ECOWORLD
INTERNATIONAL
CREATING TOMORROW & BEYOND

ANNUAL REPORT **2019**

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.

MISSION

- Create world-class eco-living by providing products and services that continue to exceed expectations
- Generate and 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

ABOUT THIS REPORT

01 GUIDING FRAMEWORK

This Annual Report ("**AR**") is guided by the requirements of the Malaysian Code on Corporate Governance 2017, Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Global Reporting Initiative Standards. Our Group adheres to the principles of good governance, such as ensuring the reliability and completeness of the information presented in this AR. We are committed towards adopting the International Integrated Reporting Framework for our next AR.

02 ASSURANCE

This AR was reviewed by the Audit Committee and Risk Management Committee to ensure that it complies with the requirements and fairly represents our Group's performance. This report was subsequently approved by the Board and the External Auditors expressed an unqualified opinion on the financial report and statements.

03 REPORTING SCOPE AND BOUNDARIES

The information in this AR covers the 2019 financial year (1 November 2018 to 31 October 2019) and encompasses all business operations of Eco World International Berhad, over which we have full control, and annual performance of our subsidiaries, unless stated otherwise. All significant items have been reported on a like-for-like basis; no major restatements were performed. This AR should be read together with the information available on our website www.ecoworldinternational.com for a comprehensive overview of the Group.

04 USE OF FORWARD-LOOKING STATEMENTS

Throughout this AR, we have used forward-looking statements that relate to the plans, objectives, goals, strategies, future operations and performance of our Group. Such statements usually contain words like 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'should', 'would' and 'will', amongst others. Our Group makes no express or implied representation or warranty that the results anticipated by these forward-looking statements will be achieved. We are under no obligation to update either these forward-looking statements or the historical information presented in this AR.

HOW WE CAN FURTHER IMPROVE

We believe in maintaining meaningful and frequent discourses with our stakeholders throughout the year. Such engagements not only serve to build trust, but also improve the effectiveness of our strategy development with timely and relevant adjustments as required in response to new developments in our operating environment. As such, we greatly value feedback and would welcome your enquiries on our reporting. Please contact Communications team at ewi@ecoworldinternational.com.

Go paperless to help our environment. Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code.

INSIDE THIS REPORT

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05 ADDITIONAL INFORMATION

Printed on environmentally friendly paper

MILESTONES

NOVEMBER 2018

Acquired 25 apartment units in Macquarie Park

DECEMBER 2018

Exchanged Sales and Purchase Agreement for Kew and Barking Wharf Build-to-Rent deal

MARCH & APRIL 2019

Both Wardian London towers topped out

APRIL 2019

Launch of Verdo – Kew Bridge sales gallery

APRIL 2019

Launch of Millbrook Park Phase 2

MAY 2019

Darby's opened in Embassy Gardens

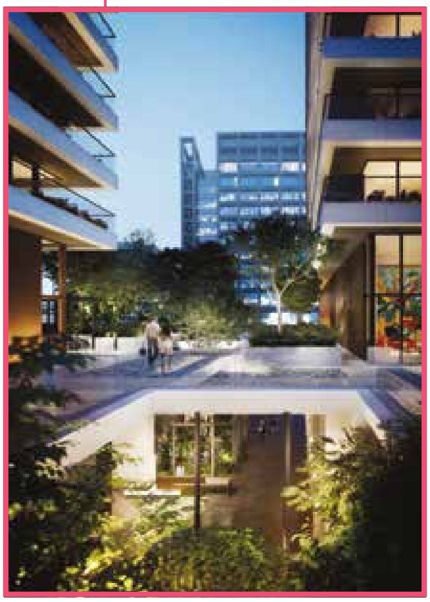
MAY 2019

Acquired four apartment units in Macquarie Park and commenced strata renewal process

MAY – AUGUST 2019

Completion of London City Island Blocks B, C, E

JULY 2019



Heads of terms agreed with Alan Yau (Michelin starred restaurateur) for a Chinese restaurant in Wardian London

JULY 2019

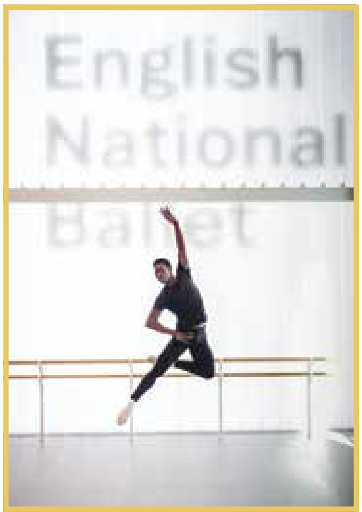
Kew and Barking Wharf achieved First Golden Brick

AUGUST 2019

Embassy Gardens A05 commenced handover

SEPTEMBER 2019

Official opening of English National Ballet at London City Island



PROJECT OVERVIEW

GDV
GBP4.8 BILLION

1	3	5	7	9
THE CLAVES	BARKING WHARF PHASE 1	NANTLY HOUSE	VERDO	EALING
The Claves in Millbrook Park, North London	Barking Wharf Phase 1 in East London	Nantly House in Hounslow, West London	Verdo-Kew Bridge in Brentford, West London	Ealing in West London
2	4	6	8	10
PRIME PLACE KENSAL RISE W10	BARKING WHARF PHASE 2	ABERFELDY VILLAGE	WOKING	TULSE HILL
Kensal Rise & Maida Hill in North West London	Barking Wharf Phase 2 in East London	Aberfeldy Village in East India Docks, East London	Woking in Surrey, South East England	Tulse Hill in Lambeth, South London

GDV
AUD716 MILLION

CUMULATIVE SALES
RM12.0 BILLION

EFFECTIVE FUTURE REVENUE
RM5.0 BILLION

11 ACTON LODGE
Acton Lodge in Hounslow, West London

13 LONDON CITY ISLAND
London City Island on the Leamouth Peninsula, East London

15 Eg
Embassy Gardens in Nine Elms, South West London

17 WEST VILLAGE PARRAMATTA
West Village in Parramatta, Sydney

12 TWO BRIDGES
Two Bridges in Hounslow, West London

14 WARDIAN
Wardian London situated next to Canary Wharf, East London

16 YARRA ONE
Yarra One in South Yarra, Melbourne

18 MACQUARIE PARK
Macquarie Park in North Sydney

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Independent Non-Executive Director
Tan Sri Azlan Bin Mohd Zainol

Executive Vice Chairman/Executive Director
Tan Sri Dato' Sri Liew Kee Sin

President & Chief Executive Officer/Executive Director
Dato' Teow Leong Seng

Senior Independent Non-Executive Director
Cheah Tek Kuang

Non-Independent Non-Executive Directors
Dato' Voon Tin Yow
Choong Yee How
Cheng Hsing Yao

Independent Non-Executive Directors
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato' Siow Kim Lun
Dato' Kong Sooi Lin
Pauline Wong Wan Voon

AUDIT COMMITTEE

Dato' Siow Kim Lun (Chairman)
Tan Sri Azlan Bin Mohd Zainol
Dato' Kong Sooi Lin

NOMINATION AND REMUNERATION COMMITTEE

Cheah Tek Kuang (Chairman)
Tan Sri Azlan Bin Mohd Zainol
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato' Siow Kim Lun

RISK MANAGEMENT COMMITTEE

Cheah Tek Kuang (Chairman)
Tan Sri Azlan Bin Mohd Zainol
Dato' Teow Leong Seng
Pauline Wong Wan Voon

WHISTLEBLOWING COMMITTEE

Dato' Kong Sooi Lin (Chairperson)
Cheah Tek Kuang
Dato' Siow Kim Lun

COMPANY SECRETARIES

Tai Yit Chan (SSM PC No. 202008001023)
(MAICSA 7009143)
Tan Ai Ning (SSM PC No. 202008000067)
(MAICSA 7015852)

REGISTERED OFFICE

Suite 59, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : +603-3361 2552
Fax : +603-3341 3530

REGISTRAR

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7890 4700
Fax : +603-7890 4670

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
(Chartered Accountants)
Level 10, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7721 3388
Fax : +603-7721 3399

PRINCIPAL BANKERS

Bangkok Bank Berhad
CIMB Bank Berhad
DBS Bank Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Market)

WEBSITE

www.ecoworldinternational.com

STOCK NAME

EWINT (Ordinary Shares)
EWINT-WA (Warrants)

STOCK CODE

5283
5283WA

FINANCIAL HIGHLIGHTS

Year Ended	Audited 31 October 2019	Audited 31 October 2018 Restated	Audited 31 October 2017 Restated
FINANCIAL RESULTS (RM'000)			
Revenue	**478**	1,303	-
Profit/(Loss) before taxation	**190,305**	(15,303)	(68,024)
Profit/(Loss) attributable to owners of the Company	**187,004**	(11,230)	(69,808)
FINANCIAL POSITION (RM'000)			
Total cash, bank balances and deposits	**439,995**	436,960	992,388
Total assets	**4,362,843**	3,389,756	2,743,335
Total borrowings	**1,463,745**	836,078	128,597
Total net tangible assets	**2,585,010**	2,382,301	2,469,090
Share capital	**2,592,451**	2,592,451	2,592,451
Equity attributable to owners of the Company	**2,685,641**	2,475,021	2,575,407
FINANCIAL RATIOS			
Basic earnings/(loss) per share (sen)	**7.79**	(0.47)	(4.59)
Net assets per share attributable to owners of the Company (RM)	**1.12**	1.03	1.07
Return on equity (%)	**7.0**	(0.5)	(2.7)
Net gearing ratio (times)	**0.38**	0.16	-
Share price - High (RM)	**0.92**	1.15	1.36
Share price - Low (RM)	**0.61**	0.88	1.00

GROUP 2019 SUMMARY

	3 months ended 31 October 2019	3 months ended 31 July 2019	3 months ended 30 April 2019	3 months ended 31 January 2019
(RM'000)				
Revenue	**254**	224	-	-
Profit/(Loss) before tax	**120,583**	57,597	(11,994)	24,119
Profit/(Loss) attributable to owners of the Company	**118,291**	57,936	(11,981)	22,758
Share capital	**2,592,451**	2,592,451	2,592,451	2,592,451
Equity attributable to owners of the Company	**2,685,641**	2,388,038	2,488,998	2,510,615
Total assets	**4,362,843**	3,873,555	3,624,493	3,557,806
Total net tangible assets	**2,585,010**	2,290,612	2,391,285	2,423,193
Basic earnings/(loss) per share (sen)	**4.93**	2.41	(0.50)	0.95
Net assets per share attributable to owners of the Company (RM)	**1.12**	1.00	1.04	1.05

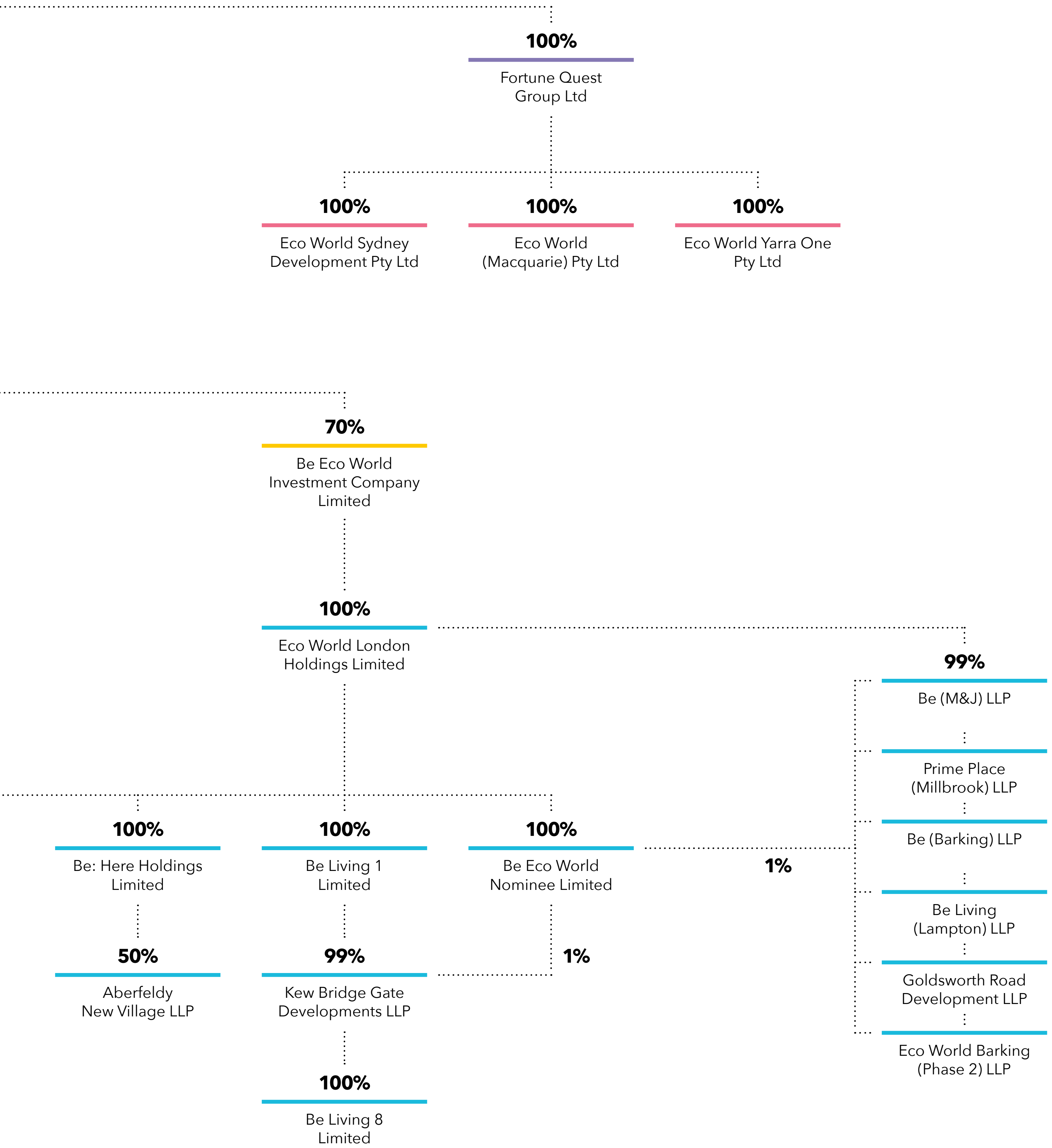
CORPORATE STRUCTURE

ECO WORLD INTERNATIONAL BERHAD

- **100%** Eco World Investment Co Ltd
  - **100%** Eco World ACE Co Ltd
    - **75%** Eco World-Ballymore Holding Company Limited
      - **100%** ACE Capital S.à.r.l
      - **100%** Eco World-Ballymore London City Island Company Limited
      - **100%** Eco World-Ballymore Embassy Gardens Company Limited
      - **100%** Eco World-Ballymore Arrowhead Quay Company Limited
  - **100%** Eco World International Marketing Sdn Bhd
  - **100%** Eco World Be Co Ltd
    - **70%** Eco World London Development Company Limited
- **75%** Eco World Management & Advisory Services (UK) Ltd

- **50%** Prime Place (Woking Goldsworth Road North) LLP
  - **0.1%** Prime Place (Woking Island Site) LLP
- **50%** Prime Place (Woking) LLP
  - **99.8%** Prime Place (Woking Island Site) LLP
- **100%** Barking Wharf Limited
- **100%** Kew Bridge Gate (BTR) Limited
- **100%** Be (M&J Retail) Limited

Incorporated in Malaysia
Incorporated in Australia
Incorporated in United Kingdom
Incorporated in Jersey
Incorporated in Luxembourg
Incorporated in British Virgin Islands


100%
Fortune Quest Group Ltd
100%
Eco World Sydney Development Pty Ltd
100%
Eco World (Macquarie) Pty Ltd
100%
Eco World Yarra One Pty Ltd
70%
Be Eco World Investment Company Limited
100%
Eco World London Holdings Limited
99%
Be (M&J) LLP
Prime Place (Millbrook) LLP
Be (Barking) LLP
Be Living (Lampton) LLP
Goldsworth Road Development LLP
Eco World Barking (Phase 2) LLP
100%
Be: Here Holdings Limited
50%
Aberfeldy New Village LLP
100%
Be Living 1 Limited
99%
Kew Bridge Gate Developments LLP
100%
Be Living 8 Limited
100%
Be Eco World Nominee Limited
1%
1%

CHAIRMAN'S STATEMENT

TAN SRI AZLAN BIN MOHD ZAINOL
Chairman/Independent Non-Executive Director

Despite a very challenging operating environment, Eco World International Berhad ("**EcoWorld International**") delivered record profits in Financial Year ("**FY**") 2019. Our results in FY2019 also reaffirmed our strategic direction to expand our presence in the London's mid-mainstream market and the fast-growing Build-to-Rent ("**BtR**") sub-sector.

CREATING HIGHLY SOUGHT-AFTER DEVELOPMENTS

FY2019 was another very busy year for EcoWorld International. There are 11 projects that are being actively developed across our portfolio. During FY2019, our team completed 6 residential blocks in London and delivered a total of 736 private units to our valued purchasers, bringing the total number of units handed over to 1,141 as at 31 October 2019.

Placemaking has been the guiding principle for all our development planning. Since our maiden launch in 2015, each of our projects has been planned to offer a new communal way to experience home living through improved transportation linkages, on-site amenities and lifestyle conveniences. Some of our projects also feature distinctive components, such as the Sky Pool in Embassy Gardens ("**EG**") and English National Ballet in London City Island ("**LCI**"). I am pleased to share that our efforts in placemaking are showing good results – all of our projects that have commenced handover are recording high occupancy rates of more than 95% on average and many of the units were tenanted within just a few weeks after handover.

The excellent occupancy rates achieved demonstrate our capabilities in delivering good quality and highly sought-after properties.

As we expand our presence in the mid-mainstream segment of the London market, vibrant settings of the completed projects will burnish our track record and lend confidence to our future purchasers, many of whom are owner-occupiers already familiar with the locality of our projects. This segment of the property market is becoming increasingly important for the Group.

In 2020, we expect the upper-mainstream and prime segments to remain challenging as a result of uncertainties arising from the negotiation of future trading relations between the United Kingdom ("**UK**") and the European Union ("**EU**"). Mid-mainstream, however, is expected to be less affected by these uncertainties as there is a significant undersupply of good quality homes in the segment.

The Group entered the mid-mainstream segment in 2018 when we acquired a 70% stake in Willmott Dixon Holdings Limited's ("**Willmott Dixon**") property development arm, now rebranded as EcoWorld London. The resilience of this market segment is evidenced by its open market sales ("**OMS**") performance at the height of Brexit concerns – in FY2019, 7 out of every 10 private units sold by the Group in London came from EcoWorld London projects.

