutive.

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

NOTES TO THE FINANCIAL STATEMENTS

34. DIVIDENDS

	Group and Company	
	2023	2022
	RM'000	RM'000
Recognised during the financial year		
Second interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2021, paid on 28 February 2022	-	58,887
First interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2022, paid on 21 July 2022	-	58,887
Second interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 October 2022, paid on 20 October 2022	-	29,444
Third interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2022, paid on 19 January 2023	58,887	-
First interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2023, paid on 20 July 2023	58,887	-
Second interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2023, paid on 19 October 2023	58,887	-
	176,661	147,218

On 14 December 2023, the directors declared a final dividend of 2 sen per ordinary share amounting to RM58,887,388 in respect of the financial year ended 31 October 2023, which was paid on 19 January 2024. This final dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2024.

35. CAPITAL COMMITMENTS

The Group has made commitments for the following:

	Group	
	2023	2022
	RM'000	RM'000
Approved and contracted for:		
Acquisition of development land		
- Mukim Senai, Daerah Kulai, Johor (Note 43(a))	189,959	-
Acquisition of property, plant and equipment	6,966	1,413

NOTES TO THE FINANCIAL STATEMENTS

36. CONTINGENT LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Guarantees provided in connection with the performance and discharge of obligations assumed by subsidiaries under and pursuant to the acquisition of development rights				
- secured *	-	-	-	96,944
- unsecured	-	-	78,761	164,474

* Secured by legal charges over certain subsidiaries' freehold land and buildings (Note 5), investment property (Note 6) and inventories (Note 7).

37. RELATED PARTIES

(a) Identification of related parties

A party is considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

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

NOTES TO THE FINANCIAL STATEMENTS

37. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Transaction value			
	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Transactions with subsidiaries				
Interest received and receivable	-	-	50,020	37,176
Interest payable	-	-	95,350	56,064
Dividends received	-	-	519,350	171,000
Transactions with joint ventures				
Net advances given	36,000	37,000	36,000	37,000
Interest received and receivable	68,953	61,430	68,108	60,778
Dividends received	240,840	-	-	-
Development management fees received and receivable	69,401	68,067	-	-
Other resources fees received and receivable	18,517	19,384	-	-
Brand licensing fees received and receivable	7,649	6,989	-	-
Commission received and receivable	127	509	-	-
Proceeds from disposal of property, plant and equipment	118	19	-	-
Rental received and receivable	180	180	-	-
Rental paid and payable	40	-	-	-
Support service fees received and receivable	268	153	-	-
Advisory fees received and receivable	114	108	114	108
Purchase of property, plant and equipment	107	-	-	-
Purchase of a development property	12,137	-	-	-
Commitment fees received and receivable	450	375	450	375
Secondment fees received and receivable	2,922	-	-	-
Transactions with associates				
Secondment fees paid and payable	-	60	-	-
Support service fees received and receivable	1,040	317	-	-
Undertaking fees received and receivable	58	60	58	60
Administration services fees paid and payable	112	41	-	-
Transaction with an associate of a joint venture				
Undertaking fees received and receivable	25	-	25	-

Outstanding balances with related parties at the end of the reporting period are disclosed in Notes 11, 15, 22 and 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

37. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

Significant related party transactions and balances other than disclosed elsewhere in the financial statements are as follows: (Continued)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with directors, their immediate family members and companies in which they have an interest								
Sales of development properties to a company, in which a director of the Company has interest	-	-	-	-	-	101	-	-
Rental received from directors of subsidiary companies	37	86	-	-	-	-	-	-
Legal fees paid and payable to a firm, in which an immediate family member of a director of the Company has interest	158	112	-	-	85	58	-	-
Legal fees paid and payable to a firm, in which a director of the Company has interest	80	-	-	-	-	-	-	-

(c) Compensation of key management personnel

The remuneration of the key management personnel, including directors, during the financial year are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	39,166	51,204	580	204
Defined contribution plan	4,558	6,081	-	-
Fees	1,415	1,455	1,394	1,433
Benefits-in-kind	2,359	2,118	211	204
	47,498	60,858	2,185	1,841

38. SEGMENT INFORMATION

Segment information is not presented as the Group is principally engaged in property development, which is substantially within a single business segment and this is consistent with the current practice of internal reporting. The Group operates primarily in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by category.

	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
Group			
2023			
Financial assets			
Trade and other receivables [^]	-	1,680,103	1,680,103
Short-term funds	642,737	-	642,737
Cash and deposits	-	713,827	713,827
	642,737	2,393,930	3,036,667
Financial liabilities			
Trade and other payables *	-	939,943	939,943
Loans and borrowings	-	2,531,603	2,531,603
Bank overdrafts	-	9,232	9,232
	-	3,480,778	3,480,778
2022			
Financial assets			
Trade and other receivables [^]	-	1,468,500	1,468,500
Cash and deposits	-	1,335,962	1,335,962
	-	2,804,462	2,804,462
Financial liabilities			
Trade and other payables *	-	1,122,165	1,122,165
Loans and borrowings	-	2,783,299	2,783,299
Bank overdrafts	-	21,432	21,432
	-	3,926,896	3,926,896

[^] Excluding GST refundable.

* Excluding GST and SST payable and provision for restoration costs.

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by category. (Continued)

	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
Company			
2023			
Financial assets			
Trade and other receivables	-	1,978,273	1,978,273
Short-term funds	642,737	-	642,737
Cash and deposits	-	195,923	195,923
	642,737	2,174,196	2,816,933
Financial liabilities			
Trade and other payables	-	1,633,713	1,633,713
Loans and borrowings	-	340,000	340,000
	-	1,973,713	1,973,713
2022			
Financial assets			
Trade and other receivables	-	1,699,381	1,699,381
Cash and deposits	-	690,990	690,990
	-	2,390,371	2,390,371
Financial liabilities			
Trade and other payables	-	1,246,343	1,246,343
Loans and borrowings	-	645,000	645,000
	-	1,891,343	1,891,343

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and of the Company.

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

(a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables and financial guarantees) and from their investing activities, including deposits with banks and other financial instruments.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

As at the end of the financial year, the Group's and the Company's maximum exposure to credit risk are represented by:

- (i) the carrying amount of each class of financial assets recognised in the statements of financial position; and
- (ii) the corporate guarantees and undertakings provided by the Group and the Company to banks to secure:
 - the borrowings of certain subsidiaries, joint ventures and the associate; and
 - the repayment by certain joint ventures of monies due, owing, unpaid or outstanding to the other joint venture partners.

The Group and the Company monitor the financial performance (including the timeliness of loan repayments) of the subsidiaries, joint ventures and associates on an on-going basis.

The maximum credit risk that the Group and the Company are exposed to from corporate guarantees and undertakings provided amounted to:

	2023 RM'000	2022 RM'000
Group	2,712,420	3,010,572
Company	5,069,785	5,379,483

The above represents the maximum amounts that the Group and the Company could be obliged to pay if the guarantees were called on.

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Generally, the Group and the Company consider the financial guarantees to be of low credit risk as the guarantees are provided as credit enhancement to the subsidiaries', joint ventures' and associates' secured borrowings.

As at the reporting date, there were no losses arising from the financial guarantees and undertakings provided by the Group and the Company.

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

Trade receivables and contract assets

As at the reporting date, the Group was not exposed to credit risk that is significantly concentrated on a single counterparty or groups of counterparties.

The Group applies the simplified approach to provide for ECL prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets.

To measure the ECL, trade receivables are grouped according to the number of days past due. The determination of ECL also incorporates economic conditions during the period, historical data, current conditions and forward-looking information on economic conditions over the expected settlement period of the receivables and contract assets. The Group believes that changes in economic conditions over the expected settlement periods would not materially impact the calculation of impairment of receivables and contract assets.

The information about credit risk exposure on the Group's trade receivables and contract assets is as follows:

	2023 RM'000	2022 RM'000
Group		
Contract assets		
Current (not past due)	169,954	97,391
Non-current trade receivables		
Current (not past due)	32,787	61,665
Current trade receivables		
Current (not past due)	450,653	301,995
1 to 30 days past due	32,227	23,331
31 to 60 days past due	25,254	18,391
61 to 90 days past due	19,667	5,578
> 90 days past due	28,293	13,143
	758,835	521,494
Individually impaired	6,947	5,531
	765,782	527,025

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents and refundable deposits), the Group and the Company minimise credit risk by dealing exclusively with counterparties with high credit rating.

At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon the initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group and the Company assess whether there are any significant increase in credit risk. Such assessment includes assessing available reasonable and supportive forward-looking information of the counterparty and compare the risk of a default occurring as at the reporting date with the risk of default as at the date as initial recognition.

The Group and the Company provide advances to joint ventures and subsidiaries. Certain advances to joint ventures and subsidiaries are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the joint venture and subsidiary do not have sufficient liquid reserves when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired amount due from subsidiaries, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatch in the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements.

The Group and the Company use a set of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's treasury/finance department ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
Group					
2023					
Financial liabilities					
Trade and other payables *	939,943	738,373	223,691	-	962,064
Loans and borrowings	2,531,603	840,326	2,040,793	36,942	2,918,061
Bank overdrafts	9,232	9,232	-	-	9,232
Lease liabilities	7,517	4,237	3,723	-	7,960
	3,488,295	1,592,168	2,268,207	36,942	3,897,317
2022					
Financial liabilities					
Trade and other payables *	1,122,165	794,407	294,664	77,850	1,166,921
Loans and borrowings	2,783,299	1,159,589	1,923,593	42,959	3,126,141
Bank overdrafts	21,432	21,432	-	-	21,432
Lease liabilities	11,030	4,276	7,474	110	11,860
	3,937,926	1,979,704	2,225,731	120,919	4,326,354

* Excluding GST and SST payable and provision for restoration costs.

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows: (Continued)

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
Company					
2023					
Financial liabilities					
Trade and other payables	1,633,713	366,742	1,266,971	-	1,633,713
Loans and borrowings	340,000	340,000	-	-	340,000
	1,973,713	706,742	1,266,971	-	1,973,713
2022					
Financial liabilities					
Trade and other payables	1,246,343	211,605	1,034,738	-	1,246,343
Loans and borrowings	645,000	645,000	-	-	645,000
	1,891,343	856,605	1,034,738	-	1,891,343

In respect of those undiscounted repayment obligations arising from corporate guarantees and undertakings provided by the Group and the Company, as disclosed in Note 40(a) to the financial statements, there was no indication as at reporting date that any subsidiary, joint venture or associate would default. In the event of a default by the subsidiaries, joint ventures or associate, the financial guarantees could be called on demand.

NOTES TO THE FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and of the Company's financial instruments as a result of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings and bank overdrafts amounting to:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating interest rate:				
Loans and borrowings and bank overdrafts	993,045	1,757,550	340,000	645,000

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax and total equity would have been higher/lower by:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest rate risk	1,153	1,994	646	1,225

The assumed movement in basis points for this interest rate sensitivity analysis is based on the currently observable market environment.

41. FAIR VALUE MEASUREMENT

The methods and assumptions used to determine the fair values of financial assets and liabilities are as follows:

(a) Cash and deposits, receivables and payables

The carrying amounts of cash and deposits, current receivables and payables are reasonable approximation of fair values due to their short-term nature.