Creating highly liveable enclaves is equally important to achieve our ambition of becoming a key BtR developer in the UK. The UK's BtR sector is at its infancy and is expected to grow rapidly in the next few years. We aim to capture a significant share of this growing market and it is therefore important for us to establish a reputation for building desirable homes that are able to attract quality tenants and generate good rental incomes. Our EcoWorld London team is working hard to market our upcoming BtR projects to potential investors and to identify additional sites that are suitable for BtR development. Entering into another major BtR deal is a key goal for our business in FY2020.

Down south in Australia, construction works for West Village and Yarra One are approaching completion. Being our maiden projects in Sydney and Melbourne, we are confident that they will showcase our capabilities in delivering highly-liveable properties to Australian home buyers. The Australian property market is showing some signs of recovery hence FY2020 will be an opportune time for us to sell the remaining units in the two ongoing projects as we start handing over the units to our purchasers. The positive shift in market sentiment is also timely as we progress with the development plan for Macquarie Park with a view towards launching the project by FY2022.

RECORD PROFITS IN FY2019

On the corporate front, I am pleased to share that our financial position has improved substantially following the recognition of record profits in FY2019. Based on our anticipated project completion timeline, I believe we will continue to report strong profit numbers in FY2020, which will pave the way for the Group to declare its maiden dividend for the upcoming financial year.

NEW APPOINTMENT & NOTES OF APPRECIATION

I would like to thank Dato' Seri Ahmad Johan Bin Mohammad Raslan, who retired from EcoWorld International's Board in March 2019, for his invaluable advice and insights, and immense contributions towards the Audit Committee. I would also like to welcome Dato' Kong Sooi Lin to the Board as an Independent Non-Executive Director.

In closing, I wish to express my sincere appreciation to all board members for their contributions. I also wish to thank the management team, employees, lenders and business associates for their efforts towards making FY2019 by far the best year in terms of profits for EcoWorld International. Our business will continue to face various challenges in FY2020 but I am confident that our strong foundation and solid business strategy will steer the Group towards another fruitful year in FY2020.

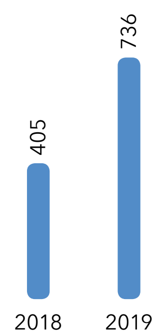
In FY2019, 7 out of every 10 private units sold by the Group in London came from EcoWorld London projects

PROFIT AFTER TAX

RM190 MILLION

Private Units Delivered

(Number of units delivered)



PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

DATO' TEOW LEONG SENG
President & Chief Executive Officer/
Executive Director

OVERVIEW

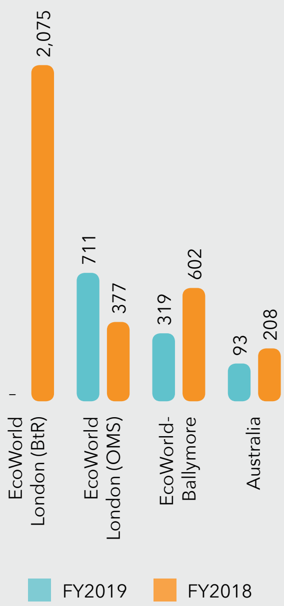
It has been slightly more than four years since we launched our maiden projects in the UK and Australia in 2015. I am pleased to share that we successfully handed over the 1,000th private unit to our purchaser in FY2019, following the completion of Block A05 of EG and Blocks B, C and E of LCI. As at 31 October 2019, the Group has five projects that have commenced handover (LCI, EG, Kensal Rise, Millbrook Park, and Aberfeldy Village) and keys to 1,141 residential units have been delivered to our purchasers.

Market conditions remained challenging in FY2019. The uncertainties arising from Brexit in the UK and policy continuity in Australia prior to its general election hampered home buyers' sentiment, causing many to defer their purchases. Nonetheless, the Group still achieved RM1.1 billion sales for FY2019, bringing the total cumulative sales since FY2015 to RM12 billion. The Group is also maintaining its two-year sales target of RM6 billion, to be achieved over the course of FY2019 and FY2020. Closing new BtR deals will be important for us to achieve the sales target.

FINANCIAL REVIEW

In local currency terms, EcoWorld International recorded GBP191 million and AUD32 million worth of sales in FY2019. Sales of mid-mainstream products (those priced from GBP500 psf to GBP800 psf) were stronger as a result of new launches and undersupply of good quality homes relative to demand. However, sales rates of the Group's higher-end products (priced from GBP800 psf to GBP 1,500 psf) in London were affected by Brexit-related uncertainties. Sales in Australia were also affected by tight lending standards and weak sentiments arising from policy uncertainties prior to the Australian Federal Election in May 2019.

Sales in FY2018 and FY2019
RM'mil



As at 31 October 2019, the Group has five projects that have commenced handover (LCI, EG, Kensal Rise, Millbrook Park, and Aberfeldy Village) and keys to 1,141 residential units have been delivered to our purchasers.

PROFIT & LOSS STATEMENT

The Group reported a profit after tax of RM190 million for the financial year under review, compared to a loss of RM10 million in FY2018 (pursuant to a restatement of the financial performance for FY2018 following adoption of a new accounting standard (MFRS 15) with effect from FY2019). Large handover of units at LCI and EG, as well as the commencement of recognition of BtR revenue in the UK were the key drivers for the much stronger performance in FY2019.

During the financial year, the Group recorded revenue of RM0.5 million, representing fees for marketing services provided by a subsidiary to the Group's joint-ventures ("**JVs**"). These fees were 63% lower compared to FY2018 as fewer of the JVs' new property sales were channeled through the Group's subsidiary. The Group's revenue figure does not include revenues generated by the Group's UK projects as these projects are developed through JVs and their associated earnings are reflected under our share of results from JVs. Revenue recorded by the Group's JVs totalled RM3.6 billion in FY2019, of which the Group's effective share (unconsolidated) amounted to RM2.7 billion.

Share of profits from JVs, which rose from RM71.7 million in FY2018 to RM296.4 million in FY2019, were derived from the 75%-owned EcoWorld-Ballymore ("**EWB**") and 70%-owned EcoWorld London. The Group's share of profits from EWB rose from RM85 million in FY2018 to RM260 million in FY2019, driven by higher number of units handed over in LCI and EG projects. Share of results from EcoWorld London also improved from a loss of RM14 million in FY2018 to a profit of RM36 million in FY2019 on the back of higher revenue recognition arising from the completion of Millbrook Park Phase 1 and Aberfeldy Village Phase 3A. EcoWorld London also began to recognise BtR revenue relating to Kew Bridge and Barking Wharf in FY2019. All these factors contributed to the stronger performance for the two JVs in FY2019 compared to FY2018.

Other income, which consists mainly of interest income, rose 57% to RM19 million due to higher average cash balances in FY2019 compared to FY2018. Sales and marketing expenses dropped 36% as we optimised our marketing activities in view of the already high take-up rates achieved by our Australian projects. As at 31 October 2019, on a collective basis, 85% of total units in West Village and Yarra One have been sold. Administrative and general expenses were also 21% lower than in FY2018 as a result of lower professional fees. The Group had incurred higher professional fees in FY2018 for the acquisition of the 70% stake in EcoWorld London.

Finance cost increased from RM8.8 million in FY2018 to RM57.8 million in FY2019 as the Group raised additional borrowings at the end of FY2018 to fund the development costs of our UK and Australian projects.

Kew Bridge, United Kingdom

West Village, Australia

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

BALANCE SHEET

Total assets grew 29% to RM4.4 billion mainly because of higher investments in JVs and higher inventories. Investments in JVs grew from RM194 million as at end-FY2018 to RM506 million as at end-FY2019, in line with the increase in JVs' net assets following recognition of profits during FY2019. The Group's inventories (property development costs) rose from RM460 million as at end-FY2018 to RM910 million due to more development costs incurred for our Australian projects that are nearing completion. The Group's cash, bank balances and deposits were largely stable, at RM440 million as at end-FY2019.

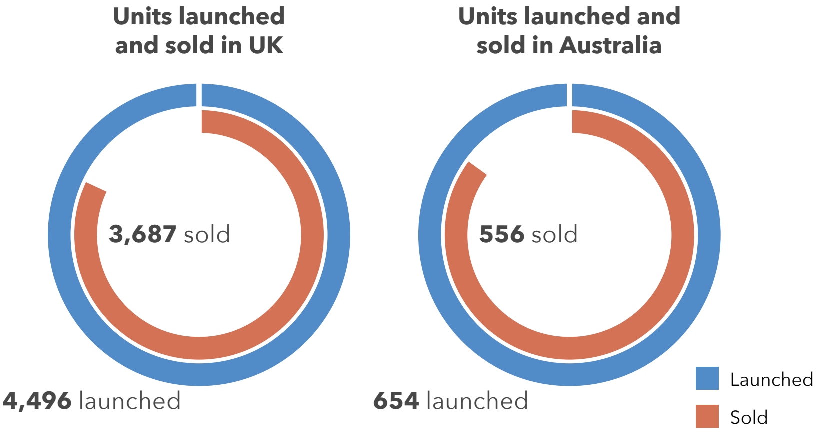
Total liabilities increased 86% to RM1.7 billion mainly as a result of higher borrowings. Total borrowings as at end-FY2019 was RM1,464 million, compared to RM836 million at end-FY2018. The increase was due to continuous drawdown of project financing loans for the construction of our Australian projects. On top of that, the Group also completed the third and final issuance of its medium-term notes of RM270 million in FY2019 and utilised several credit facilities for working capital purposes. Net gearing as at 31 October 2019 stands at 0.4x, still a relatively low number by industry standards.

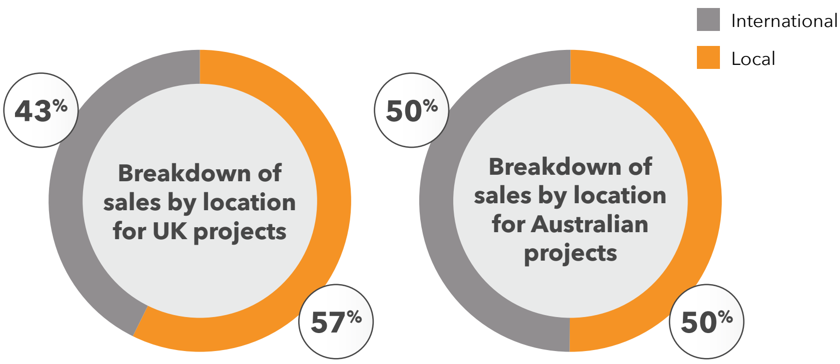
In total, we have launched 5,150 units across our portfolio in the UK and Australia. 4,243 of these units have been sold, translating to an average take-up rate of 82% as at 31 October 2019.

REVIEW OF OPERATIONS

During FY2019, the Group launched 386 residential units in London. In total, we have launched 5,150 units across our portfolio in the UK and Australia. 4,243 of these units[1] have been sold, translating to an average take-up rate of 82% as at 31 October 2019.

We also have a diverse pool of buyers as about 55% of our sales in the UK and Australia were generated locally while the remaining 45% came from international sales with buyers coming from close to 60 countries.





Based on contacts exchanged as at 31 October 2019

In FY2019, the Group completed six residential blocks in London and handed over 736 private units to purchasers. There are still 11 active projects that are being developed in our portfolio and we target to deliver more than 800 private units in FY2020.

I am pleased to share that more than 95% of the private units already handed over have been occupied[2]. The high occupancy rates are an important indicator of the desirability of our projects as well as the success of our placemaking efforts to improve the liveability of our developments.

In May 2019, the Group successfully acquired another four apartment units in Macquarie Park. At this juncture, 29 out of a total 30 units have been acquired and we have commenced the relevant legal process to acquire the remaining unit. Macquarie Park is now scheduled for launch in FY2022.

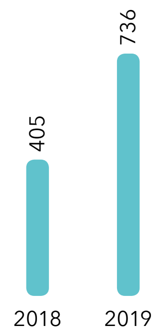
MARKET BACKDROP

The market conditions for our business remained challenging in FY2019. Transaction volumes of residential properties in the UK contracted in 2019 amid uncertainties related to Brexit negotiations between the UK and the EU. The UK market also saw fewer enquiries from buyers, according to surveys of sales agents[3].

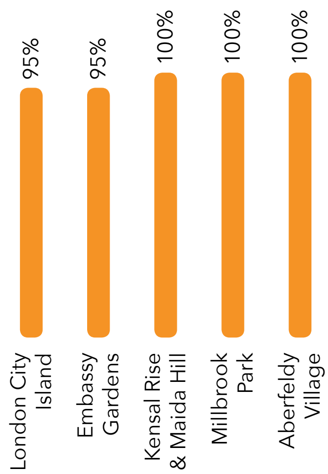
On a brighter note the rental market was more resilient than sales as private rental rates grew steadily in 2019, reflecting the strong fundamentals of the UK residential market. In London, it is estimated that around 41,000 new homes are being built annually[4], far lower than the 66,000 new homes required as set out in the draft New London Plan. The undersupply of good quality homes will continue to provide opportunities for the Group to grow its development pipeline to meet the demand for housing.

Embassy Gardens, United Kingdom

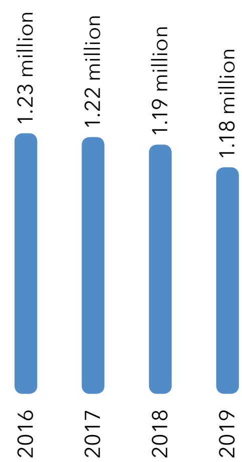
Delivery of private units in FY2018 and FY2019



Occupancy rates of projects that have commenced handover[2]



Residential property transaction volume in the UK (above £40,000)



Source: UK HMRC

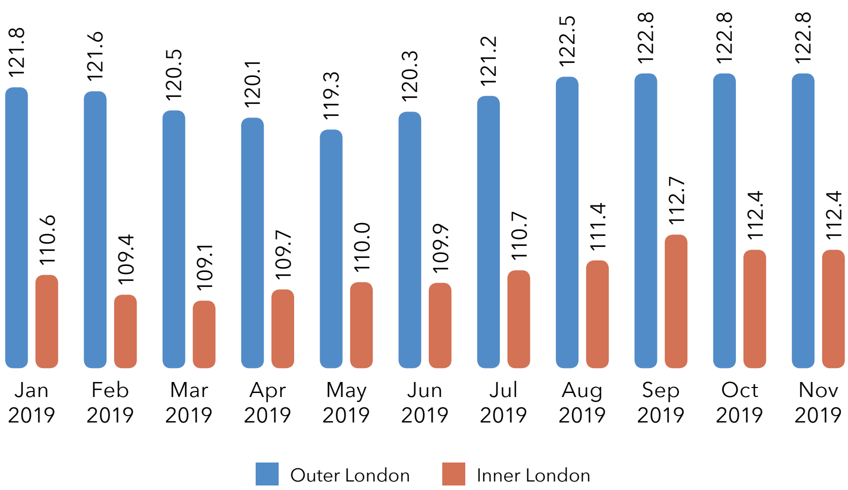
PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

Further, there are some signs that the London property market may have bottomed as house price indices for both Inner and Outer London rose 2-3% in November 2019 since the trough in March 2019. However, a full recovery may only take place when future trading relations between the UK and the EU become clearer.

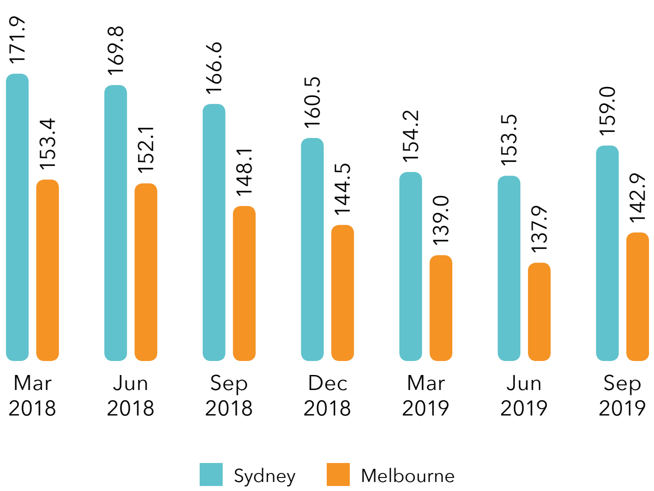
In Australia, the property market started FY2019 on a weak footing as home buying sentiment was affected by tight lending standards, higher stamp duties for foreign buyers and uncertainties over policy continuity prior to its Federal Election in May 2019. However, the market showed some signs of recovery in the later part of 2019 as movement of property prices turned positive.

The 75 basis point cut in interest rate by the Reserve Bank of Australia since June 2019 was seen as one of the key drivers for the improvement in market activities. Also, the Australian Prudential Regulation Authority loosened the guidelines on mortgage lending starting from July 2019 whereby banks are now allowed to assess the debt serviceability of borrowers based on lower interest rates than previously permitted.

House price index for Inner & Outer London



House price index for Sydney & Melbourne



The Board has maintained the 2-year sales target of RM6 billion, to be achieved by the Group over FY2019 and FY2020. Closing a sizable BtR deal will be important for the Group to achieve this target.

Wardian London, United Kingdom

OUTLOOK

Looking forward into 2020, the worst of property cycles in the UK and Australia may be behind us. However, the pace of recovery will depend on other evolving factors, such as the progress of negotiations on trading relations between the UK and the EU, the level of global trade tensions, interest rates, and government policies.

The Board has maintained the 2-year sales target of RM6 billion, to be achieved by the Group over FY2019 and FY2020. Closing a sizable BtR deal will be important for the Group to achieve this target. We are also actively looking for new sites that are suitable for BtR developments to expand our project pipeline.

In addition, pent-up demand for good quality homes in the UK and Australia due to lower supply of new homes in the past few years will provide opportunities for us to market our products to this group of buyers, which will contribute towards achieving the target set.

The Group will also work towards delivering Wardian London, West Village, Yarra One and the last residential block in LCI in FY2020. In total, the Group targets to deliver more private units in the new financial year compared to FY2019. A significant portion of the RM5 billion effective future revenue is therefore anticipated to be translated into revenue and share of profits from JVs in FY2020.

Notes:

[1] Includes affordable housing and BtR units

[2] Occupancy rates as at 13 January 2020

[3] UK Residential Market Survey: November 2019, published by Royal Institution of Chartered Surveyors UK

[4] London Supply Update Q2 2019, published by Savills on 3 September 2019

EcoWorld International wholeheartedly commits to sustainability and works to continuously grow our impact on people, planet and profits. Find out more about our journey by:

- Going to page 18 of this Annual Report for the executive summary of EcoWorld International Sustainability Report 2019
- Reading the full Sustainablity Report on our corporate website at www.ecoworldinternational.com

SUSTAINABILITY STATEMENT

EcoWorld International or the Group reaffirms its commitment towards sustainability with this Sustainability Statement in which we summarise how we manage economic, environmental and social ("EES") risks and associated performances, challenges and opportunities.