The fair value of land acquisition liabilities classified as non-current liabilities is estimated by discounting future cash flows using lending rates for similar types of arrangements.

(b) Short-term funds

Fair value of short-term funds is determined based on its quoted price.

(c) Loans and borrowings (including bank overdrafts)

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long-term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of fixed rate loans and borrowings are estimated by discounting future cash flows using lending rates for similar type of arrangements.

NOTES TO THE FINANCIAL STATEMENTS

41. FAIR VALUE MEASUREMENT (CONTINUED)

The carrying amounts and fair value of financial instruments, other than those whose carrying amounts are reasonable approximations of fair value, are as follows:

	Carrying amount RM'000	Fair value RM'000
Group		
2023		
Financial asset		
Short-term funds	642,737	642,737
	642,737	642,737
Financial liabilities		
Other payables	152,460	152,460
Fixed rate loans and borrowings	1,547,790	1,600,484
	1,700,250	1,752,944
2022		
Financial liabilities		
Other payables	289,674	289,674
Fixed rate loans and borrowings	1,047,181	1,056,473
	1,336,855	1,346,147
Company		
2023		
Financial asset		
Short-term funds	642,737	642,737
	642,737	642,737

All assets and liabilities for which fair value is measured or disclosed in the financial statements are in accordance with the fair value hierarchy as mentioned in Note 3.20 to the financial statements, based on the lowest level input that is significant to the fair value measurement as a whole.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments that are carried at fair value:

	Carrying amount RM'000	Fair value of financial instruments carried at fair value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
2023				
Current asset				
Short-term funds	642,737	642,737	-	-
	642,737	642,737	-	-

NOTES TO THE FINANCIAL STATEMENTS

41. FAIR VALUE MEASUREMENT (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments that are carried at fair value: (Continued)

	Carrying amount RM'000	Fair value of financial instruments carried at fair value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Company				
2023				
Current asset				
Short-term funds	642,737	642,737	-	-
	642,737	642,737	-	-

The following table provides the fair value measurement hierarchy of the Group's liabilities that are not carried at fair value:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
2023				
Non-current				
Other payables	152,460	-	-	152,460
Fixed rate loans and borrowings	1,298,008	-	-	1,343,739
	1,450,468	-	-	1,496,199
Current				
Fixed rate loans and borrowings	249,782	-	-	256,745
2022				
Non-current				
Other payables	289,674	-	-	289,674
Fixed rate loans and borrowings	997,222	-	-	1,006,684
	1,286,896	-	-	1,296,358
Current				
Fixed rate loans and borrowings	49,959	-	-	49,789

Policy on transfer between levels

The fair values of assets and liabilities to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 October 2023 and 31 October 2022, there were no transfers within the fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

42. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management policy is to ensure that they maintain a healthy capital ratio in order to support their businesses, enable future development and maximise shareholders' value.

The Company reviews and manages the capital structure of each group entity regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in their business operations. 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 of the Group, which is net debt divided by total equity attributable to owners of the Company. Net debt comprises loans and borrowings, hire purchase liabilities and bank overdrafts less short-term funds, and cash and deposits. This ratio is used to assess the appropriateness of the Group's and of the Company's debt levels.

At the end of the financial year, the gearing ratios for the Group are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Loans and borrowings (Note 20)	2,531,603	2,783,299
Hire purchase (included in lease liabilities) (Note 21)	-	48
Bank overdrafts (Note 25)	9,232	21,432
Less:		
Short-term funds (Note 17)	(642,737)	-
Cash and deposits (Note 18)	(713,827)	(1,335,962)
Net debt	1,184,271	1,468,817
Total equity attributable to owners of the Company	4,773,527	4,738,471
Net gearing ratio	0.25	0.31

The Company and certain subsidiaries are required to comply with debt equity ratios in respect of their term loans, bridging loans, Sukuk, medium term notes and revolving credit facilities. The Group has complied with these debt equity ratios.

NOTES TO THE FINANCIAL STATEMENTS

43. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 6 September 2023, EBP 6 entered into a conditional sale and purchase agreement with IOI Prima Property Sdn. Bhd. to purchase approximately 403.7826 acres of freehold land located in Mukim Senai, Daerah Kulai, Negeri Johor for a purchase consideration of RM211.07 million to be settled in cash.

The land acquisition was completed on 18 January 2024.

- (b) On 18 January 2024, Eco Botanic 3 entered into the following agreements:

- (i) a conditional development agreement ("Development Agreement") with Permodalan Darul Ta'zim Sdn. Bhd. ("PDT") where PDT agreed to nominate Eco Botanic 3 to purchase 13 parcels of freehold land with an aggregate land area of approximately 240.314 acres, all located in Mukim Pulau, Daerah Johor Bahru, Negeri Johor ("New Land") from River Retreat Sdn. Bhd. ("RRSB") and for Eco Botanic 3 to develop the New Land; and
- (ii) a conditional sale and purchase agreement ("SPA") with RRSB for Eco Botanic 3 to acquire the New Land from RRSB for a purchase consideration of RM450.13 million to be paid on a staggered basis.

The Development Agreement shall become unconditional on the date when the SPA becomes unconditional (i.e. when all the conditions precedent in the SPA are fulfilled). As at the date of this report, the SPA is pending fulfilment of its conditions precedent.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **DATO' CHANG KHIM WAH** and **LIEW TIAN XIONG**, being two of the directors of ECO WORLD DEVELOPMENT GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 113 to 196 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2023 and of their financial performance and cash flows for the financial year then ended.