We further strengthened our sustainability commitment this year with the introduction of Key Performance Indicators ("**KPIs**") focusing on the EES pillars to monitor and track our progress towards delivering sustainable development. We also highlight the key challenges in achieving our sustainability targets and our plans to address this EES impact arising from our business operations.

The scope of reporting for 2019 covers EcoWorld International's operations in the UK, Australia and its headquarters based in Malaysia from 1 November 2018 to 31 October 2019 unless otherwise stated. The list of projects under our scope are as follows:

EcoWorld International Malaysia
- Headquarters
- EcoWorld International Sales Gallery

EcoWorld London
- Verdo Kew Bridge
- Millbrook Park
- Nantly House
- Aberfeldy Village
- Barking Wharf

EcoWorld International Australia
- West Village
- Yarra One

EcoWorld Ballymore
- London City Island
- Embassy Gardens
- Wardian London

In December 2017, EcoWorld International signed a sale and purchase agreement for the acquisition of a 70% stake in Willmott Dixon residential development business in the UK. This landmark deal enabled us to make our presence felt in the highly-resilient UK mid-mainstream market with a full multi-disciplinary team in place and the potential to acquire up to 12 development sites spread across Greater London and the South East of England.

We completed the first stage of acquisition in March 2018 with access gained to six of the 12 sites with the JV leading to two additional sites being acquired in May and August 2018 respectively. This JV was later rebranded EcoWorld London which we have included in the scope of this year's Sustainability Report. To accommodate the inclusion of EcoWorld London, we conducted a reassessment of our material sustainability matters and materiality matrix.

Among our highlights for the year are the establishment of 14 KPIs to monitor our sustainability initiatives and the introduction of EcoWorld London's Procurement Policy with elements of sustainability that will enable us to ensure our supply chain is sustainable. We continue to report on our efforts from the Let's Green Possible campaign for environmental awareness within the Group as well as our environmental practices at site. We have also embarked on several programmes aimed at enhancing community engagement at the locations in which we operate.

We are also pleased to report that we have been recognised with the New Company Excellence Award at the ASEAN Corporate Governance Awards 2018 ceremony held on 31 July 2019 and hosted by the Minority Shareholders Watch Group for our good corporate governance practices.

As we continue on our sustainability journey, we will attempt to implement best practices across our operations. We are dedicated to being a responsible corporate entity and contributing to the well-being of the economy and society, whilst safeguarding the environment. We are grateful for our stakeholders' support and interest in our developments and hope to continue to deliver projects that meet the aspirations of the community and promote sustainability.

Prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, this statement is to be read jointly with the full Sustainability Report made available on our corporate website www.ecoworldinternational.com

EcoWorld International Sales Gallery in Kuala Lumpur

SUSTAINABILITY HIGHLIGHTS

SUSTAINABILITY ROADMAP

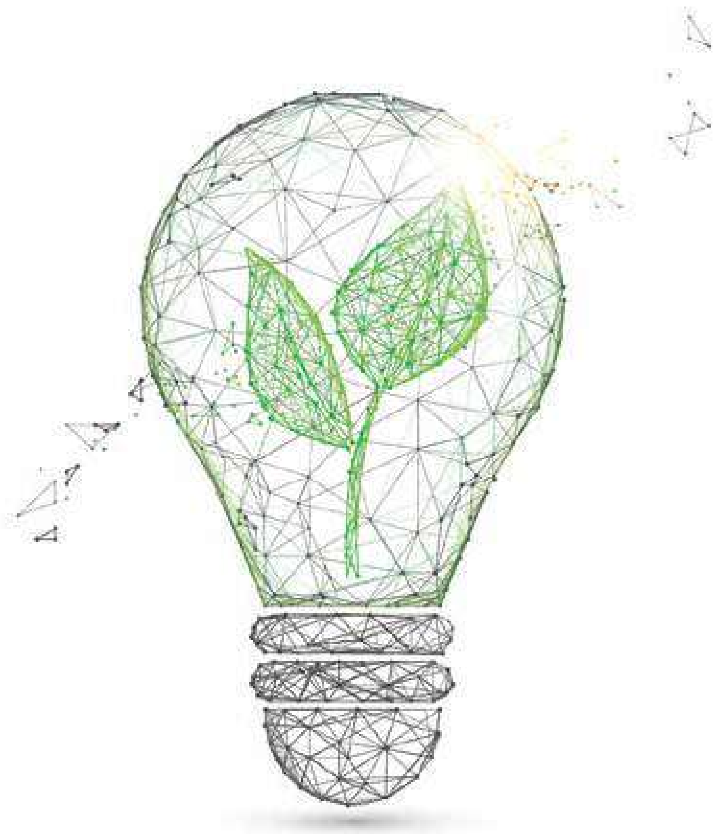
Since our listing in 2017, our third sustainability report discloses our continued approach to sustainability and initiatives undertaken to embed sustainability practices in our business operations. We improve our sustainability commitments year-on-year as we believe that sustainability is a key driver in shaping a successful business.

2017	2018	2019	2020
Sustainability Statement	Standalone Sustainability Report and Sustainability Statement	Standalone Sustainability Report and Sustainability Statement	Standalone Sustainability Report and Sustainability Statement
Sustainability Governance Structure excluding EcoWorld London	Sustainability Governance Structure excluding EcoWorld London	Revising Sustainability Governance Structure to include EcoWorld London	Maintaining Sustainability Governance Structure
Scope: EcoWorld International Malaysia, EcoWorld International UK (excluding EcoWorld London), and EcoWorld International Australia	Scope: EcoWorld International Malaysia, EcoWorld International UK (excluding EcoWorld London), and EcoWorld International Australia	Scope: EcoWorld International Malaysia, EcoWorld International UK, and EcoWorld International Australia	Scope: EcoWorld International Malaysia, EcoWorld International UK, and EcoWorld International Australia
Conducting materiality assessment which identified 12 material sustainability matters	Conducting materiality assessment using stakeholder weightage approach which identified 16 material sustainability matters	Conducting materiality assessment due to inclusion of EcoWorld London (acquired in 2018) using the same 16 material sustainability matters	Maintaining material sustainability matters
Mapping material sustainability matters to 6 United Nations Sustainable Development Goals ("**UNSDG**")	Mapping material sustainability matters to 6 UNSDGs	Strengthening the sustainability performance of the Group and commitment to the 6 UNSDGs	Strengthening the sustainability performance of the Group and commitment to the 6 UNSDGs and extending to other UNSDGs
Developing policies and procedures	Establishing Sustainability Policy and Guidelines	Introducing sustainability key performance indicators	Monitoring of key performance indicators' achievements
Reporting in line with G4 Sustainability Reporting Guidelines	Reporting in line with GRI Standards – Core Option and Sector Specific Disclosures	Reporting in line with GRI Standards – Core Option and Sector Specific Disclosures	Reporting in line with GRI Standards – Core Option and Sector Specific Disclosures

SUSTAINABILITY KEY PERFORMANCE INDICATORS

The Group's focus in addressing economic, environmental and social impacts come hand in hand with the measurement of our EES performances. These performances are monitored and tracked via the 14 established KPIs representing the EES pillars of sustainability across the Group (UK, Australia and Malaysia).

At the end of the financial year, we are proud to report that EcoWorld International Australia has achieved all 4 of its KPIs with EcoWorld International UK achieving 5 out of 6 KPIs and EcoWorld International Malaysia achieving 2 out of 4 KPIs. We plan to enhance efforts to ensure better achievement of all KPIs.



Material Sustainability Matters	Key Performance Indicators	Target	Achievement
ECOWORLD INTERNATIONAL MALAYSIA			
SOCIAL			
Community Development	Corporate Social Responsibility ("**CSR**")	At least 6 hours of CSR activities per employee	Achieved 8 hours of CSR activities per employee ✓
Training and Development	Staff attending training	75% of staff attending training	100% of staff attended training ✓
Talent Retention	Staff attrition	Staff attrition rate at 12%	Staff attrition rate at 15.6% In Progress
Ethics and Integrity	People's Heartbeat Survey* Overall Engagement Score	People's Heartbeat Survey Overall Engagement Score at 85%	People's Heartbeat Survey On-the-Go and Online Survey: 83% In Progress

* *People's Heartbeat Survey is an internal survey conducted to assess employee morale, satisfaction and engagement.*

SUSTAINABILITY HIGHLIGHTS

Material Sustainability Matters	Key Performance Indicators	Target	Achievement
ECOWORLD INTERNATIONAL UK			
OPERATIONS			
Contractor Management	Considerate Constructors Scheme ("**CCS**")	Target all schemes to achieve a CCS score of 35 and above	CCS Score of **35** and above (out of a possible 50) on every scheme is met ✓
Waste Management	Contaminated Land: Applications in Real Environments ("**CL:AIRE**")	All EcoWorld London self-delivery schemes to be registered under CL:AIRE prior to start on site where applicable CL:AIRE is the current management organisation for the Definition of Waste: Development Industry Code of Practice ("**DoWCoP**")	No new applicable scheme started during the financial year In Progress
ECONOMIC			
Energy Saving Initiatives	Reduction in printing cost	20% reduction of printing costs across UK offices	Over **24%** reduction of printing cost since the initiative was introduced ✓
Vendor and Supplier Development	Supply chain procurement contracts	85% of all supply chain procurement contracts signed in FY2019 by value to be with UK domestic companies	**94%** of procurement contracts signed by value are local companies ✓
SOCIAL			
Training and Development	Staff attending training	75% of all employees (employed by 1st October 2019) to complete at least 16 hours of job related training	**84.3%** of employees completed an average of 21 hours of job related training per employee ✓
Community Development	Employee community based activities	75% of all employees (employed by 1st October 2019) to undertake at least 8 hours of business supported (time) community/ social based activities	**82.3%** of employees completed minimum of 8 hours of community/ social based activities ✓

Material Sustainability Matters	Key Performance Indicators	Target	Achievement
ECOWORLD INTERNATIONAL AUSTRALIA			
ECONOMIC			
Energy Saving Initiatives	Reduction in printing cost	10% reduction in printing cost for Australia offices	Achieved **21%** reduction in printing cost
Energy Saving Initiatives	Reduction in travelling cost	20% overall reduction in travelling cost	Achieved **37.3%** reduction in overall travelling costs
SOCIAL			
Training and Development	Staff attending training	All employees to complete 16 hours of training per annum	**100%** of employees completed 16 hours of training per annum
Community Development	Employee community based activities	Minimum 50 hours of community/social based activities	Achieved **97.5** hours of CSR activities

Group-wide team building activity

SUSTAINABILITY HIGHLIGHTS

AWARDS AND ACCOLADES

This year, EcoWorld International was honoured to receive the New Company Excellence Award at the MSWG-Asean Corporate Governance Awards 2018 hosted by the Minority Shareholders Watch Group. The award recognised our excellence in corporate governance structure, processes and disclosures.

In addition, EcoWorld London's Senior Community Liaison Manager, Ms. Nivene Powell won the Public Sector/Academia/Not For Profit Category prize at the Forward Ladies London and South regional awards, recognising her contribution to social value and CSR. The Forward Ladies Awards promotes gender diversity and equality and recognises female contribution to businesses, and their positive impact on the economy.

MSWG-Asean Corporate Governance Awards 2018
New Company Excellence Award

Participants of EcoWorld Women's Summit 2019 with the #BalanceforBetter pose. The annual event is held in conjunction with International Women's Day

OUR SUSTAINABILITY COMMITMENT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Government of Malaysia has aligned its national development policies against the 17 sustainable development goals introduced by the United Nations in 2015 as part of achieving Agenda 2030 for sustainable development. As part of our contribution, we have selected 6 UNSDGs.

3 GOOD HEALTH AND WELL-BEING	**Ensuring healthy lives and promoting well-being for all, at all ages**	We provide a conducive working environment and encourage work-life balance for our employees.
5 GENDER EQUALITY	**Encouraging gender equality and empowerment**	We encourage women into the workforce and our corporate culture discourages any discrimination on the basis of gender. In fact, 50% of our key management comprises women who are well qualified for the job.
8 DECENT WORK AND ECONOMIC GROWTH	**Ensuring full and productive employment for all, regardless of age, gender, or disability, with parity of pay for all**	We provide fair treatment to our employees regardless of age, gender, disability, ethnicity or religion.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Ensuring that infrastructure is reliable, resilient and fit for purpose to achieve economic growth and overcome environmental challenges**	We invest in innovative projects that address the needs of the community, to improve the convenience of living.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Making cities and human settlements inclusive, safe, resilient and sustainable**	We embed green designs and green features into our projects to reduce the impact of the built environment on the natural environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels**	We promote ethical business conduct in our business dealings, provide access to job opportunities and other community programmes for the local community.

The EcoWorld International Sustainability Policy signifies our commitment as we steer the Company towards sustainable business growth while remaining conscious of the environment and the communities in which we operate. The policy is available for viewing on our corporate website.

OUR SUSTAINABILITY COMMITMENT

STRONG LEADERSHIP COMMITMENT TO SUSTAINABILITY

EcoWorld International has established a robust sustainability governance structure with the Board of Directors ("**Board**") at the helm and supported by the Sustainability Committee led by the President & Chief Executive Officer ("**CEO**") and comprising senior management members from EcoWorld International Malaysia, EcoWorld International UK and EcoWorld International Australia. The Committee oversees the Operations Council, Economic Council and Social Council in implementing the sustainability strategies endorsed by the Board and reports to the Board on the Group's sustainability-related progress.

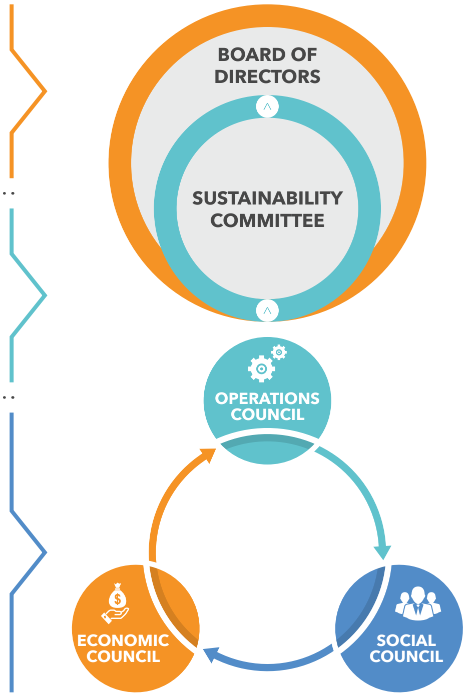
Representatives from Malaysia, UK and Australia sit on the Operations, Economic and Social Councils and are responsible for developing and implementing the approved sustainability initiatives.

Roles and Responsibilities

- Provides direction on the Group's sustainability strategy
- Endorses the Group's efforts to inculcate sustainability initiatives
- Provides final approval on the report

- Oversees the implementation of the sustainability strategy endorsed by the Board
- Reports to the Board on sustainability-related progress

- Collates information to report and monitor actions related to sustainability indicators
- Implements sustainability strategy or initiatives endorsed by the Board across the Group
- Identifies material sustainability matters related to the Group's business operations



STAKEHOLDER ENGAGEMENT

We proactively conduct frequent engagement sessions with our stakeholders in ensuring stakeholders' concerns are addressed and relevant business information is well communicated to the stakeholders.

Stakeholder Group	Key Areas of Interest	Material Sustainability Matters	Methods of Engagagement	Frequency of Engagement
Employees	• Corporate direction and growth plans • Job security • Remuneration and benefits • Career development and training opportunities • Workplace health and safety • Labour and human rights • Work-life balance • Employee volunteerism	• Employee Well-being • Training & Development • Occupational Health & Safety • Talent Retention • Corporate Governance & Transparency	• Management meetings with employees • Employee events such as family day, annual dinner, etc. • Town hall session with CEO • Team Huddle with CEO • Ongoing education and training programmes • Whistleblowing Policy • Job Level Specific Training Programmes • Circulation of internal policies • Chairman 360° • People Heartbeat Survey • Newsletters • Internal Service Survey • EcoWorld Sports Club activities • Good Morning EcoWorld	• Throughout the year • Annually • Half-yearly • Bi-monthly • Throughout the year • Implemented • Throughout the year • Throughout the year • Annually • Twice a year • Bi-monthly • Throughout the year • Throughout the year • Weekly
Customers	• Pricing • Quality and workmanship • Energy conservation • Design and features • Product safety • Defects rectification • Customer service and experience	• Customer Satisfaction & Brand Reputation • Building Innovation • Green Design & Construction	• Corporate & Brand campaigns • Corporate Website/ Social media channels • Advertisement and marketing promotions • Engagement surveys • Exhibitions and showcases • Resident events	• Throughout the year • Throughout the year • Throughout the year • Throughout the year • Throughout the year • Throughout the year

OUR SUSTAINABILITY COMMITMENT

Stakeholder Group	Key Areas of Interest	Material Sustainability Matters	Methods of Engagement	Frequency of Engagement
Investors	• Growth trajectory • Acquisitions and expansion • Market diversification • Risk management • Corporate governance • EES indicators • Climate change and carbon pricing strategies • Sustainability performance and tracking • Reporting standards	• Ethics & Integrity • Corporate Governance & Transparency • Green Design & Construction • Building Innovation • Regulatory Compliance • Energy Saving Initiatives • Infrastructure Investment & Development • Occupational Health & Safety • Contractor Management	• Group meetings with shareholders • Annual General Meeting • Site visits • Analyst, bankers & fund managers briefing • Annual report • Announcements to Bursa Malaysia	• Throughout the year • Annually • Throughout the year (as and when necessary) • Half-yearly • Annually • Throughout the year
Regulatory Agencies and Statutory Bodies	• Compliance • Security issues • Waste management • Public nuisance issues • Labour practices	• Regulatory Compliance • Corporate Governance & Transparency • Occupational Health & Safety • Waste Management	• Inspections by local authority • Press releases • Workshops	• Throughout the year • Throughout the year • Throughout the year
Vendors/ Suppliers	• Legal compliance • Payment schedule • Pricing of services • Product quality and inventory/supply commitment	• Vendor & Supplier Development • Corporate Governance & Transparency • Green Design & Construction	• Contract negotiation • Supplier audit and evaluation • Relationship meetings, Vendor registration and framework agreement	• Throughout the year • Throughout the year • Throughout the year (as and when necessary)
Media	• Reputation of company • Advocating green consumerism and lifestyles	• Community Development • Building Innovation • Energy Saving Initiatives • Green Design & Construction	• Ongoing engagement sessions • Press releases • Donations & Financial Aid • Contributions to environment and social enhancement	• Throughout the year • Throughout the year • Throughout the year • Throughout the year

Stakeholder Group	Key Areas of Interest	Material Sustainability Matters	Methods of Engagement	Frequency of Engagement
Non-Governmental Organisations ("NGO")	• Environment and Social issues in relation to business operations	• Community Development • Employee Well-being • Infrastructure Investment & Development • Green Design & Construction • Energy Saving Initiatives	• Ongoing engagement sessions • Press releases • Donations & Financial Aid • Contributions to environment and social enhancement	• Throughout the year • Throughout the year • Throughout the year • Throughout the year
Contractors	• Payment schedule • Pricing of services • Resource planning	• Green Design & Construction • Contractor Management • Infrastructure Investment & Development • Waste Management	• Contract negotiation • Contractors audit and evaluation • Relationship meetings, contractors' registration and framework agreement	• Throughout the year • Throughout the year • Throughout the year (as and when necessary)
JV Partners	• Growth trajectory • Acquisitions and expansion • Market diversification • Risk management • Corporate governance • EES indicators • Climate change strategies • Sustainability performance and tracking • Reporting standards	• Ethics & Integrity • Corporate Governance & Transparency • Green Design & Construction • Building Innovation • Regulatory Compliance • Energy Saving Initiatives • Infrastructure Investment & Development • Occupational Health & Safety • Contractor Management	• Annual General Meeting • Analyst, bankers & fund managers briefing • Annual report • JV Board Meeting, EXCO and at project level • Announcements to Bursa Malaysia	• Annually • Half-yearly • Annually • Monthly • Throughout the year

OUR SUSTAINABILITY COMMITMENT

STRATEGIC MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

This year, we have reassessed our material sustainability matters due to the inclusion of EcoWorld London which was acquired in March 2018 to generate a materiality matrix representative of the enlarged Group.