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

DATO' CHANG KHIM WAH

Director

LIEW TIAN XIONG

Director

Kuala Lumpur

Date: 7 February 2024

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **DATUK HEAH KOK BOON**, being the Chief Financial Officer primarily responsible for the financial management of ECO WORLD DEVELOPMENT GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 113 to 196 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

MIA: 9571

Chief Financial Officer

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 7 February 2024.

Before me,

AHMAD ZAMRI BIN ASA'AD KHUZAMI

W 754

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World Development Group Berhad, which comprise the statements of financial position as at 31 October 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 113 to 196.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2023 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Impairment assessment of investment in joint ventures (Note 4.1 and Note 10 to the financial statements)

The Group's policy is to assess its investment in joint ventures at the end of the reporting period for any objective evidence that the investment may be impaired as a result of one or more events that have occurred. Where there is objective evidence of impairment, the Group determines its share of the present value of the estimated future cash flows expected to be generated by the joint venture. In estimating the present value of the estimated cash flows, the Group is to apply a suitable discount rate and make assumptions underlying the cash flow projections such as future sales of development properties and future costs of development.

The Group has performed an impairment assessment on an investment based on its share of the present value of the estimated future cash flows expected to be generated by the joint venture. During the financial year, an impairment loss of RM82,000,000 was recognised on investment in the joint venture.

We focused on this area because the Group's determination of recoverable amount requires the exercise of significant judgement to be made by the Directors especially in determining the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Key Audit Matters (Continued)

Group (Continued)

Impairment assessment of investment in joint ventures (Note 4.1 and Note 10 to the financial statements) (Continued)

Our audit response:

Our audit procedures included, among others:

- discussing with the Group the appropriateness of the recoverable amount and the valuation methodology adopted by the Group;
- comparing the Group's key assumptions against our understanding gathered from the review of component auditors' work papers, discussion with component management and external data, if any; and
- testing the mathematical accuracy of the impairment assessment.

Capitalisation of borrowing costs (Note 4.2 and Note 7 to the financial statements)

The Group's policy is to capitalise borrowing costs that are directly attributable to the development of qualifying inventories as part of the cost of those assets. The Group's policy is to begin the capitalisation of borrowing costs when it has incurred the borrowing costs and continues to undertake activities that are necessary to prepare the asset for its intended use or sale.

We focus on this area because there is significant judgement required to be made by the Directors in the basis adopted in the capitalisation of borrowing costs.

Our audit response:

Our audit procedures included, among others:

- discussing with the Group the nature of any infrastructure, technical and administrative works that were carried out on future phases and sighting to relevant supporting documents, if any;
- reading selected loan agreements to note the purpose of loans; and
- checking the calculation of borrowing costs capitalised by reading the inputs used in the calculation such as interest rates and principal amounts.

Recognition of property development revenue (Note 4.3 and Note 26 to the financial statements)

The Group's policy is to recognise property development revenue in profit or loss based on the progress towards complete satisfaction of performance obligations. The progress towards complete satisfaction of performance obligations is to be determined by the proportion that property development costs incurred for work performed to-date bear over the estimated total property development costs.

We focused on this area because significant judgement is required to be made by the Group, in particular with regards to determining the progress towards satisfaction of performance obligations, the extent of the property development costs incurred, the estimated total property development revenue (including estimated variable consideration) and costs, as well as the recoverability of the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Key Audit Matters (Continued)

Group (Continued)

Recognition of property development revenue (Note 4.3 and Note 26 to the financial statements) (Continued)

Our audit response:

Our audit procedures included, among others:

- understanding the Group's process in preparing or updating project budget and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project managers;
- discussing with the Group and understanding the estimates made by the Group in relation to delivery period of selected projects;
- discussing with the Group the reasonableness of computed progress towards complete satisfaction of performance obligations for identified projects against architect or consultant certificate; and
- checking the mathematical computation of revenue recognised for selected projects during the financial year.

Company

Impairment assessment of investment in subsidiaries (Note 4.4 and Note 8 to the financial statements)

The Company's policy is to assess impairment of its investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Where such indication exists, the Company is to determine the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries. In estimating the present value of the estimated cash flows, the Company is to apply a suitable discount rate and make assumptions underlying the cash flow projections such as expected revenue from sales of properties.

During the financial year, an impairment loss on investment in a subsidiary of RM94,000,000 was recognised in profit or loss.

We focused on this area because the Company's determination of indication of impairment and impairment assessment requires the exercise of significant judgement.

Our audit response:

Our audit procedures included, among others:

- discussing the appropriateness of the valuation methodology at recoverable amount as adopted by the Company;
- understanding the key assumptions used by the Company in relation to cash flow projection; and
- testing the mathematical accuracy of the impairment assessment.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA & AF 0117)
Chartered Accountants

Dato' Lock Peng Kuan
02819/10/2024 J
Chartered Accountant

Kuala Lumpur
Date: 7 February 2024

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

AS AT 31 OCTOBER 2023

i) Details of the development properties held by the Group are as follows:

No	Location	Project Name	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Majestic	Inventories	25-Apr-14	7,755,580	Freehold	863,109
2	Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor Darul Ehsan	Eco Sanctuary	Inventories	19-Mar-14	2,696,290	Leasehold <i>Expiring: Year 2110</i>	478,727
3	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Summer & Eco Spring	Inventories	25-Apr-14	3,271,459	Freehold	458,198
4	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Eco Botanic	Inventories	25-Apr-14	2,152,986	Freehold	448,180
5	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park 1	Inventories	25-Apr-14	7,181,271	Freehold	374,960
6	Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Eco Tropics & Eco Business Park 3	Inventories	1994	22,745,683	Freehold	371,924
7	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Forest	Inventories	02-Jul-14	3,533,387	Freehold	311,308
8	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park 2	Inventories	25-Apr-14	1,661,409	Freehold	206,531
9	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Eco Botanic 2	Inventories	15-Dec-19	1,358,253	Freehold	198,676
10	Mukim 14, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Meadows	Inventories	25-Apr-14	673,697	Freehold	108,220

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

AS AT 31 OCTOBER 2023

ii) Details of the development properties held by joint ventures of the Group are as follows:

No	Joint Ventures/ Location	Project Name	Description	Date of Acquisition	Group's Effective Share	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)#
1	Paragon Pinnacle Sdn Bhd Mukim Ijok, Daerah Kuala Selangor, Selangor Darul Ehsan	Eco Grandeur & Eco Business Park 5	Inventories	22-Sep-15	60%	31,861,942	Leasehold Expiring: Year 2098/ 2100/2101/ 2117/2118	1,982,496
2	BBC Development Sdn Bhd Section 56, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Bukit Bintang City Centre	Inventories	04-Feb-15	40%	161,306	Leasehold Expiring: Year 2110/ 2111	1,843,183
3	Eco Horizon Sdn Bhd Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Horizon & Eco Sun	Inventories	28-Jun-16	60%	9,638,184	Freehold	1,190,403
4	Eco Ardence Sdn Bhd Mukim Bukit Raja, Daerah Petaling, Selangor Darul Ehsan	Eco Ardence	Inventories	06-May-06	50%	4,822,510	Freehold	564,262

These amounts represent 100% of the net book value of the properties held by the respective joint ventures

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Shareholdings

No. of shares issued	2,944,369,381
Class of shares	Ordinary Shares
Voting rights	One vote per ordinary share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	121	0.76	2,216	0.00
100 - 1,000	2,702	17.03	1,661,861	0.06
1,001 - 10,000	9,105	57.38	44,897,022	1.52
10,001 - 100,000	3,333	21.01	99,454,481	3.38
100,001 to less than 5% of issued shares	603	3.80	1,605,447,057	54.53
5% and above of issued shares	3	0.02	1,192,906,744	40.51
Total	15,867	100.00	2,944,369,381	100.00

Top Thirty (30) Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1	Sinarmas Harta Sdn. Bhd.	589,919,015	20.04
2	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	380,000,000	12.91
3	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Kee Sin	222,987,729	7.57
4	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Jernih Padu Sdn. Bhd.	135,750,000	4.61
5	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	110,000,000	3.74
6	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	105,713,000	3.59
7	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	87,500,000	2.97
8	Sigma Seleksi Sdn. Bhd.	83,892,700	2.85
9	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	66,780,601	2.27
10	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	65,500,000	2.22

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Top Thirty (30) Largest Shareholders (Continued)

No.	Name of Shareholders	No. of Shares	%
11	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Kee Sin	54,000,000	1.83
12	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An for AIA Bhd.	50,030,500	1.70
13	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	48,823,600	1.66
14	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Lim Wee Chai (PB)	43,250,000	1.47
15	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Liew Tian Xiong (PB)	39,000,000	1.32
16	Nik Sazlina Binti Mohd Zain	22,952,000	0.78
17	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (Nomura)	20,841,000	0.71
18	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Citibank New York (Norges Bank 19)	20,245,060	0.69
19	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	18,000,000	0.61
20	Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Life Insurance Berhad (Growth)	16,367,800	0.56
21	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	13,487,900	0.46
22	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An for UBS Switzerland AG (MY-RES)	13,000,000	0.44
23	HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd. for Principal Dali Equity Growth Fund	12,778,800	0.43
24	Amanahraya Trustees Berhad - Amanah Saham Malaysia	11,308,200	0.38
25	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund	10,993,700	0.37
26	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for How Teng Teng (Liew Tian Xiong)	10,000,000	0.34
27	Amanahraya Trustees Berhad - PMB Shariah Growth Fund	10,000,000	0.34
28	How Teng Teng	10,000,000	0.34
29	Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Life Insurance Berhad (Dana Ekt Prima)	9,841,400	0.33
30	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	8,996,600	0.31
Total		2,291,959,605	77.84

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Substantial Shareholders

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Sinarmas Harta Sdn. Bhd.	969,919,015	32.94	-	-
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	378,125,439 ⁽¹⁾	12.84
Eco World Development Holdings Sdn. Bhd.	219,875,439	7.47	-	-
Liew Tian Xiong	216,027,601	7.34	210,000 ⁽²⁾	0.01
Puan Sri Datin Sri How Teng Teng	22,500,000	0.76	135,750,000 ⁽³⁾	4.61
Dato' Leong Kok Wah	-	-	1,189,794,454 ⁽⁴⁾	40.41
Syabas Tropikal Sdn. Bhd.	-	-	969,919,015 ⁽⁵⁾	32.94

Notes:

⁽¹⁾ Deemed interest by virtue of his interests in Jernih Padu Sdn. Bhd. and Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("**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 interest in Tian Yuan Capital Sdn. Bhd. pursuant to Section 8 of the Act.

⁽³⁾ Deemed interest by virtue of her interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Act.

⁽⁴⁾ 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.

⁽⁵⁾ Deemed interest by virtue of its interest in Sinarmas Harta Sdn. Bhd. pursuant to Section 8 of the Act.

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Directors' Shareholdings

Name	No. of Ordinary Shares held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	-	-
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	378,125,439 ⁽¹⁾	12.84
Dato' Leong Kok Wah	-	-	1,189,794,454 ⁽²⁾	40.41
Dato' Chang Khim Wah	8,650,000	0.29	-	-
Liew Tian Xiong	216,027,601	7.34	210,000 ⁽³⁾	0.01
Low Mei Ling	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Mrs. Lucy Chong	-	-	-	-
Sar Sau Yee	-	-	15,000 ⁽⁴⁾	0.00
Dato' Seri Rosman Bin Mohamed	-	-	-	-
Ng Soon Lai @ Ng Siek Chuan	-	-	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-

Notes:

⁽¹⁾ Deemed interest by virtue of his interests in Jernih Padu Sdn. Bhd. and Eco World Development Holdings 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 Tian Yuan Capital 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.