REVIEW OF MATERIAL SUSTAINABILITY MATTERS

Material sustainability matters from FY2018 were reviewed and retained as they are still applicable to the Group.

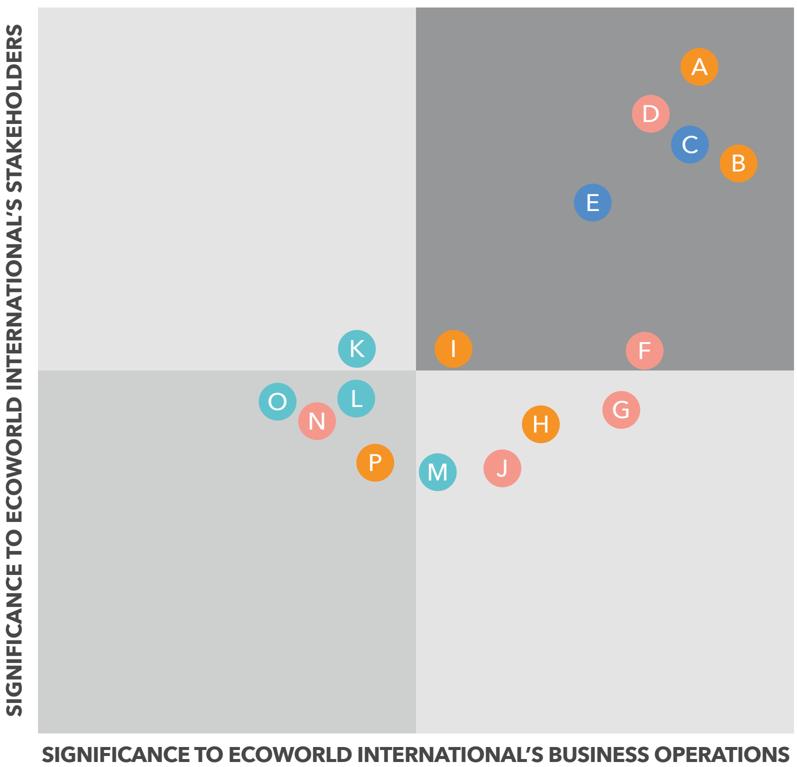
PRIORITISATION OF MATERIAL SUSTAINABILITY MATTERS

With the inclusion of EcoWorld London, the material sustainability matters were reassessed by re-ranking them in order of priority to the Group's business operations and the stakeholders' needs.

APPROVAL OF MATERIALITY MATRIX

The findings of the materiality assessment were used to generate a new materiality matrix for the Group.

EcoWorld International Materiality Matrix 2019



Material Sustainability Matters

- A Regulatory Compliance
- B Customer Satisfaction and Brand Reputation
- C Ethics and Integrity
- D Occupational Health and Safety
- E Corporate Governance and Transparency
- F Employee Well-being
- G Talent Retention
- H Contractor Management
- I Infrastructure Investment and Development
- J Training and Development
- K Energy Saving Initiatives
- L Building Innovation
- M Green Design and Construction
- N Community Development
- O Waste Management
- P Vendor and Supplier Development

Legend

- Governance
- Environmental
- Economic
- Social

Critical material issues	Explanation	GRI Indicators	Contributing to UNSDGs
Regulatory Compliance	It is pertinent for us to avoid adverse economic implications as well as negative impact to our brand reputation when we do not comply with relevant laws and regulations. Non-compliance will result in fines, inability to gain investors' trust, and the loss of the license to operate.	307: Environmental Compliance 419: Socioeconomic Compliance	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Customer Satisfaction and Brand Reputation	Our overall fiscal performance is highly dependent on our brand reputation and customer satisfaction.	102: General Disclosure	8 Decent Work and Economic Growth
Ethics and Integrity	We need to strengthen investors' and other key stakeholders' trust as well as be able to retain the best talent by providing fair treatment for all.	102: General Disclosure	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Occupational Health and Safety	Health and safety of our stakeholders who have interaction with us and our developments such as employees, supply chain and the public, must be given priority to protect their wellbeing and to maintain operational efficiency and performance.	403: Occupational Health & Safety	3 Good Health and Well-being 8 Decent Work and Economic Growth
Corporate Governance and Transparency	Corporate governance and transparency is highly valued by all our key stakeholders.	102: General Disclosure	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Highly material issues	**Explanation**	**GRI Indicators**	**Contributing to UNSDGs**
Employee Well-being	Our employees represent the backbone of our organisation and their well-being needs to be protected.	401: Employment 405: Diversity and Equal Opportunity	3 Good Health and Well-being 5 Gender Equality 8 Decent Work and Economic Growth
Talent Retention	We remain competitive in the market and offer a conducive and thriving workplace.	401: Employment	5 Gender Equality 8 Decent Work and Economic Growth
Contractor Management	Contractors will determine the quality and timely delivery of our products will consequently deliver on our promises to customers and increase our financial value.	204: Procurement Practices	8 Decent Work and Economic Growth 11 Sustainable Cities and Communities

OUR SUSTAINABILITY COMMITMENT

Highly material issues	Explanation	GRI Indicators	Contributing to UNSDGs
Infrastructure Investment and Development	We strive to add value to the community especially in areas where we operate.	201: Economic Performance 203: Indirect Economic Impacts	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Training and Development	Our work performance and productivity will increase greatly when our employees have the required skillsets and competency.	404: Training and Education	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Energy Saving Initiatives	Reducing our energy consumption not only adds value to our finances but also contributes greatly towards reducing carbon footprint.	302: Energy	11 SUSTAINABLE CITIES AND COMMUNITIES
Building Innovation	We are committed to building properties with innovative design that will not only give us competitive advantage in the property market but are also sustainable.	203: Indirect Economic Impacts	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Green Design and Construction	As we develop our properties using an environmentally-friendly approach we will reduce our environmental footprint.	203: Indirect Economic Impacts 301: Materials	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Community Development	Giving back to the community that we operate within is one of the fundamental values of the Group.	413: Local Communities	11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Waste Management	In combating various waste issues such as illegal dumping and increasing amount of waste generated, we ensure responsible use of materials, waste prevention and disposal of waste by licensed parties.	306: Effluents and Waste	11 SUSTAINABLE CITIES AND COMMUNITIES
Vendor and Supplier Development	We are committed to building and maintaining business relationships with our vendors and suppliers whilst providing local economic opportunities to businesses.	102: General Disclosure 204: Procurement Practices	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES

TRANSPARENT BUSINESS PRACTICES

ETHICAL BUSINESS PRINCIPLES

EcoWorld International prides itself in conducting its business in an ethical manner and all employees operate under the Code of Conduct & Business Ethics which outlines expected behaviour in our daily business operations, including when liaising with clients and other stakeholders.

We have implemented policies such as the Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, Modern Slavery and Human Trafficking Statement and Policy, Political Engagement Policy and Corporate Criminal Offence Policy that demonstrate our commitment towards ensuring fair business conduct. It is of utmost importance for the integrity of the Group that every employee observes professionalism through respect, responsibility, fairness, and accountability for their actions.

Our Grievance Policy, as well as the procedure to lodge a grievance complaint, is clearly outlined and made accessible to all employees via the intranet portal. Any misconduct or dissatisfaction can be reported through our grievance reporting channel.

The Group provides other avenues for our employees to communicate their grievances such as the People's Heartbeat Survey which is described in more detail in the full Sustainability Report.

CORPORATE GOVERNANCE AND TRANSPARENCY

The Malaysian Code on Corporate Governance 2017 ("**MCCG**") guides our approach to promoting greater internalisation of corporate governance practices. We are also committed to ensuring that the principles in the Main Market Listing Requirements ("**MMLR**") and the Companies Act 2016, among others are practised at all levels and at all times.

The Board is at the apex of the Group's corporate governance system and is ultimately accountable and responsible in terms of transparency, accountability, sustainability and integrity in boardroom activities. The Board Charter constitutes and forms an integral part of each Director's duties and responsibilities and has been made available on our corporate website.

The Group has put in place a Disclosure and Communication Policy to ensure effective, transparent and regular communication with stakeholders and shareholders on material information. Our corporate website serves as a platform to communicate with shareholders, investors and the general public. The Investor Relations section includes information such as announcements made to Bursa Malaysia, annual reports, press releases, corporate presentations and notices on annual general meetings. Other documents available include the Board Charter, Whistleblowing Policy, Code of Conduct & Business Ethics, Constitution as well as the remuneration policies of Directors and Key Senior Management personnel.

SUSTAINABLE ECONOMIC DEVELOPMENT

MAINTAINING REGULATORY COMPLIANCE

Our compliance with all the relevant laws and regulations reflects our policy of practices that promote sustainable practices. We have established multiple internal guidelines and procedures to assist us in achieving zero non-compliance in our business operations internationally. Below is a list of the applicable laws, regulations, and internal policies and procedures:

LAWS AND REGULATIONS

EcoWorld International Malaysia

- Companies Act 2016
- Town and Country Planning Act 1976
- Malaysian Code on Corporate Governance 2017
- Environmental Quality Act 1974
- Fire Services Act 1988
- Employment Act 1955
- Minimum Wages Order 2018
- Occupational Safety and Health Act 1994
- Personal Data Protection Act 2010
- Capital Markets and Services Act 2007
- Main Market Listing Requirements
- Foreign Exchange Administration Rules & Notices
- Malaysian Code on Take-Overs and Mergers 2016
- Copyright Act 1987
- Trade Marks Act 1976
- Anti-Corruption Compliance Act 2009
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

EcoWorld International UK

- Companies Act 2006
- UK Corporate Governance Code
- Corporation Tax Act 2010
- Bribery Act 2010
- The Building Regulations 2010
- Fire Services Act 1947
- Employment Rights Act 1996
- The Working Time Regulations 1998
- National Minimum Wage Act 1998
- General Data Protection Regulation
- Code of Considerate Practice
- Construction (Designs and Management) Regulations 2015
- Building Act 1984
- Housing Grants, Construction and Regeneration Act 1996
- Town and Country Planning Act 1990
- Environmental Impact Assessment Regulations 2011
- Environmental Protection Act 1990
- Energy Performance of Buildings (England and Wales) Regulations 2012
- Land Registration Act 2002
- Law of Property (Miscellaneous Provisions) Act 1989
- Sanctions and Anti-Money Laundering Act 2018
- Modern Slavery Act 2015

EcoWorld International Australia

- Corporations Act 2001
- Building Act 1993
- Criminal Code Act 1995
- Environment Protection and Biodiversity Conservation Act 1999
- Environmental Planning and Assessment Act 1979
- Fair Work Act 2009
- National Minimum Wage Order 2019
- Home Building Act 1989
- Work Health and Safety Act 2011
- Occupational Health and Safety Act 2004
- Model Code of Practice: Construction Work
- Domestic Building Contracts Act 1995
- Planning and Environment Act 1987
- Real Property Act 1900
- Property Law Act 1958
- Conveyancing Act 1919
- Sale of Land Act 1962
- Strata Schemes (Development) Act 2015
- Subdivision Act 1988

For FY2019, we have not incurred any significant fines and non-monetary sanctions for non-compliance except for EcoWorld London where we were notified for noise abatement at our project in Millbrook, but no fines were issued.

The senior management team of EcoWorld

CUSTOMER SATISFACTION AND BRAND REPUTATION

Customer satisfaction and brand reputation are at the heart of the Group's business activities. We are committed to delivering products that meet or exceed the expectations of our customers and to provide the best customer experience at the pre-let, pre-sale and post-sale stages. This year, we launched EcoWorld Class for our London operations on 4th March 2019 which aims to enhance brand reputation and customer satisfaction. EcoWorld London has since initiated a CSR strategy and developed processes to guide our employees on how best to interact with our customers.

Owners are given a 'Welcome pack' when we hand over house keys during vacant possession. The pack provides an occupation guide that lists details of the house features and handy emergency contact details.

To enhance the Group's brand reputation among the local community, EcoWorld London has conducted various engagement programmes including becoming the principal partner for Brentford Football Club. Our branding material is displayed around Griffin Park and is featured on the Brentford team jerseys. EcoWorld London also sponsors the Brentford FC Community Trust which supports people with special needs or physical limitations as well as boys and girls from the Football Development Programmes.

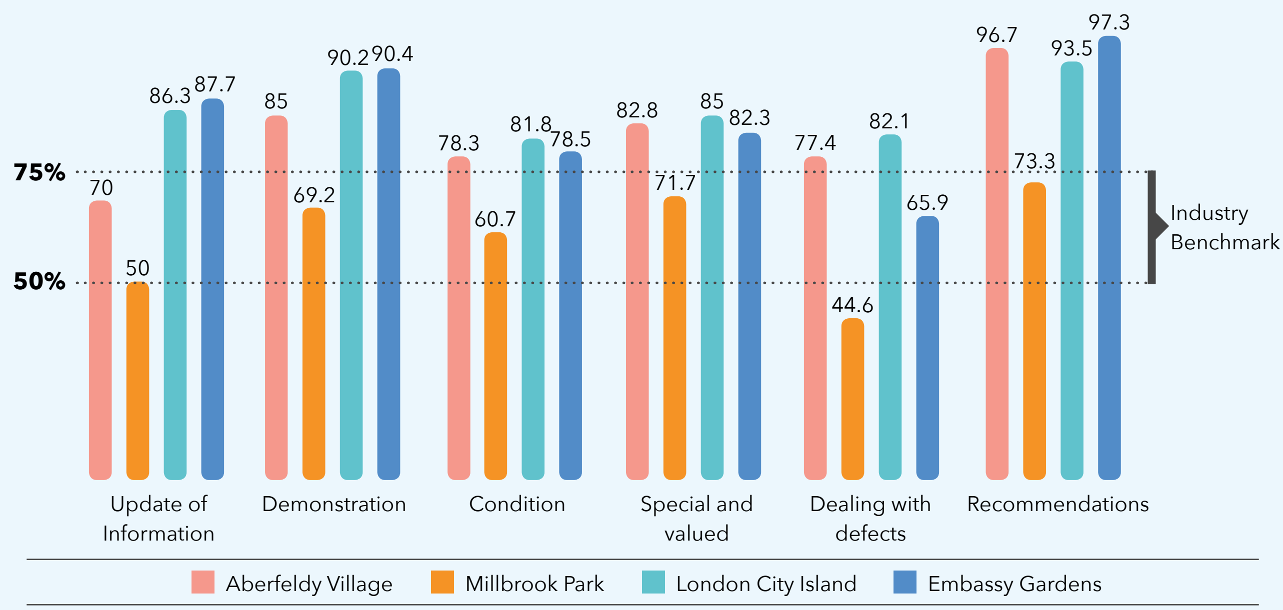
EcoWorld London is the principal partner for Brentford Football Club

SUSTAINABLE ECONOMIC DEVELOPMENT

Customer Satisfaction

We conducted a post-occupation customer satisfaction survey to obtain feedback on how we addressed customers' expectations in several aspects. The survey results show that our projects are well above the industry benchmark of 50%, with LCI exceeding the 75% mark. Millbrook Park fell slightly short of the industry average in terms of "Dealing with Defects" but we are actively following up where deemed appropriate. Survey results are closely monitored by a customer relations team who are working on improving our processes.

EcoWorld International UK - Customer Satisfaction Score



** No data for EcoWorld International Australia due to no handover activities conducted during the reporting year*

Investing in Infrastructure

The Group makes significant infrastructure investments in affordable and social housing, publicly accessible open spaces, community education and health facilities, besides other upgrades to infrastructure for the community. In EcoWorld London, we currently have significant infrastructure investments in affordable and social housing through EcoWorld London's JVs with London Borough of Hounslow and Poplar Harca, a Housing and Regeneration Community Association. Details of our initiatives can be found in the full Sustainability Report. On the right is a summary of the affordable housing units provided at our EcoWorld International UK project sites.

By investing in community education and health facilities such as the English National Ballet, London Film School and the World Heartbeat Trust, we promote growth of the local economy by creating employment opportunities for the local community and creating attractive opportunities for investment.

Affordable Housing Units at EcoWorld International UK Project Sites

** Majority of the affordable housing component already delivered under Phase 1 of LCI*

MANAGING CONTRACTORS

We are committed to ensuring that our supply chain adheres to best practices. Contractors are managed to ensure that all developments do not compromise the state of the environment and that our operations consider the interests of all stakeholders involved. We take preventive measures to ensure human rights of workers at our projects in the UK and Australia are protected and only permit authorised site personnel to work at site. In both countries, we monitor the work done on site by our contractors and their subcontractors to make sure that project timelines and cost are adhered to and quality, safety and health is not compromised.

In sourcing our building materials and components, EcoWorld International UK requires contractors to comply with British Standards and other relevant standards as provided by the appointed consultant's specifications. However, if the contractor wishes to propose an alternative, a full technical submission must be made for assessment and approval.

Where EcoWorld International Australia is concerned, all building material and components comply with Australia/New Zealand standards as specified by the relevant consultants. Where these standards do not apply, the British Standard or Building Code of Australia may be used.

DEVELOPING VENDORS AND SUPPLIERS

EcoWorld London has established a Sustainable Procurement Policy Statement this year which outlines requirements when hiring vendors and suppliers to ensure that responsible sourcing is practised throughout the supply chain. The policy applies to all procurement activities undertaken by or on behalf of EcoWorld London and our supply chain partners including designers, consultants, trade contractors and product distributors. The policy aims not only to improve resource efficiency and safeguarding of natural resources, but also to ensure traceability and transparency of our supply chain.

The EcoWorld London Sustainable Procurement Policy is being assessed for suitability across EcoWorld International locations.

EcoWorld London achieved 85% overall local procurement, almost meeting its target of securing 100% of material within the UK supply chain in FY2019. The exception was the EXCO Board's decision at the end of the year to procure an innovative OMS (Off-site Manufactured System) concrete panel system for our Kew Bridge project from Byldis, a Dutch company.


ECOWORLD INTERNATIONAL

SUSTAINABLE PROCUREMENT POLICY

April 2019
EcoWorld London

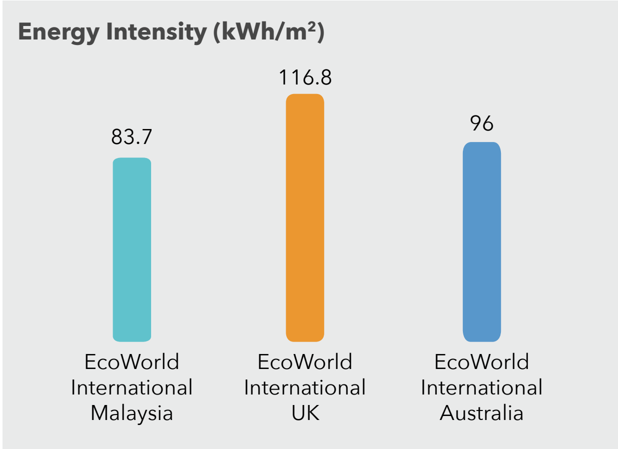
MANAGING OUR ENVIRONMENTAL FOOTPRINT

OPTIMISING ENERGY CONSUMPTION

Energy consumption is captured through the use of electricity at our core operations and development sites. We closely monitor electricity consumption at our offices to minimise impact on the environment as well as reduce our operating cost wherever feasible. For FY2019, EcoWorld International UK recorded the highest energy intensity followed by EcoWorld International Australia and EcoWorld International Malaysia. This intensity value will be used as a benchmark for next year's reporting for comparison purposes.

Our developments are designed to incorporate natural ventilation, passive cooling through natural stack effect, high insulation and triple glazing. LCI is connected to a low carbon district heating system that also produces 20% of energy supplied to electric car charging stations at the premises. Other green features in place include low wattage light bulbs and Passive Infra-Red sensors.

We acknowledge that use of energy contributes to carbon emission which leads to global warming. Moving forward, we intend to monitor carbon footprint from our business operations by establishing tracking systems and processes. The carbon footprint roadmap for the Group is as shown below.



* *Data for EcoWorld Ballymore is excluded due to office space being owned by third party*

London City Island, United Kingdom

2020

- To establish template and/or system to track data on energy
- To establish carbon emission baseline

2021

- To continue monitoring of carbon emission
- To set targets for carbon emission reduction
- To plan initiatives for carbon reduction
- To execute carbon reduction initiatives

2022 & onwards

- To continue monitoring of carbon emission
- To continue implementation of carbon reduction initiatives
- To track effectiveness of carbon reduction initiatives

BUILDING INNOVATION

EcoWorld International continues to find ways to enhance sustainable living by keeping abreast of new innovations and uses modern methods of construction technology such as offsite pre-fabrication of building structures and modular fittings to benefit from a number of advantages such as waste reduction, programme surety and quality maintenance.

EcoWorld Ballymore's buildings have adopted the Building Research Establishment Environmental Assessment Method ("**BREEAM**") certification that uses a performance scheme to assess the green aspects of our buildings. The assessment monitors the progress of construction of our buildings to assess the sustainability performances of our development projects.

We have received BREEAM certification for our Wardian, LCI and EG developments. Sustainable features introduced in accordance with BREEAM's requirements are listed below.

SUSTAINABLE FEATURES

LONDON CITY ISLAND

- Use of centralised combined heat and power
- Small-scale ground source heat pump
- Passive design
- Estimated 45% reduction in carbon emission

Eg:

- Sub-metering of major energy consuming system
- LED lightings
- Energy-efficient equipment
- Water-efficient fittings such as flow control devices
- Building elements such as external walls, windows, roof and upper floor slabs achieved a suitable Green Guide rating

WARDIAN LONDON

- Use of combined heat and power
- Passive design
- Estimated 40% reduction in carbon emission

For EcoWorld International Australia, the Yarra One development (in South Yarra) is benchmarked against the Green Star rating of 4. We used a sustainability management plan that helped us to comprehensively monitor our approach towards the project. Some of the green features of Yarra One are:

- Use of high efficiency thermal performance through the use of 1-star split system units for heating and cooling
- Energy efficiency through LED lighting
- Water efficiency features
- Natural ventilation
- Use of pollutant sensors
- Targeting a minimum of 90% waste diversion from landfill
- Access to public transport
- Sustainable timber such as Forest Stewardship Council or equivalent guidelines
- Provision of communal space such as communal outdoor and amenities areas
- Implementation of Environmental Management Plan
- Innovation which includes energy metering integrity and contractor education in sustainability

Our West Village development in Sydney has achieved BASIX Certification – Multi Dwelling. This certification is a planning requirement by the New South Wales Government that assesses the energy and water consumption of a building. West Village has achieved this through acquiring a 50% score for water, passing for Thermal Comfort, and achieving a 20% score for Energy.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

MANAGING WASTE GENERATION

EcoWorld London's project sites have embarked on a zero-waste journey to ensure all waste generated is sent for recycling or used to produce refuse-derived fuel. We make a mandatory requirement for our waste service providers to demonstrate a minimum diversion from landfill of 95% for construction waste, unless otherwise agreed.

For EcoWorld London, we recycled at an average of 60% of waste generated in Kew Bridge, Millbrook and Nantly House, while for Aberfeldy Village, we diverted nearly all waste from landfills. For EcoWorld Ballymore, an average of 98% of waste was recycled. For EcoWorld International Australia, we managed to recycle at least 90% of waste generated from Yarra One and West Village.

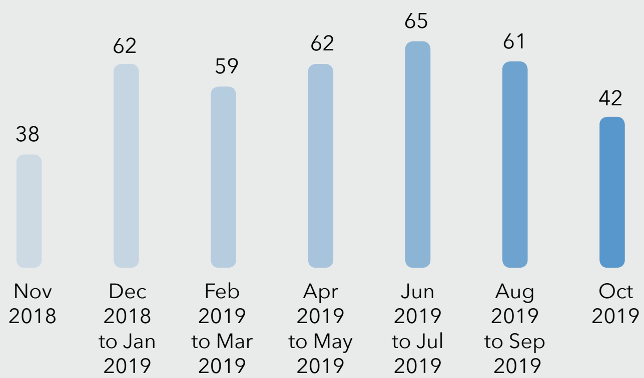
Details of our waste generation and recycling can be found in the full Sustainability Report.

Millbrook Park, United Kingdom

MANAGING WATER CONSUMPTION

We have implemented simple water conservation initiatives developed in our Green Office Guide. We have begun monitoring our usage through bills generated and use this as a baseline to track how much water is being consumed and saved. In our offices, we monitor leaks, and ensure taps are fully turned off when not in use.

Water consumption at EcoWorld International Malaysia (m^3)



PROVIDING A SAFE WORKPLACE

OCCUPATIONAL HEALTH AND SAFETY

Our commitment to ensuring employees' health and safety in the workplace is demonstrated in our Quality, Environment, Health and Safety Policy. A zero-tolerance approach is taken to ensure that our contractors comply with national health and safety standards during the construction phase of any project. The Group strictly complies with the relevant country's laws and regulations including the OHSAS 18001 Occupational Safety and Health Management System.

Occupational health and safety performance is regularly monitored and reported in monthly progress reports that identify recurring health and safety issues occurring on site and measures taken to address them. The figures below illustrate incident records at our project sites for FY2019.

Project sites	Total number of hours worked on site in FY2019	Number of reportable incidents	Lost time injury frequency rate
Millbrook Park	141,377	0	0
Kew Bridge	207,386	0	0
Nantly House	163,348	0	0
Aberfeldy Village	270,436	0	0
Barking Wharf	174,600	0	0
London City Island	1,072,137	0	0
Embassy Gardens	1,219,935	0	0
Wardian London	1,696,061	0	0
West Village	913,100	2	2.19
Yarra One	168,617	3	17.79

We are constantly working on improving health and safety measures with a revision of health and safety monitoring procedures to ensure the well-being and safety of employees. HSE matters are reported to the EcoWorld International Board on a quarterly basis.

We are determined to implement preventive efforts such as safety programmes to constantly remind our employees in practicing safe working culture in order to minimise incidents at Yarra One.

PROVIDING A SAFE WORKPLACE

DIVERSITY AND INCLUSIVENESS

By advocating diversity and inclusiveness, we are building talents that promote success within the Group. We focus, among others, on skillsets and experience while strictly avoiding discriminatory factors and ensuring that our hiring process promotes fair and transparent approaches regardless of gender, age, ethnicity, religion or disability.

The Board recognises the challenges in achieving the right balance of gender diversity within the Group. The Group was listed on Bursa Malaysia in 2017 with 100% male Directors. The Board took cognizance of gender diversity as promoted in the MCCG and appointed women as Board members. This is reflected in the current composition where 3 out of 11 directors are women.

The Group has achieved the target of 50% women holding key senior management positions within the Group, namely Chief Financial Officer ("**CFO**"), Chief of Global Sales & Marketing and Managing Director, EcoWorld International UK. The Board supports gender diversity at all levels. Nevertheless, appointments to the Board are always based on merit with regards to skill sets, background and experience and whether such appointments will further strengthen the Board holistically. Our Board of Directors is now at 30% (rounded up to nearest 10 percentile) women which supports our diversity policy.

The majority of our employees are aged below 50 years given our strong belief that business growth is contingent not only on experienced talent but also on younger staff with strengths such as a fresh and modern mind-set. Nevertheless, the senior employees offer their vast experience in guiding younger employees.

PRIORITISING EMPLOYEE WELL-BEING

As employees are our greatest asset, the Group recognises and values employees by ensuring proper work-life balance and creating a conducive and healthy working environment, allowing flexibility where possible.

We provide competitive working benefits to attract and retain employees and ensure they feel valued and secure in their jobs. We appreciate employee talent and work to ensure they reach maximum potential during their tenure with the Group. This year our attrition rate was at 15.6% which fell short of our target of 12%. We are working on identifying ways to improve staff retention going forward.

Further details on employee benefits can be found in the full Sustainability Report.

Employee Engagement Programme

We believe in engaging our employees not only in terms of work but also in arts, culture and sports. We engage with our employees to foster relationships and to create a positive working environment. The EcoWorld Annual Dinner is an iconic feature of the EcoWorld culture where groups of employees compete in elaborate performance and dress competitions. Performers are trained rigorously by professional choreographers and theatre professionals. Rehearsals are conducted during working hours so that employees do not feel overburdened. The judging criteria for our Annual Dinner costumes and props promotes innovation and sustainability with points being awarded to those who utilise recyclable materials creatively.

The EcoWorld Sports Club offers an attractive range of sporting activities and social gatherings for its members.

Para Counselling

We introduced the Pink Possible Campaign – a comprehensive framework of employee wellness initiatives and long-term practices that covers healthy bodies, minds and living. Under this campaign, we conducted a series of mental health awareness programmes to reduce and end stigma associated with mental issues.

A curated group of employees in leadership positions attended a 12-week series of Para Counselling workshops which covered counselling, coaching and mentoring topics. The participants, ranging from top management to middle management, were certified as counsellors and coaches in order to become "mental first-aiders" for employees in need.

We also launched the Incrementality Campaign which is aimed at encouraging employees to strengthen relationships with their loved ones and cultivate self-care habits by making small, consistent and incremental efforts to cultivate a mentality of self-love and togetherness. The campaign comprises three stages as below.

Reflect

Self-reflection to live a positive life and discover a greater connection to oneself

Reunite

Spending quality time with family to create lasting memories and bonding with loved ones

Reconnect

Reaching out to old friends and rebuilding real connections and conversations

EcoWorld Annual Dinner

Para Counselling Workshop

ENHANCING SOCIAL DEVELOPMENT

CAPACITY BUILDING

The Group is committed towards investing in developing employees' skillsets and knowledge in the belief that this will contribute to productivity and better business performance. We provide both technical and soft skills training relevant to specific job functions to enhance competencies and provide exposure to employees.

In FY2019, we recorded an average of 39, 21 and 22 hours of training for EcoWorld International Malaysia, EcoWorld International UK and EcoWorld International Australia, respectively.

CONTRIBUTING TO LOCAL COMMUNITIES

We engage with the community to strengthen our social network and leave a positive legacy for the local community within and around our developments.

ECO WORLD FOUNDATION

Students Aid Programme

The Eco World Foundation is a platform for the Group to give back to the community via CSR efforts for children of all ages. The main focus of the Foundation is the Students Aid Programme which provides financial assistance to underprivileged students from primary up to tertiary levels of education. The Foundation currently funds approximately 2,600 students in selected primary schools, 300 students in selected high schools and 42 students in tertiary education, 24 of whom have graduated.

The Eco World Foundation also provides donations to schools to promote a conducive learning environment for children (including special needs children). Since its inception, the Foundation has spent RM752,000 on replacing school furniture which also includes canteen tables, benches and other equipment.

Education Awareness for Orang Asli

This year, the Eco World Foundation has again collaborated with *Persatuan Kebajikan Suara Kanak-kanak Malaysia* ("**SUKA Society**") to develop teaching tools for the core subjects of Bahasa Malaysia, English and Mathematics for preschool children from the *Orang Asli* community. A total of 42 staff were involved in preparing 150 handmade teaching tools for 10 *Orang Asli* preschools in the remote villages of Rompin, Pahang and Gua Musang, Kelantan.

The Foundation also contributed RM125,700 in FY2019 for SUKA Society's Empower2Teach programme which was utilised to sponsor teachers' allowances, training fees, school materials and other education costs for 10 *Orang Asli* preschools.

Health and Well-being

Eco World Foundation has embraced the opportunity to offer its support to The Befrienders, the only organisation in Malaysia advocating suicide-prevention and providing emotional support for emotionally and mentally drained Malaysians regardless of age, race and religion. Donations of RM50,000 were made through make-over of the The Befrienders KL premises to create a more conducive environment for the staff, volunteers and visitors, especially during counselling sessions.

The Foundation also collaborated with the Tun Hussein Onn National Eye Hospital ("**THONEH**") and the THONEH Foundation for 2 years in a row to sponsor eye check-ups and spectacles for 161 underprivileged students in five Klang Valley schools. The Foundation's contribution of RM20,000 covered the cost of conducting check-ups and providing free spectacles for the children.

Conservation Efforts

This year the Eco World Foundation partnered with the Malaysian Nature Society ("**MNS**") on nature conservation efforts including river restoration activities at Federal Hill in Kuala Lumpur, gotong-royong at an MNS nursery and mangrove seedling planting at the Kuala Selangor Nature Park with the help of volunteers from EcoWorld International.

ENHANCING SOCIAL DEVELOPMENT

ECOWORLD LEADERSHIP DEVELOPMENT PROGRAMME

The EcoWorld Leadership Development Programme is a programme for identified potential successors. One of the assignments required to be completed by participants is the planning and execution of CSR activities that can impact the local community to actively encourage EcoWorld International's employees' commitment on volunteerism and emphasise the need to care for underprivileged members of society. Further details of the CSR activities conducted are in the full Sustainability Report.

ECOWORLD INTERNATIONAL MALAYSIA CSR PROGRAMMES

Beach Clean-up

The EcoWorld International Malaysia team participated in beach clean-up activities organised by the non-profit organisation, MY Clean Beach, collecting trash from the coastal areas and weighing them to keep track of the amount of trash collected.

Pantai Remis, Kuala Selangor

11 staff volunteered for this programme

Plastic bottles	Glass bottles	Metal tins	Plastic straws	Cigarette butts	Non-recyclable waste
141.9kg	38.2kg	18.6kg	2.2kg	2.0kg	921.7kg

ECOWORLD INTERNATIONAL UK CSR PROGRAMMES

EcoWorld London has developed its own CSR Strategy Framework to enhance lives in communities in the areas in which we operate and, in the process offer volunteering opportunities to employees. EcoWorld London is currently actively engaging its employees in developing action plans for focus areas that have been identified.

EcoWorld London has conducted site visits for school and college students so they can learn about the roles and responsibilities of working on site. Some students were also offered work placements for hands-on experience.

Students' feedback on our initiatives has been positive, a response that highlights the fact that EcoWorld London is making a difference in their perception of the industry and career opportunities available therein.

EcoWorld London has also participated in multiple career fairs to give students insight into the wide range of opportunities within the construction industry.

Other activities include fitness initiatives for residents (such as boot camps and cycling events) as well as donations and charitable involvements.

ECOWORLD INTERNATIONAL AUSTRALIA CSR PROGRAMMES

On 26 May 2019, a team of 5 from our Melbourne office attended the Yarra River Blitz organised by the Yarra Riverkeeper Association and supported by Melbourne Water and the Clean Water Group. This was a day-long river clean-up programme involving volunteers removing rubbish from the river and along its banks. The programme saw the successful collection of collected 126kg of trash consisting waste types as detailed below.

CONCLUSION

EcoWorld International aims to continuously enhance and implement best practices across our operations wherever possible in the interest of improving our sustainability performance. We appreciate the continuing support from our shareholders and stakeholders as we pledge to achieve greater economic growth whilst creating a sustainable value chain, giving back to society and taking care of the environment.