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Warrant Holdings

No. of warrants issued	588,873,836
Exercise price	RM1.16
Expiry date	12 April 2029

Distribution of Warrant Holders

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	1,397	10.15	48,952	0.01
100 - 1,000	6,632	48.19	3,515,708	0.60
1,001 - 10,000	4,714	34.25	14,856,084	2.52
10,001 - 100,000	805	5.85	25,863,737	4.39
100,001 to less than 5% of issued warrants	210	1.53	261,285,007	44.37
5% and above of issued warrants	4	0.03	283,304,348	48.11
Total	13,762	100.00	588,873,836	100.00

Top Thirty (30) Largest Warrant Holders

No.	Name of Warrant Holders	No. of Warrants	%
1	Sinarmas Harta Sdn. Bhd.	117,983,803	20.04
2	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	76,000,000	12.91
3	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Kee Sin	55,397,545	9.41
4	Kong Goon Khing	33,923,000	5.76
5	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Jernih Padu Sdn. Bhd.	27,150,000	4.61
6	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	22,000,000	3.74
7	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	17,500,000	2.97
8	Sigma Seleksi Sdn. Bhd.	16,778,540	2.85
9	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	13,356,120	2.27
10	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Lim Wee Chai (PB)	13,250,000	2.25

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Top Thirty (30) Largest Warrant Holders (Continued)

No.	Name of Warrant Holders	No. of Warrants	%
11	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	11,800,000	2.00
12	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	9,564,720	1.62
13	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Liew Tian Xiong (PB)	7,800,000	1.32
14	Ang Ai Tho	4,587,700	0.78
15	Eng Hock Yeong	4,239,500	0.72
16	Tan Kim Wah	3,691,460	0.63
17	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	3,600,000	0.61
18	Malacca Securities Sdn. Bhd. - IVT (017) TEAM MK01	3,600,000	0.61
19	Loong Ching Hong	3,525,000	0.60
20	Lee Mee Kuen	3,200,000	0.54
21	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	3,105,300	0.53
22	Teh Lip Kim	3,044,600	0.52
23	Khong Heng Jian	3,000,000	0.51
24	Tham Kah Fook	2,162,700	0.37
25	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for How Teng Teng (Liew Tian Xiong)	2,000,000	0.34
26	How Teng Teng	2,000,000	0.34
27	Yeo Kiah Chin	2,000,000	0.34
28	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Choo Gee Chang	1,800,000	0.31
29	Chang Khim Wah	1,730,000	0.29
30	Kong Goon Khing	1,590,500	0.27
Total		471,380,488	80.05

STATISTICS ON SECURITIES

AS AT 16 JANUARY 2024

Directors' Warrant Holdings

Name	No. of Warrants held			
	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	-	-
Tan Sri Dato' Sri Liew Kee Sin	55,397,545	9.41	76,145,087 ⁽¹⁾	12.93
Dato' Leong Kok Wah	-	-	238,478,890 ⁽²⁾	40.50
Dato' Chang Khim Wah	1,730,000	0.29	-	-
Liew Tian Xiong	43,156,120	7.33	-	-
Low Mei Ling	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Mrs. Lucy Chong	-	-	-	-
Sar Sau Yee	-	-	3,000 ⁽³⁾	0.00
Dato' Seri Rosman Bin Mohamed	-	-	-	-
Ng Soon Lai @ Ng Siek Chuan	-	-	-	-
Datuk Heah Kok Boon	321,860	0.05	-	-

Notes:

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fiftieth Annual General Meeting ("**50th AGM**") of Eco World Development Group Berhad (Registration No. 197401000725 (17777-V)) ("**Company**") will be held as a virtual meeting at the following date, time and venue for the following purposes:

Day and Date : Monday, 25 March 2024

Time : 3.00 p.m.

Broadcast Venue : EcoWorld Gallery @ Eco Grandeur, Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia

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

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 October 2023 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note 1
- To approve the payment of Directors' Remuneration (including Directors' Fees) for the financial year ended 31 October 2023 ("**FY2023**") and up to the date of the next Annual General Meeting of the Company ("**AGM**").
Please refer to Explanatory Notes 2(i), 2(ii) and 2(iii)
Ordinary Resolution 1
- To re-elect the following Directors who are retiring by rotation in accordance with Article 126 of the Constitution of the Company ("**Constitution**"), and being eligible, have offered themselves for re-election:
(i) Tan Sri Dato' Sri Liew Kee Sin ("**Tan Sri Liew**"); and
(ii) Madam Lim Hiah Eng ("**Mrs. Lucy Chong**").
Please refer to Explanatory Note 3
Ordinary Resolution 2
Ordinary Resolution 3
- To re-elect Mr. Ng Soon Lai @ Ng Siek Chuan ("**Mr. Ng**") who is retiring in accordance with Article 123 of the Constitution, and being eligible, has offered himself for re-election.
Please refer to Explanatory Note 3
Ordinary Resolution 4
- To re-appoint Messrs. Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note 4
Ordinary Resolution 5

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications:

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

Ordinary Resolution 6

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 2024 ("**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 general meeting, 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 6.

Please refer to Explanatory Note 5

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

Ordinary Resolution 7

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

NOTICE OF ANNUAL GENERAL MEETING

- (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 7 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 general meeting,

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.

Please refer to Explanatory Note 6

NOTICE OF ANNUAL GENERAL MEETING

8. **Proposed payment of retirement gratuity to Dato' Noor Farida Binti Mohd Ariffin ("Dato' Noor Farida")**

Ordinary Resolution 8

THAT approval be and is hereby given for the Company to pay a retirement gratuity amounting to RM100,000 to Dato' Noor Farida, an Independent Non-Executive Director of the Company, who will retire from the Board after the conclusion of the 50th AGM, in recognition and appreciation of her service and contribution to the Company.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient to give full effect to this Ordinary Resolution 8.

Please refer to Explanatory Note 2(iv)

9. To transact any other business of which due notice has been given.

By Order of the Board

Chua Siew Chuan (SSM PC No. 201908002648) (MAICSA 0777689)

Tan Ley Theng (SSM PC No. 201908001685) (MAICSA 7030358)

Company Secretaries

Kuala Lumpur
23 February 2024

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Report and Audited Financial Statements

The Report and Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders. Hence, this Agenda item is not put forward for voting.

2. Payment of Directors' Remuneration (including Directors' Fees) and Retirement Gratuity

Section 230(1) of the Act requires that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at the 50th AGM for the payment of Directors' Remuneration (including Directors' Fees) for FY2023 and up to the date of the next AGM as well as the payment of Retirement Gratuity to an Independent Director retiring at the 50th AGM.

The Non-Executive Directors of the Company ("**NEDs**") are entitled to annual Directors' Fees based on the following structure ("**Fee Structure of the NEDs**"):

No.	Description	Chairman (RM)	Founder (RM)	Member (RM)
1.	Board	217,600 ¹	166,400	128,000
2.	Audit Committee (" AC ")	51,200	N/A	25,600
3.	Investment Committee	25,600	N/A	12,800
4.	Nomination Committee (" NC ")	25,600	N/A	12,800
5.	Remuneration Committee (" RC ")	25,600	N/A	12,800
6.	Whistleblowing Committee (" WC ")	25,600	N/A	12,800

Note:

¹ The fee payable to Chairman of the Board refers to Non-Executive Chairman. Hence, Tan Sri Liew is not entitled to the fee.

The NEDs are also entitled to Directors' remuneration based on the Directors' Remuneration structure ("**Remuneration Structure of the NEDs**"), comprising the following:

Description	Amount
Allowance for meeting attendance	RM2,000 per meeting
Security fees for Non-Independent Non-Executive Directors	Up to RM232,000

The amount of annual Directors' Fees payable is calculated based on the Fee Structure of the NEDs, which is the same structure approved by the shareholders at the 49th AGM held on 30 March 2023 ("**49th AGM**").

The amount of the meeting attendance allowance payable per meeting and the estimated total amount of security fees payable, remains the same as the amount approved by the shareholders at the 49th AGM.

NOTICE OF ANNUAL GENERAL MEETING

2. Payment of Directors' Remuneration (including Directors' Fees) and Retirement Gratuity (Continued)

(i) Directors' Fees for FY2023

The Directors' Fees amounting to RM1,393,691, payable to the following NEDs was for their services rendered to the Company for FY2023:

No.	Director	Fee (RM)
1.	Tan Sri Abdul Rashid Bin Abdul Manaf	166,400
2.	Dato' Leong Kok Wah	128,000
3.	Mr. Tang Kin Kheong ¹	84,164
4.	Dato' Haji Obet Bin Tawil ²	57,863
5.	Dato' Noor Farida Binti Mohd Ariffin	192,000
6.	Madam Low Mei Ling	217,600
7.	Madam Lim Hiah Eng (Mrs. Lucy Chong)	171,029
8.	Ms. Sar Sau Yee	162,858
9.	Dato' Seri Rosman Bin Mohamed	158,229
10.	Mr. Ng Soon Lai @ Ng Siek Chuan ³	55,548

Notes:

¹ Retired as Senior Independent Non-Executive Director of the Company on 30 March 2023.

² Retired as Independent Non-Executive Director of the Company on 30 March 2023.

³ Appointed as Independent Non-Executive Director of the Company on 22 June 2023.

(ii) Directors' Fees for financial year ending 31 October 2024 ("FY2024")

The Board had recommended for the payment of Directors' Fees to be made on current-year basis beginning from FY2024. The amount of Directors' Fees payable for FY2024 will be derived from the Fee Structure of the NEDs as detailed above.

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' Fees to the NEDs on a half-yearly basis in arrears based on the Fee Structure of the NEDs for their services rendered to the Company for FY2024.

(iii) Directors' Remuneration (excluding Directors' Fees) for FY2024 and up to the date of the next AGM

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' Remuneration (excluding Directors' Fees) to the NEDs based on the Remuneration Structure of the NEDs as detailed above, as and when incurred, commencing from FY2024 and up to the date of the next AGM.

(iv) Retirement Gratuity

Dato' Noor Farida was appointed to the Board on 20 March 2015 as Independent Non-Executive Director and will retire at the conclusion of the 50th AGM, which is in line with Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG"), whereby independent directors are not encouraged to serve for more than nine years. She is currently the Chairperson of RC, a member of the AC and NC, and has previously served as a member of WC.

Dato' Noor Farida has been with the Company since the early days and has played significant roles in providing the necessary board guidance and oversight underpinning all that EcoWorld Malaysia Group has achieved to date.

The proposed payment of retirement gratuity was in recognition of her commitment, dedication and contribution to the Board and Board Committees.

NOTICE OF ANNUAL GENERAL MEETING

3. Re-election of Directors

Tan Sri Liew and Mrs. Lucy Chong, who retire in accordance with Article 126 of the Constitution, together with Mr. Ng, who retires in accordance with Article 123 of the Constitution (collectively referred to as "**Retiring Directors**"), being eligible, have offered themselves for re-election.