BOARD OF DIRECTORS

FROM LEFT TO RIGHT

1. **TAN SRI AZLAN BIN MOHD ZAINOL**
   Chairman/Independent Non-Executive Director
2. **TAN SRI DATO' SRI LIEW KEE SIN**
   Executive Vice Chairman/Executive Director
3. **DATO' VOON TIN YOW**
   Non-Independent Non-Executive Director
4. **CHOONG YEE HOW**
   Non-Independent Non-Executive Director
5. **CHENG HSING YAO**
   Non-Independent Non-Executive Director
6. **DATO' TEOW LEONG SENG**
   President & Chief Executive Officer/Executive Director

7. **TAN SRI DATUK DR REBECCA FATIMA STA MARIA**
Independent Non-Executive Director

8. **DATO' SIOW KIM LUN**
Independent Non-Executive Director

9. **CHEAH TEK KUANG**
Senior Independent Non-Executive Director

10. **PAULINE WONG WAN VOON**
Independent Non-Executive Director

11. **DATO' KONG SOOI LIN**
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

TAN SRI AZLAN BIN MOHD ZAINOL

Chairman/Independent Non-Executive Director

GENDER	AGE
Male	69

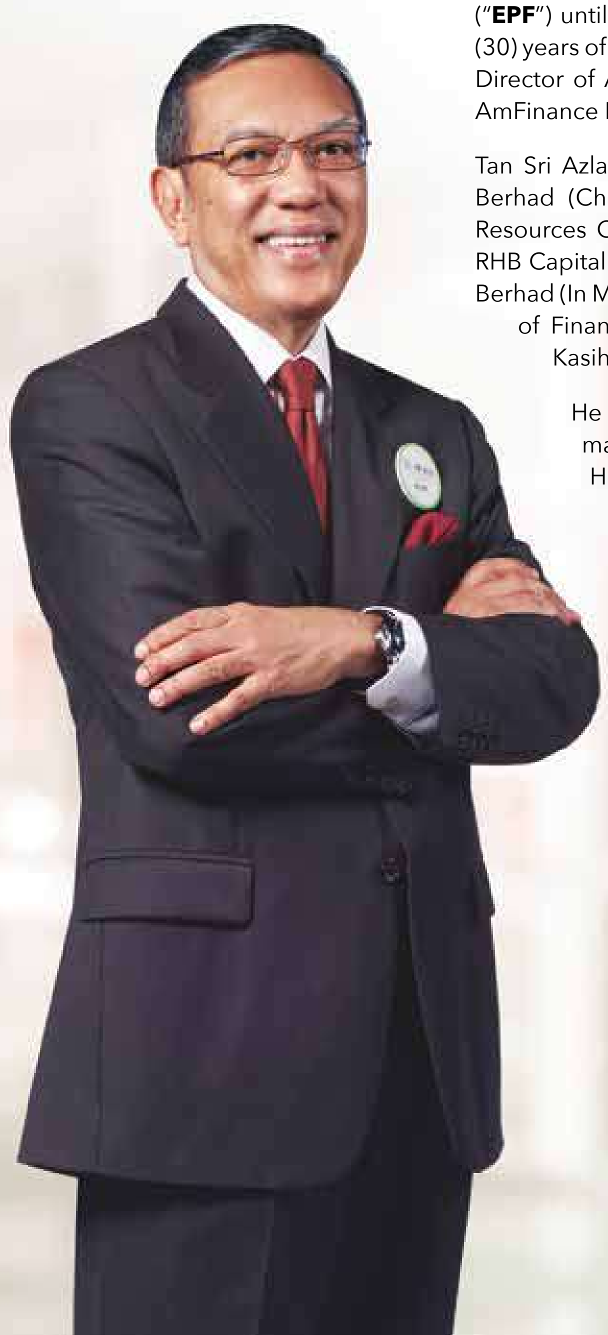
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Tan Sri Azlan was appointed to the Board of EcoWorld International on 12 September 2014 as Chairman/Independent Non-Executive Director. He serves as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

Tan Sri Azlan was previously the CEO of the Employees Provident Fund Board ("**EPF**") until his retirement in April 2013. Tan Sri Azlan has more than thirty (30) years of experience in the financial sector, having served as the Managing Director of AmBank Berhad and prior to that, as the Managing Director of AmFinance Berhad.

Tan Sri Azlan's other directorships in public companies include RHB Bank Berhad (Chairman), RHB Investment Bank Berhad (Chairman), Malaysian Resources Corporation Berhad (Chairman), Kuala Lumpur Kepong Berhad, RHB Capital Berhad (In Member's Voluntary Liquidation) and Rashid Hussain Berhad (In Member's Voluntary Liquidation). Tan Sri Azlan is also the Chairman of Financial Reporting Foundation, Chairman/Trustee of Yayasan Astro Kasih and a Trustee of OSK Foundation.

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



TAN SRI DATO' SRI LIEW KEE SIN

Executive Vice Chairman/Executive Director

GENDER	AGE
Male	61

- Bachelor of Economics Degree (Business Administration) from University of Malaya, Malaysia
- Honorary Doctorate of Entrepreneurship, INTI International University, Malaysia
- Honorary Doctorate of Philosophy in Entrepreneurship, MAHSA University, Malaysia
- Doctor of the University, Heriot-Watt University Malaysia

Tan Sri Liew was appointed to the Board of EcoWorld International on 12 September 2014 as Executive Vice Chairman.

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

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

Tan Sri Liew has won numerous corporate and industry awards for entrepreneurship, philanthropy and for showing exemplary leadership in building businesses and creating value. He was recognised as the UK-Malaysia Business Personality of the Year by the British Malaysian Chamber of Commerce at its inaugural Business Excellence Awards 2018.

Currently, he sits on the Board of Eco World Development Group Berhad ("**EcoWorld Malaysia**"), which is a major shareholder of EcoWorld International.

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

BOARD OF DIRECTORS' PROFILE

DATO' TEOW LEONG SENG

President & CEO/Executive Director

GENDER Male | **AGE** 61

- Master of Business Administration from University of Strathclyde Graduate School of Business, Glasgow
- Fellow of the Chartered Institute of Management Accountants, UK
- Chartered Accountant of the Malaysian Institute of Accountants
- Diploma in Commerce, Tunku Abdul Rahman University College, Malaysia

Dato' Teow was appointed to the Board of EcoWorld International on 12 September 2014 as Executive Director. He was then appointed as President & CEO on 13 October 2014. He serves as a member of the Risk Management Committee.

Dato' Teow has more than thirty (30) years of experience in real-estate development and finance related industries. He began his career in 1981 with the Hong Leong Group and has since then held various senior finance and accounting positions in several publicly-listed companies, including heading the Real Estate Finance business at Citibank Malaysia.

Prior to joining EcoWorld International, he was the Executive Director and CFO of S P Setia, where he was in charge of the group's Corporate and Finance Division while overseeing the Business Development Division and overseas expansion plans. Dato' Teow led S P Setia's foray overseas to Vietnam, Australia and UK and played a key role in further expansion to China.

A notable achievement for Dato' Teow would be his role in securing the iconic Battersea Power Station redevelopment project in UK. He led the team that gave the Malaysian consortium, comprising S P Setia, Sime Darby Berhad and EPF the confidence to submit an unconditional bid for the site. He was appointed as the Chairman of the UK-based Battersea Power Station Development Company Limited ("**BPSDCL**") to oversee the development management of the project.

Other than EcoWorld International, he does not hold any other directorships in public companies and listed issuers in Malaysia.

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

CHEAH TEK KUANG

Senior Independent Non-Executive Director

GENDER	AGE
Male	72

- Bachelor of Economics (Honours) from University of Malaya, Malaysia
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers

Mr Cheah was appointed to the Board of EcoWorld International on 12 September 2014 as Independent Non-Executive Director. He was re-designated as Senior Independent Non-Executive Director on 27 April 2017. He serves as the Chairman of Nomination and Remuneration Committee and Risk Management Committee. He is also a member of Whistleblowing Committee.

Mr Cheah started his career in the Federal Industrial Development Authority (now known as Malaysian Industrial Development Authority) in 1970 as an Economist responsible for research and planning in regional industrial cooperation. In 1978, he joined Arab Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) in its Corporate Finance Department. He was later appointed as CEO and Group Managing Director of the AmInvestment Bank Berhad in 2002.

Following the restructuring of AmBank Group, he was appointed as the Group Managing Director of AMMB Holdings Berhad, the financial holding company of AmBank Group in 2005. He retired in March 2012 after serving the AmBank Group for more than thirty-three (33) years.

He was also a Director of Bursa Malaysia Berhad, the holding company of Bursa Malaysia Securities Berhad for nine (9) years. Currently, he sits on the Appeals Committee of Bursa Malaysia Securities Berhad, which looks into appeals by listed companies and market participants on violations of the Listing Requirements.

Mr Cheah was previously on the Board of the EPF from June 1996 to May 2007 and served in its Investment Panel from June 2007 to May 2009. He was also a member of Kumpulan Wang Persaraan (Diperbadankan)'s Investment Panel from 2007 to February 2016. He was a past Director of Cagamas Berhad, Cagamas Holdings Berhad, Danajamin Nasional Berhad and an asset management company, ARA Managers Harmony III Sdn Bhd.

Currently, he sits on the Board of IOI Corporation Berhad and Berjaya Golf Resort Berhad. He is also a board member of non-profit organisations – Yayasan Bursa Malaysia and Malaysian Institute of Art.

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

BOARD OF DIRECTORS' PROFILE

DATO' VOON TIN YOW

Non-Independent Non-Executive Director

GENDER Male | AGE 62

- Master of Science in Engineering from University of Texas at Austin, United States
- Bachelor of Science in Civil Engineering from University of Texas at Austin, United States

Dato' Voon was appointed to the Board of EcoWorld International on 14 September 2017 as Non-Independent Non-Executive Director.

Dato' Voon has thirty-five (35) years of working experience in the construction and property development industry, which includes three (3) years in construction site management and thirty-two (32) years in management of property development.

He began his career in 1984 in Kimali Construction Sdn Bhd as a Site Engineer and went on to become the Development Engineer in Juru Bena Tenaga Sdn Bhd in 1986. In 1990, he joined Syarikat Kemajuan Jerai Sdn Bhd as Project Manager and was subsequently appointed as the General Manager in 1994. He was previously an Executive Director at S P Setia and held the post of Chief Operating Officer from 1996 to 2014. He was also previously the Acting President & CEO of S P Setia from 1 May 2014 until 31 December 2014. During his tenure in S P Setia, he oversaw the development of the entire eco-system to establish the company's policies and procedures.

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

Currently, he sits on the Board of EcoWorld Malaysia, which is a major shareholder of EcoWorld International.

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

CHOONG YEE HOW

Non-Independent Non-Executive Director

GENDER	AGE
Male	63

- Master of Business Administration from University of Otago, New Zealand
- Bachelor of Science in Biochemistry (1st Class Honours) Degree from University of Otago, New Zealand

Mr Choong was appointed to the Board of EcoWorld International on 27 April 2017 as Non-Independent Non-Executive Director.

Mr Choong is a Non-Independent Executive Director and Group President & CEO of GuocoLand Limited, which is listed on the Main Board of the Singapore Exchange.

He has over thirty (30) years of experience in the banking industry, of which twenty-three (23) years were with Citibank Malaysia. He had held various senior positions within the Citibank Group with the last being President & CEO of Citibank Savings Inc. Philippines.

Mr Choong was the President & CEO of Hong Leong Financial Group Berhad, Chairman of Hong Leong Asset Management Berhad and Hong Leong Bank (Cambodia) PLC as well as a Director of Hong Leong Assurance Berhad, Hong Leong MSIG Takaful Berhad and Hong Leong Investment Bank Berhad.

Currently, he is a Non-Independent Non-Executive Director of GuocoLand (Malaysia) Berhad.

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

BOARD OF DIRECTORS' PROFILE

CHENG HSING YAO

Non-Independent Non-Executive Director

GENDER Male | AGE 48

- Master of Design Studies (Distinction) from Harvard University, United States
- Bachelor of Architecture (1st Class Honours) Degree from Newcastle University, UK

Mr Cheng was appointed to the Board of EcoWorld International on 27 April 2017 as Non-Independent Non-Executive Director.

Mr Cheng is the Group Managing Director of GuocoLand Singapore. He joined GuocoLand Group in 2012, as Chief Operating Officer of GuocoLand Singapore, before becoming Managing Director, Group Project Office in GuocoLand Limited.

Prior to joining GuocoLand, he was with the Singapore public service, where he held leadership positions at the Centre for Liveable Cities and the Urban Redevelopment Authority. He is a board member of the National Parks Board and a member of the Urban Redevelopment Authority's Design Advisory Committee as well as Heritage and Identity Partnership. He is also a member of the Urban Land Institute Singapore Executive Committee.

Other than EcoWorld International, he does not hold any other directorships in public companies and listed issuers in Malaysia.

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

TAN SRI DATUK DR REBECCA FATIMA STA MARIA

Independent Non-Executive Director

GENDER	AGE
Female	62

- Doctor of Philosophy from the University of Georgia in Athens, United States
- Master of Science in Counselling from Universiti Putra Malaysia, Malaysia
- Bachelor of Arts (Honours) in English Literature from University of Malaya, Malaysia

Tan Sri Datuk Dr Rebecca was appointed to the Board of EcoWorld International on 27 April 2017 as Independent Non-Executive Director. She serves as a member of Nomination and Remuneration Committee.

Tan Sri Datuk Dr Rebecca began her career in the Malaysian Administrative and Diplomatic Service and retired as the Secretary-General of the Ministry of International Trade and Industry in July 2016.

Currently, she is the Executive Director of Asia-Pacific Economic Cooperation (APEC) and sits on the Board of RHB Bank Berhad, Sunway Berhad, Hartalega Holdings Berhad and Institute for Democracy and Economic Affairs Berhad. She also serves on the Board of Trustees of MyKasih Foundation.

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

BOARD OF DIRECTORS' PROFILE

DATO' SIOW KIM LUN

Independent Non-Executive Director

GENDER Male | AGE 69

- Master Degree in Business Administration from the Catholic University of Leuven, Belgium
- Bachelor of Economics (Honours) from Universiti Kebangsaan Malaysia
- Advanced Management Program in Harvard Business School, United States

Dato' Siow was appointed to the Board of EcoWorld International on 12 September 2014 as Independent Non-Executive Director. He serves as the Chairman of Audit Committee and also a member of Nomination and Remuneration Committee and Whistleblowing Committee.

Dato' Siow started his career in investment banking with Malaysian International Merchant Bankers Berhad in 1981. He later joined Permata Chartered Merchant Bank Berhad (now known as Affin Hwang Investment Bank Berhad) where he served as a Manager and the Head of its Corporate Finance Division from 1985 to 1993.

Between 1993 to 2006, he was with the Securities Commission Malaysia and has served as the Director of its Issues & Investment Division and Market Supervision Division.

He currently sits on the Board of Eita Resources Berhad, Sunway Construction Group Berhad, Hong Leong Assurance Berhad, Radiant Globaltech Berhad and RHB Investment Bank Berhad.

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

DATO' KONG SOOI LIN

Independent Non-Executive Director

GENDER Female | AGE 58

- Bachelor of Commerce (Honours) from the University of New South Wales, Australia
- Fellow of Certified Practising Accountant Australia
- Chartered Banker of Asian Institute of Chartered Bankers
- Chartered Accountant of Malaysian Institute of Accountants

Dato' Kong was appointed to the Board of EcoWorld International on 1 April 2019 as Independent Non-Executive Director. She serves as the Chairperson of Whistleblowing Committee and member of Audit Committee.

She has over thirty (30) years of investment banking experience and has extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.

Dato' Kong began her career with Ernst & Whinney (now known as Ernst & Young) and Arthur Andersen & Co. and then joined Bumiputra Merchant Bankers Berhad under Corporate Banking in 1989.

In 1994, she joined CIMB Investment Bank Berhad ("**CIMB Investment Bank**") and has been with CIMB Group Holdings Berhad ("**CIMB Group**") for twenty-five (25) years until her retirement from CIMB Investment Bank as its CEO in March 2019. Throughout her tenure with CIMB Group, Dato' Kong has contributed significantly to entrenching CIMB as one of the top investment banking houses domestically and across ASEAN.

Dato' Kong has held various capacities within CIMB Group. Her roles include Group Head of Investment Banking Division for the Asia Pacific region, Group Head of Private Banking, Head of Senior Bankers Group, Chairperson of CIMB Private Limited Sri Lanka and Commissioner on the Board of Commissioners of CIMB Securities Indonesia.

Currently, she sits on the Board of Malaysia Venture Capital Management Berhad, AMMB Holdings Berhad and AmInvestment Bank Berhad.

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

BOARD OF DIRECTORS' PROFILE

PAULINE WONG WAN VOON

Independent Non-Executive Director

GENDER Female | **AGE** 52

- Bachelor of Laws (Honours) from University of Leicester, UK
- Certificate in Legal Practice, Malaysia
- Certified Fraud Examiner
- Member of Association of the Certified Fraud Examiners

Ms Pauline was appointed to the Board of EcoWorld International on 2 April 2018 as Independent Non-Executive Director. She serves as a member of Risk Management Committee.

Ms Pauline is currently the Executive Director of the Malaysian Investment Banking Association ("**MIBA**"), where for the past twenty (20) years, she has been instrumental in driving organisational change as well as the development and implementation of key sustainable initiatives and strategies that ensured the steady growth of MIBA in its role of promoting the development and growth of the Malaysian capital market. She has also purposefully promoted the development of intellectual capital that definitively enhanced organisational corporate value and competitive advantage within the investment banking fraternity.

She has been representing MIBA on the Financial Industry Collective Outreach (FINCO) Steering Committee since 2016 and between 2003 and 2007, she represented MIBA on the Bursa Malaysia Continuing Education Programme Accreditation Committee.

She began her career with Messrs Suhaimi Khor Zulkifli & Chang, Advocates & Solicitors in September 1992 as a Legal Counsel. In June 1993, she joined TA Securities Berhad as an Assistant Manager, where she was tasked with setting up a new business unit, before being transferred to the Legal Affairs Department in April 1994 to undertake in-house legal work.

Apart from EcoWorld International, she does not hold any other directorship in public companies and listed issuers in Malaysia.

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

PROFILE OF KEY SENIOR MANAGEMENT

MELISSA TAN SWEE PENG

CFO

GENDER Female | **AGE** 46

- Bachelor of Arts in Accounting from the University of Bedfordshire, UK

Melissa was appointed as CFO of EcoWorld International on 1 September 2016 and is overall responsible for all financial matters of the Group including financial reporting, corporate finance, treasury, investor relations, corporate communications and performance and risk management. She has successfully implemented a RM800 million Medium Term Note Programme to facilitate the growth of EcoWorld International's expansion into the UK and Australian property markets.

Melissa started her career with the Internal Audit Department of Sunway Holdings Berhad (now known as Sunway Berhad). In 2001, she joined the Corporate Finance Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) ("**Maybank IB**"). During her six (6) years tenure in Maybank IB, she was involved in various corporate transactions specialising in mergers and acquisitions, take-overs and equity fund raising activities.