Dato' Noor Farida who retires in accordance with Article 126 of the Constitution has expressed her intention not to seek re-election as mentioned in Explanatory Note 2(iv) above. Hence, she will hold office as Director until the conclusion of the 50th AGM.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at this 50th AGM and in line with Practice 5.1 of the MCCG, the NC has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors for FY2023.

The NC had recommended that, the Retiring Directors to be re-elected based on the following:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the independent directors; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board had endorsed the recommendation of the NC on the above re-election.

The profiles of the Retiring Directors are stated on pages 70, 73 and 75 of the Integrated Annual Report 2023 of the Company.

4. Re-appointment of Auditors

The AC has assessed the suitability, effectiveness and independence of Baker Tilly from the annual assessment and was satisfied with their independence and performance. The AC had recommended the re-appointment of Baker Tilly as external auditors of the Company to the Board for their recommendation to the shareholders for re-appointment at the 50th AGM until the conclusion of the next AGM.

The Board, at the recommendation of the AC, endorsed the re-appointment of Baker Tilly as external auditors of the Company for FY2024, to be presented to the shareholders for approval.

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

The proposed Ordinary Resolution 6, if passed, will enable EcoWorld Malaysia Group to enter into recurrent transactions of a revenue or trading nature involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. Please refer to Part A of the Document for further information.

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

The proposed Ordinary Resolution 7, if passed, will empower the Board to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next AGM. Please refer to the Share Buy-Back Statement set out in Part B of the Document for further information.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The 50th AGM will be conducted virtually through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E-Solutions Sdn. Bhd. via Securities Services e-Portal ("**SS e-Portal**") at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 50th AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act and Article 81 of the Constitution which require the Chairman of the Meeting to be present at the main venue of the Meeting. **Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 50th AGM.**
3. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 March 2024 shall be eligible to participate at the 50th AGM.
4. A member entitled to participate and vote at the 50th AGM is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate and vote at the 50th AGM shall have the same rights as the member to participate, speak and vote at the 50th AGM. Notwithstanding this, a member entitled to participate and vote at the 50th AGM is entitled to appoint any person as his/her proxy to participate and vote instead of the member at the 50th AGM. There shall be no restriction as to the qualifications of the proxy.

The members, proxies or corporate representatives may submit questions before the 50th AGM to the Chairman or the Board electronically by email to eservices@sshsb.com.my no later than Saturday, 23 March 2024 at 3.00 p.m. or via real time submission of typed texts through a text box within SS e-Portal at <https://sshsb.net.my/> before the start or during live streaming of the 50th AGM as the primary mode of communication.

5. 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.
6. 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 participate and vote at the 50th 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.
7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to participate and vote at a general meeting instead of him/her. Where an authorised nominee appoints two (2) proxies to participate and vote at the 50th 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.
8. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company no later than Saturday, 23 March 2024 at 3.00 p.m. or at any adjournment thereof:
 - (i) In Hardcopy Form
The Form of 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.
 - (ii) By Electronic Means
The Form of Proxy must be electronically lodged via SS e-Portal at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.
9. If a member of the Company has appointed a proxy to participate at the 50th AGM and subsequently, wishes to either appoint another proxy or personally participate at the 50th AGM, the member must revoke the appointment of his proxy by email to eservices@sshsb.com.my, no later than Saturday, 23 March 2024 at 3.00 p.m.

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ECOWORLD

CREATING TOMORROW & BEYOND

ECO WORLD DEVELOPMENT GROUP BERHAD

(Registration No. 197401000725 (17777-V))

(Incorporated in Malaysia)

CDS Account No.	No. of Shares Held

FORM OF PROXY

I/We, _____ NRIC/Passport/Registration No. _____
(NAME IN FULL AND IN BLOCK LETTERS)

Contact No. _____ of _____
(FULL ADDRESS)

being a member/members of **ECO WORLD DEVELOPMENT GROUP BERHAD** ("**Company**"), hereby appoint:

FIRST PROXY

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Contact No./Email Address	
Full Address	Proportion of Shareholdings		
	No. of Shares	%	

and **SECOND PROXY** (as the case may be)

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Contact No./Email Address	
Full Address	Proportion of Shareholdings		
	No. of Shares	%	

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 Fiftieth Annual General Meeting ("**50th AGM**") of the Company to be held as a virtual meeting at the Broadcast Venue at EcoWorld Gallery @ Eco Grandeur, Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia via Securities Services e-Portal at <https://sshbsb.net.my/> on Monday, 25 March 2024 at 3.00 p.m. or at any adjournment thereof for/against the resolutions to be proposed thereat.

No.	Ordinary Resolutions	For	Against
1.	Approval for the payment of Directors' Remuneration (including Directors' Fees)		
2.	Re-election of Tan Sri Dato' Sri Liew Kee Sin		
3.	Re-election of Madam Lim Hiah Eng (Mrs. Lucy Chong)		
4.	Re-election of Mr. Ng Soon Lai @ Ng Siek Chuan		
5.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company		
6.	Approval for the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
7.	Approval for the proposed renewal of Share Buy-Back Authority		
8.	Approval for the payment of Retirement Gratuity		

(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.)

Signed this _____ day of _____, 2024

Signature of Member/Common Seal

Fold this flap for sealing

Then fold here

Affix Stamp

Securities Services (Holdings) Sdn. Bhd.
(Registration No. 197701005827 (36869-T))

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

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Eco World Development Group Berhad (197401000725 (17777-V))

Menara The Stride, BBCC, 2, Jln Hang Tuah, Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan

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