Subsequently, Melissa joined S P Setia in 2007 as a Senior Manager within the Corporate Finance Department. She was the primary person assisting the Head of Corporate Finance and thereafter the CFO in the implementation of S P Setia's financial strategies. She implemented two (2) major placement exercises which raised in total more than RM1.8 billion and played a direct role in securing regulatory approvals. In 2013, she was promoted to Head of Corporate Finance overseeing corporate financial planning where she anchored the equity and debt capital market functions along with the regulatory compliance on corporate finance matters. Under her stewardship, S P Setia successfully completed the issuance of a RM700 million Sukuk Musharakah Programme which clinched two (2) Islamic finance awards, namely the Perpetual Deal of the Year and Musharakah Deal of the Year in 2014.

In April 2014, Melissa joined EcoWorld Malaysia as the Head of Corporate Finance and she led the Initial Public Offering exercise of EcoWorld International. Within a span of approximately two (2) years, Melissa spearheaded the implementation of six (6) major corporate transactions involving acquisitions and JV arrangements, which enabled EcoWorld Malaysia to increase its landbank from 1,017 acres in 2013 to 7,443 acres by 31 October 2015, and facilitated a RM2.8 billion equity fund raising for its growth and expansion plans.

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

PROFILE OF KEY SENIOR MANAGEMENT

TAN CHENG YONG

Head of Global Development Operations

GENDER	AGE
Male	63

- Bachelor of Arts in Architecture (Royal Institute of British Architects ("**RIBA**") Part I) from Leeds Metropolitan University, UK
- Diploma in Architecture (RIBA Part II) from Leeds Metropolitan University, UK
- Chartered Member of RIBA Part III from University of Westminster, UK

Mr Tan was appointed as Chief of Design & Planning of EcoWorld International on 1 January 2016 and subsequently re-designated as the Head of Global Development Operations on 1 March 2018.

He began his professional working life in 1984, where he spent eight (8) years as an architect in the UK. He worked with the Greater London Council, Michael Haskoll Associates and Chapman Taylor Partners, focusing on general architecture design and detailing, contract administration as well as accumulating extensive experience and knowledge in the design and building of major shopping malls in the UK.

In 1992, he returned to Malaysia to join the Lion Group as General Manager for the Commercial and Integrated Developments Division. He was instrumental in ensuring the success of the entire operational process within the property development value chain for projects including shopping malls, hotels, serviced apartments, office towers and integrated township developments.

Thereafter, he joined S P Setia as a Project Director in 2011 and was later promoted to the position of Senior Project Director in 2012. He oversaw the execution of the KL Eco City project, an integrated mixed commercial and residential development in Malaysia. He also led a team in conceptualising the development master plan for S P Setia's proposed Setia Federal Hill project.

In addition, he was appointed by BPSDCL to be a member of the Tender Committee in 2012. As a member of the Tender Committee, he oversaw the technical aspects of the Battersea Power Station project such as procurement and technical due diligence. He was also the Chief Design Review Officer of BPSDCL responsible for overseeing project design and product development across all its development phases.

Currently, he oversees the execution of EcoWorld International projects in UK and Australia as the Head of Global Development Operations.

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

DATO' NORHAYATI BINTI SUBALI

Chief of Global Sales & Marketing

GENDER	AGE
Female	55

- Bachelor of Science (Honours) Degree in Urban Estate Management from Liverpool John Moores University, UK

Dato' Norhayati was appointed as Chief of Sales & Marketing of EcoWorld International on 1 August 2015 and subsequently re-designated as the Chief of Global Sales & Marketing on 1 March 2018.

Upon graduation in 1987, she joined Juru Bena Tenaga Sdn Bhd as a Marketing Executive and left in 1990 to join Syarikat Kemajuan Jerai Sdn Bhd as an Assistant Manager, Sales and Marketing. When SKJ was injected into S P Setia via a reverse take-over in 1995, she was promoted to the position of Assistant General Manager, Property Central, a position she held until 2002.

She was later promoted to the position of General Manager, Property Central and held that position for seven (7) years. She was responsible for master planning, marketing, sales and implementation of the Setia Alam project in Shah Alam as well as quality control.

Dato' Norhayati was promoted to Divisional General Manager, Luxury Residences and Group Marketing in 2009. In this role, she oversaw the marketing of high-end luxury high-rise condominium known as "Setia Sky Residences" in Kuala Lumpur.

She was promoted to the position of Divisional General Manager, Group Marketing and International Properties in 2012. Her role included planning and implementation of marketing and sales strategies for the Group Marketing and International Properties Division as well as overseeing brand building, marketing collaterals and the alignment of the brand in new overseas markets.

With S P Setia's venture into overseas markets such as UK and Australia, she was actively involved in the marketing campaigns of the Group's international properties not only in Malaysia but also in the region. She led the team that researched and identified development features that would be attractive to Malaysian investors in the UK and Australia. She also led the team which was responsible in setting up the Setia International Centre located in Kuala Lumpur.

Dato' Norhayati was appointed as Managing Director of Battersea Power Station Malaysia Sdn Bhd in 2012. In this capacity, she was primarily responsible for coordinating the global sales launches of the Battersea Power Station project.

As the Chief of Global Sales & Marketing of EcoWorld International, she is responsible for the development of the marketing strategies and execution of the sales programmes for international projects of the Company.

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

PROFILE OF KEY SENIOR MANAGEMENT

CHEONG HENG LEONG

CEO, International Business (UK)

GENDER	AGE
Male	39

- Master of Science Real Estate Economics and Finance (Distinction) from London School of Economics and Political Science, UK
- Bachelor of Arts in Economics and Management (Upper Second Class Honours) from University of Oxford, UK

Mr Cheong was appointed as CEO, International Business (UK) of EcoWorld International on 1 October 2015.

In 2006, he joined the Investor Relations department of S P Setia, responsible for liaising with local and foreign analysts and fund managers through one-on-one meetings, conferences and roadshows in Malaysia, Singapore, Hong Kong, Thailand, Japan, United States and UK. He was ranked third and second in the Malaysian Investor Relations Association Awards for the Best Investor Relations Professional – Mid Cap in 2010 and 2011 respectively.

He was tasked with additional responsibilities in 2011 where he was responsible for helping the Malaysian consortium of S P Setia, Sime Darby Berhad and EPF in identifying and subsequently acquiring the development site for the Battersea Power Station project in Central London. He was the 'pointman' responsible for the day-to-day management of the extensive due diligence team of bankers, lawyers, accountants, property and technical consultants.

In 2012, following the successful acquisition of Battersea Power Station, he was promoted to General Manager, Property UK. In recognition of the project knowledge that he had amassed, he was subsequently nominated by S P Setia, Sime Darby and EPF in 2012 to serve as the Chief Strategic Relations Officer of the UK-based BPSDCL, reporting directly to the Chairman.

In September 2015, he left S P Setia to join Eco World Management & Advisory Services (UK) Ltd as CEO based in London. In this role, his main responsibilities included identifying new real estate opportunities for EcoWorld International and helping to oversee the implementation of the JV developments with Ballymore on behalf of the JV's majority shareholders. He was instrumental in securing EcoWorld International's majority acquisition of the Willmott Dixon residential development business, which has increased EcoWorld International's business in the UK by fourfold and created the new company EcoWorld London.

In January 2019, he was appointed as CEO of EcoWorld London. In the role, he will remain a Board Director of EcoWorld International's JV with Ballymore and be responsible for growing the rapidly expanding EcoWorld London by identifying new real estate opportunities for both private residential and BtR whilst also overseeing the existing sites.

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

YAP FOO LEONG

CEO, International Business (Australia)

GENDER Male | **AGE** 61

- Licensed Real Estate Agent (LREA), Australia
- Chartered Institute of Management Accountants (CIMA), UK
- Diploma in Business (Real Estate Management) from Macleay College, Australia

Mr Yap was appointed as CEO, International Business (Australia) of EcoWorld International on 1 July 2014.

He first started work in 1981 with the Hong Leong group of companies in Malaysia and held various positions within the group until 1987. His last posting was in Hume Fibreboard Sdn Bhd as the Finance Manager until he left to join Gamuda Berhad in 1993. In year 2000, he was transferred to Syarikat Pengeluar Air Sungai Selangor as the Senior Manager, in charge of finance.

In early 2001, he migrated to Australia where he joined Dealruby Pty Ltd which is part of the Richbout Group as a Director overseeing the entire spectrum of the group's business, mainly in property development and management. Besides property management, he also implemented projects and was involved in various activities from site identification to successful marketing of properties and controlling of overall cost and quality.

He left Dealruby Pty Ltd in July 2014 and joined Eco World Sydney Development Pty Ltd as the CEO, International Business (Australia). He was instrumental in identifying the West Village, Parramatta project and conducted due diligence on the site. His main responsibility is to identify new projects and expand the EcoWorld International brand as well as to build the EcoWorld team in Australia. He also oversees the overall operations of the West Village, Parramatta project.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement is prepared to provide our shareholders and stakeholders with an overview of the Corporate Governance ("**CG**") practices of Eco World International Berhad ("**EcoWorld International**" or the "**Company**"), its subsidiaries and joint-ventures ("**Group**") for financial year ended 31 October 2019 ("**FY2019**") based on the principles and guidance set out in the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia ("**SC**").

This statement is prepared in compliance with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and is to be read together with the CG Report 2019 of the Company which is available on the Company's corporate website at www.ecoworldinternational.com.

INTRODUCTION

The Board is mindful of its regulatory roles and affirms that upholding good CG is important in building a sustainable business and creating long-term value to the shareholders and stakeholders.

During the year of review, the Board's commitment towards the best practices in CG was recognised by Minority Shareholders Watchdog Group (MSWG) whereby the Company was presented with the award of *"New Company Excellence"* in July 2019.

As part of the continuing efforts to adopt the best CG practices, a Gap Analysis Report was prepared by the Company Secretary and presented to the Board in December 2019 to determine the level of adherence and identify the gaps by setting the milestones or deadlines for the Company to further raise the bar on CG.

As at the date of this statement, EcoWorld International has adopted thirty-one (31) out of thirty-six (36) practices including two (2) Step-Up practices. The details of the practices that have yet to be applied/adopted are set out in our CG Report 2019.

The key focus areas of the Board for FY2019 were the review and identification of the gaps of the Group's CG which have yet to be adopted by the Company during financial year ended 31 October 2018 and as we continue to strive for the highest standard of CG practices, the areas of focus during the year were:

(i) Sourcing of a suitable Board member to achieve gender diversity;
(ii) Adopted an External Auditors Policy to assess the suitability, objectivity and independence of the External Auditors; and
(iii) Adopted an Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**") to ensure adherence to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Act**").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

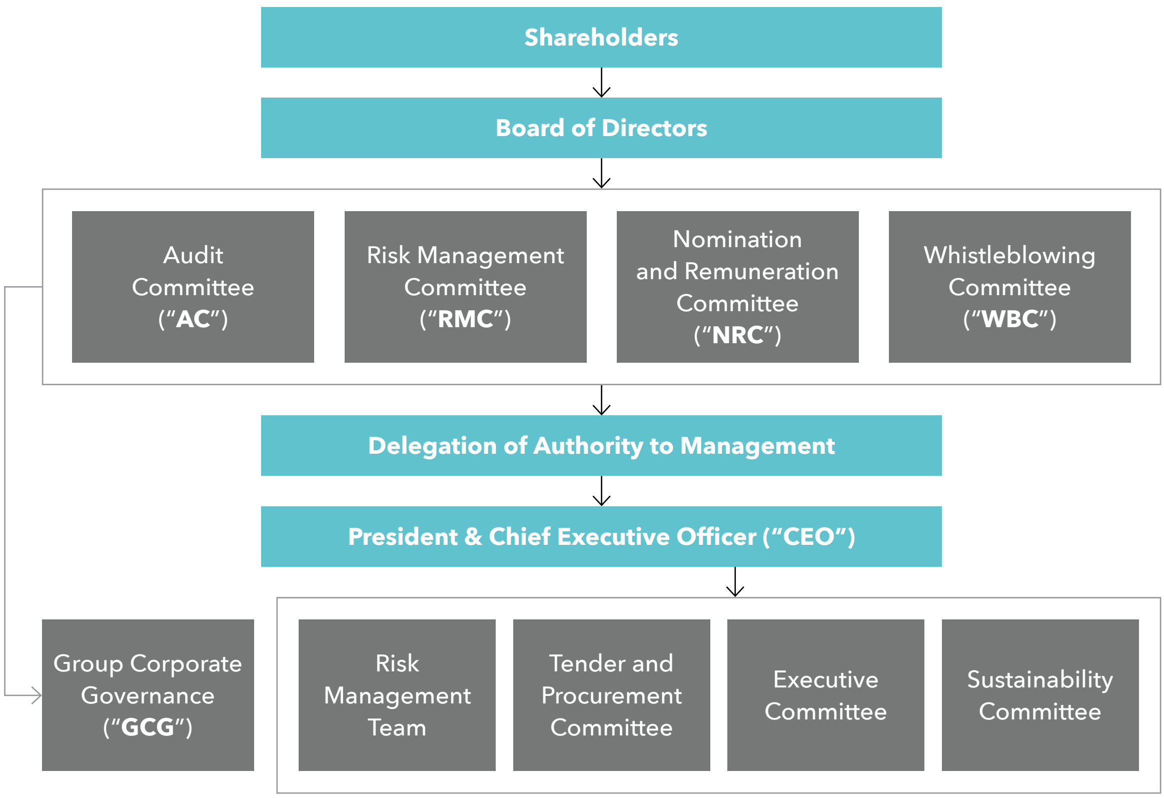
(i) Board Responsibilities

The Board is collectively responsible for the overall strategic plans and long-term success of the Group. It oversees the proper conduct of business, succession planning of Key Senior Management, risk management and internal control, shareholders' communication, management information system as well as statutory matters.

The Board provides leadership and direction to the operations of the Group while Management is accountable for the execution of policies and meeting corporate objectives.

(ii) Governance Model

In order to ensure effective discharge of the roles and responsibilities, the Board has in place a Governance Model for the Group and delegated specific authorities to the Board Committees as below:



The roles and responsibilities of the Board are clearly defined in the Board Charter which is subject to periodic review and revised as and when required. In order to retain control of key decisions and ensure a clear division of responsibilities, the Board Charter sets out the matters reserved for Board's decision. The Board Charter is available on the Company's corporate website.

In September 2019, the Board had formalised and adopted the Terms of Reference ("**TOR**") for WBC. Each Board Committee is now governed by its own TOR which clearly outlines its objectives, composition, roles and responsibilities, authority and procedures. The TORs are reviewed periodically by each Committee and endorsed by the Board to ensure effective and efficient decision making within the Group. The TORs of the respective Board Committees are set out as the appendices to the Board Charter and are available on the Company's corporate website.

All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairmen of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(iii) Chairman of the Board

The Chairman of the Board, Tan Sri Azlan Bin Mohd Zainol, who is an Independent Non-Executive Director, leads the Board by setting the tone and managing Board effectiveness by focusing on strategy, governance and compliance. He guides the Board through decision making process and ensures that the Board operates effectively as a team. The Board appreciates the distinct roles and responsibilities between the Chairman of the Board, Executive Vice Chairman and the President & CEO of the Company and the segregation of roles and responsibilities is clearly stated in the Company's Board Charter to ensure a balance of power and authority.

(iv) Company Secretaries

The Board is supported by the Company Secretaries who are qualified under the Companies Act 2016. The Company Secretaries advise the Board on CG related matters and ensure the Board adheres to the relevant rules and regulatory requirements as well as Board policies and procedures.

(v) Board Meetings

The Board schedules meetings on a quarterly basis and additional meetings which require the Board's deliberation and approval will be held in between the scheduled meetings. A total of six (6) Board meetings were held in FY2019.

In order to ensure all the Directors are able to attend the Board and Board Committees meetings, the calendar for the Board and Board Committees meetings is circulated in advance before the commencement of the financial year which allows the Directors to plan their schedules.

Board papers are uploaded via board portal at least five (5) business days prior to the meetings to allow Directors to have sufficient time to review and obtain further clarification, if necessary. This would enable focused and constructive deliberation at meetings. All reports are presented in a clear and concise manner, to enable the Board to analyse and discharge their duties effectively.

Upon the conclusion of the meeting, the minutes will be circulated to the Board for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the next Board meeting.

The Board and Board Committees have discharged their roles and responsibilities by attending the Board and Board Committees meetings held during FY2019, their attendance at the meetings of the Board and the respective committees is set out in the table below:

Name of Directors	Board	AC	RMC	NRC	WBC
Tan Sri Azlan Bin Mohd Zainol	6/6	6/6	5/5	3/3	-
Tan Sri Dato' Sri Liew Kee Sin	6/6	-	-	-	-
Dato' Teow Leong Seng	6/6	-	5/5	-	1/1
Cheah Tek Kuang	6/6	-	5/5	3/3	1/1
Dato' Voon Tin Yow	6/6	-	-	-	-
Choong Yee How	6/6	-	-	-	-
Cheng Hsing Yao	6/6	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	5/6	-	-	2/3	-
Dato' Siow Kim Lun	6/6	6/6	-	3/3	1/1
Dato' Kong Sooi Lin^	3/3	2/2	-	-	-
Pauline Wong Wan Voon	6/6	-	5/5	-	-
Dato' Seri Ahmad Johan Bin Mohammad Raslan*	2/2	3/4	-	-	-

^ Appointed on 1 April 2019
** Retired on 27 March 2019*

(vi) Code of Conduct and Business Ethics

The Board is committed to comply with all applicable laws and regulations of the countries in which it operates and to apply high standards of conduct and integrity in our business activities whether within or outside Malaysia. Building a culture of accountability, ensuring investor confidence and maintaining good CG were the focus of the Board for FY2019.

As the Group reinforces its principle towards zero-tolerance approach to bribery and corruption in all its forms, an ABC Policy has been adopted by the Board in December 2019 whilst the Code of Conduct and Business Ethics ("**Code**") plays an important role in how the Company conducts its business and Directors and employees act as responsible representatives of the Group.

In preparation for compliance with the MACC Act, a gap analysis has been presented to the Board for discussion and action plans have been put in place to address the gaps of corruption risks within the operations of the Group.

The Code is available on the Company's corporate website.

(vii) Whistleblowing Policy

The Board has in place a Whistleblowing Policy which demonstrates high standards of ethical behaviour and integrity. A platform was provided for its employees, business associates and public who have concerns on suspected misconduct (including fraud, bribery, theft, abuse of power and violation of laws and regulations) to report the suspected incident directly to WBC.

Through this policy, the Group can preserve its culture of openness, accountability and integrity to enable whistleblowers to express their concerns without fear of punishment or unfair treatment.

The whistleblower reporting form is available on the Company's corporate website and all written reports shall be channelled directly to WBC via email at whistleblow@ecoworldinternational.com.

(viii) Board Composition

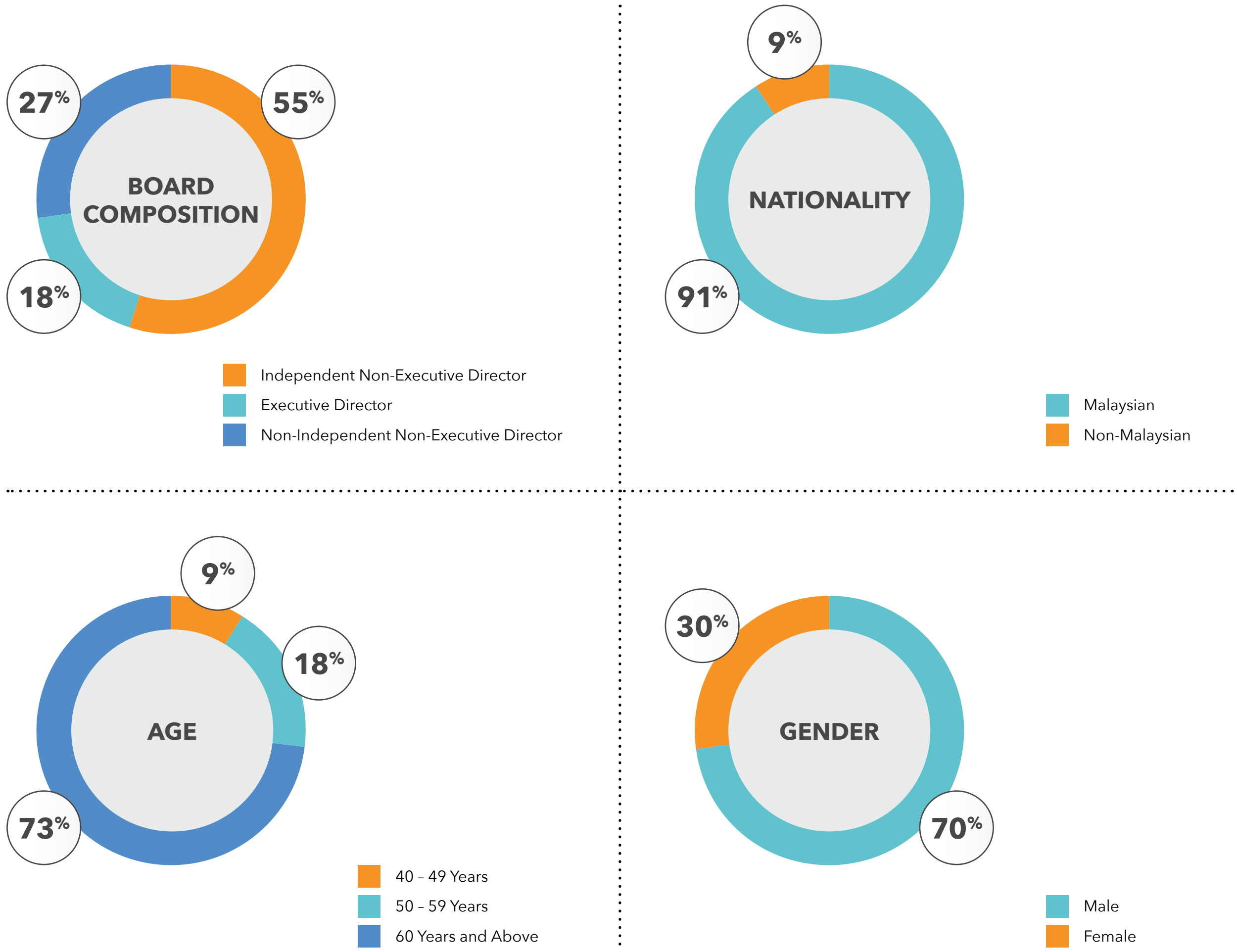
The composition of the Board is fundamental to its success in providing strong and effective leadership. The Board comprises a strong mix of experienced individuals with majority being Independent Non-Executive Directors who offer external perspectives on the business and constructively challenge the Executive Directors, particularly when developing the Company's strategy. The Non-Executive Directors scrutinise the performance of Management in meeting their agreed goals and objectives and monitor the reporting of the Group's performance.

With the current composition of the Board, the Company has complied with Paragraph 15.02 of the MMLR of Bursa Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher must be independent. The breadth of knowledge, skills and experience of the Directors are detailed in their respective profiles on pages 50 to 60 of this Annual Report.

The Board through NRC continued to enhance its diversity by searching for the right talent and suitable candidate to be appointed on Board. Subsequent to the retirement of Dato' Seri Ahmad Johan Bin Mohammad Raslan on 27 March 2019, the Board focused on gender diversity and was committed to meet the threshold of 30% women representation for a more balanced Board. The position was filled by Dato' Kong Sooi Lin on 1 April 2019 in view of her extensive experience and knowledge especially within the banking and financial investment community. She was also appointed as a member of the AC and Chairperson of the WBC on 1 April 2019 and 12 December 2019 respectively. The women representation on the Board has achieved 27% and in practical terms, the Board has deemed the 30% threshold recommended by the MCCG as met. The women representation in Key Senior Management has also achieved the 30% threshold.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the review, the Board is satisfied with the current composition as this size would enable effective oversight and delegation of responsibilities. The summary of Board composition as at 31 October 2019 is set out below:



(ix) Tenure of Independent Directors

In considering independence, the Board through NRC conducts annual review on the level of independence of each Independent Director to ensure that there are independent elements that fit the Company's objectives and strategic goals. The tenure of Independent Directors is limited to a cumulative term of not exceeding twelve (12) years as started in the Board Charter.

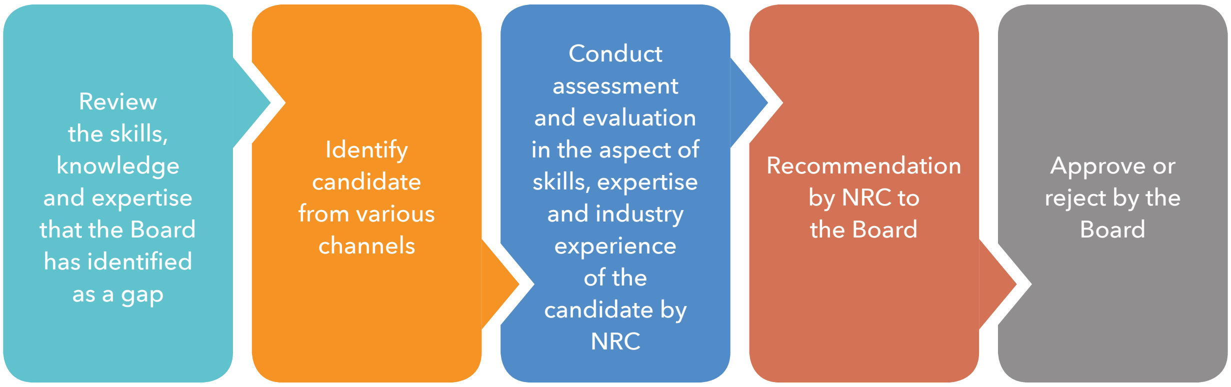
In the event that the Board intends to retain the Director as Independent Director after he/she has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting. In justifying the decision, the Board through the NRC is entrusted to assess the candidates' suitability to continue as Independent Directors.

As at the date of this statement, none of the Independent Directors has served the Company for more than nine (9) years.

(x) Appointment of New Director and Key Senior Management

The Board believes that a diverse Board would have a positive impact to the Group and offers valuable deliberations during Board meetings.

The chart below shows the procedures on the appointment of a new Director:



The appointment of Key Senior Management of the Company is based on merit and with due regards for diversity in skills, experience, age and gender.

(xi) Induction Programme

In order to facilitate the new Directors in carrying out their roles and familiarise themselves with the Group's business strategy and operational matters, site visits will be arranged and documents such as disclosure obligations and schedule of meetings will be furnished.

(xii) Board Evaluation

The NRC had engaged Boardroom Corporate Services Sdn Bhd which provides corporate secretarial services to facilitate the annual assessment on the effectiveness of the Board, Board Committees and individual Directors through online assessment for FY2019.

Based on the assessment results, the NRC is satisfied that the size of the Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. All assessments and evaluations carried out by the NRC in the discharge of all its functions were properly documented. The NRC reviewed the outcome of the assessment and reports to the Board. The results will also be used as a basis for recommending the relevant Directors for re-election at the Annual General Meeting ("**AGM**").

(xiii) Re-election of retiring Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors (with the exception of the Alternate Director) are subject to retirement by rotation annually and all Directors including CEO shall retire from office at least once every three (3) years.

The Directors to retire each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company. Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Sixth AGM:

(i) Dato' Teow Leong Seng – Clause 114(1);
(ii) Dato' Siow Kim Lun - Clause 114(1);
(iii) Mr Cheah Tek Kuang - Clause 114(1); and
(iv) Dato' Kong Sooi Lin – Clause 121.

All the aforesaid Directors have expressed their intention to seek for re-election at the forthcoming Sixth AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(xiv) Succession Plan

Succession planning is an integral part of the Board's CG practices to ensure continuity in meeting the Group's long-term goals and objectives. In sourcing for candidates, the NRC does not rely solely on the recommendations from the existing Board members, Management or major shareholders. They also tap on various channels to identify suitable qualified candidates to ensure that the Board will always have a pool of talent for selection whenever there is a need to appoint new Directors.

(xv) NRC's Activities

During the financial year, the NRC has undertaken the following key activities in discharging its duties:

(i) Reviewed, deliberated and recommended the revised Board and Board Committees evaluation forms;
(ii) Discussed and recommended the re-election of Directors at the forthcoming AGM;
(iii) Assessed the effectiveness of the Board and Board Committees;
(iv) Reviewed the level of independence of the Independent Directors;
(v) Reviewed the terms of office, competency and performance of the AC in discharging their responsibilities;
(vi) Assessed the performance of Company Secretary and Chief Financial Officer ("**CFO**");
(vii) Assessed the training needs of the Directors;
(viii) Identified, assessed and recommended the appointment of Dato' Kong Sooi Lin as the Independent Non-Executive Director, a member of AC and Chairperson of WBC;
(ix) Reviewed and recommended Directors' fees and benefits payable to Independent Non-Executive Directors;
(x) Reviewed, deliberated and recommended the salary increment and year-end bonus for eligible employees of the Group; and
(xi) Reviewed, deliberated and recommended the salary adjustments for the Executive Directors and CFO.

(xvi) Remuneration

The NRC is responsible to assist the Board in recommending remuneration packages for Executive Directors and Independent Non-Executive Directors. The Board has in place Remuneration Policies for Directors and Key Senior Management which have been designed to attract and retain the right talent in line with the Company's business strategy. The Remuneration Policies are available on the Company's corporate website.

The remuneration package for each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities while the remuneration of Independent Non-Executive Directors is in the form of Directors' fees which reflects the diverse experience, skill sets and the level of responsibilities expected of the Independent Non-Executive Directors. In addition, the Independent Non-Executive Directors are also paid with meeting allowance based on their attendance.

The Non-Independent Non-Executive Directors, who are the representatives of Eco World Capital (International) Sdn Bhd and GLL EWI (HK) Limited do not receive any Directors' fees nor meeting allowance. All the Directors of the Company do not receive any remuneration from the subsidiaries or joint-ventures.

In determining whether the remuneration packages of the Key Senior Management are competitive and sufficient to attract and retain executive talents, factors that were taken into consideration include their individual responsibilities, skills, expertise, contributions and performance.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(i) AC Composition

The AC comprises three (3) members who are Independent Non-Executive Directors. Dato' Seri Ahmad Johan Bin Mohammad Raslan stepped down as Chairman of the AC on 27 March 2019 following his retirement as a Director of the Company. Thereafter, Dato' Siow Kim Lun was re-designated as Chairman of the AC and Dato' Kong Sooi Lin was appointed as a member of the AC on 1 April 2019.

The Chairman of the AC is not the Chairman of the Board and all members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC.

The AC has a policy that requires a former key audit partner to observe a cooling-off period of four (4) years before being appointed as a member of the AC and such practise was formalised and incorporated in the TOR of the AC.

(ii) External Auditors

The shareholders of the Company had on 27 March 2019, during the Fifth AGM of the Company approved the appointment of Messrs KPMG PLT ("**KPMG Malaysia**") as the new External Auditors of the Company for FY2019. The External Auditors Policy has subsequently been adopted by the Board in order to assess the suitability, effectiveness and independence of the External Auditors for the Group and the adoption of this policy was also a key focus area of the Board in FY2019.

An annual assessment on KPMG Malaysia was conducted in September 2019 and the AC was satisfied with the performance of KPMG Malaysia and has recommended to the Board to put forth the proposal for re-appointment of KPMG Malaysia as External Auditors of the Company for financial year ending 31 October 2020 to the shareholders for approval at the forthcoming AGM.

The AC had met with the External Auditors twice during FY2019 without the presence of the Management and Executive Directors to discuss any key area or issues that require the attention of the AC and the Board.

Assurance from the External Auditors confirming that they are and have been independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements has been obtained from the External Auditors.

(iii) Internal Auditors

GCG is in-charge of the internal audit function and assists the AC in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control process. The AC meets twice a year with GCG personnel without the presence of the Management and Executive Directors to deliberate any key areas or issues that require the attention of the AC and the Board.

An annual assessment on the performance of GCG was conducted by the AC in December 2019 and the AC was satisfied with the performance of GCG for FY2019.

(iv) Risk Management and Internal Control

The Board recognises the importance of a sound framework for risk management and internal control to ensure good CG practices and to safeguard the shareholders' investments as well as the Group's assets.

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may affect the business. The Board through the RMC, which comprises majority Independent Non-Executive Directors, reviews the key risks identified to ensure proper management and mitigation of risks and report to the Board on a quarterly basis. An overview of the Group's risk management and internal controls is set out in the Statement on Risk Management and Internal Control on pages 79 to 86 of this Annual Report.

The Board concluded that the risk management and internal control framework of the Group is generally adequate and effective for FY2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(i) Communication with Stakeholders

The Board is committed to maintain open channels of communication by continuous disclosure and dissemination of comprehensive and timely information of the Company in its best effort to strengthen its relationship with shareholders and stakeholders.

The Board recognises the importance of keeping shareholders, investors, research analysts, bankers and the media well informed of the Group's business performance, operations and corporate developments. The Board has established dedicated sections for corporate information on the Company's corporate website where information such as Company's announcements, Annual Report, governance matters as well as the contact details of designated person are available for shareholders and stakeholders.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to both retail and institutional shareholders and investors via announcements of its quarterly results, Annual Report, announcements to Bursa Securities and press conferences. Further updates of the Group's activities and business operations are also disseminated to shareholders and investors through dialogues with analysts and fund managers, investor relations roadshows and the media. Corporate presentations and announcements are available on the Company's corporate website.

(ii) Conduct of General Meetings

The AGM of the Company serves as the principal forum that provides opportunity for shareholders to raise concerns or questions. Save for Dato' Seri Ahmad Johan Bin Mohammad Raslan, all Board members were present at the Fifth AGM of the Company held in March 2019. The Chairman, Chairman of each Board Committees, the President & CEO, CFO and External Auditors, if so required, will respond to shareholders' questions during the general meeting. In view that the AGM is an important channel of communication with shareholders, the President & CEO will also present the overall performance and project updates of the Company during the AGM.

Shareholders who are unable to attend the AGM are allowed to appoint up to two (2) proxies to attend, participate, speak and vote on their behalf. In line with good CG practices, the notice of the AGM was circulated at least twenty-eight (28) days before the date of AGM to enable shareholders to make the necessary arrangements to attend the AGM.

In accordance with the MMLR of Bursa Securities, all resolutions set out in the notice of Fifth AGM were voted by poll through electronic voting system. An independent scrutineer was appointed to validate all the votes and results of the voting were displayed on the screen.

A summary of the key matters discussed at the AGM will be published on the Company's corporate website as soon as practicable after the conclusion of the AGM.

FUTURE PRIORITIES

In line with the practice set out by the MCCG, the Board has evaluated the Management's recommendation for the Company to adopt integrated reporting as part of the Group's communication strategy with the Group's stakeholders in stages.

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the CG Report of 2019 Annual Report.

This CG Overview Statement together with the CG Report were approved by the Board on 6 February 2020.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ("**AC**") comprises three (3) members, all of whom are Independent Non-Executive Directors and its current composition is as follows:

Members/Designation	Date of Appointment
Dato' Siow Kim Lun Chairman/Independent Non-Executive Director	12 September 2014 (*)
Tan Sri Azlan Bin Mohd Zainol Member/Independent Non-Executive Director	12 September 2014
Dato' Kong Sooi Lin Member/Independent Non-Executive Director	1 April 2019

(*) *Re-designated as the Chairman of AC on 1 April 2019.*

Tan Sri Azlan Bin Mohd Zainol is a Fellow member of the Institute of Chartered Accountants in England and Wales, whilst Dato' Kong Sooi Lin is a Fellow member of Certified Practising Accountant (CPA) Australia. Both of them are members of the Malaysian Institute of Accountants (MIA). The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Practice 8.4 of Malaysian Code on Corporate Governance ("**MCCG**").

TERMS OF REFERENCE

The Terms of Reference ("**TOR**") of the AC is available on the Company's corporate website at www.ecoworldinternational.com. The TOR of the AC was reviewed and amended in September 2019 and December 2019 respectively to be in line with MCCG.

MEETINGS

A total of six (6) meetings were held in financial year 2019 ("**FY2019**"). The AC members' attendance records are disclosed in the Corporate Governance Overview Statement on pages 66 to 74 of this Annual Report.

The Management was invited to attend AC meetings to provide explanations and answer queries.

Minutes of each AC meeting were recorded and tabled for confirmation at the next AC meeting and subsequently tabled to the Board for notation. The AC Chairman reports to the Board on activities undertaken and key recommendations for the Board's consideration and decision.

The AC had private session with the External Auditors twice in FY2019 to facilitate discussions without the presence of Executive Board members and Management. These meetings were held to discuss any key audit challenges.

The Chief Audit Executive also met privately with the AC twice a year for discussions on internal audit related matters without the presence of Executive Board members and Management. The Internal Auditors of joint-venture ("**JV**") entities were also invited to brief the AC via conferencing.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK OF THE AC

During the financial year, the AC has undertaken the following work and discharged its duties and responsibilities in accordance with its TOR:

External Audit

- Reviewed and discussed audit status in relation to the Audited Financial Statements ("**AFS**") for FY2019 of the Company, subsidiaries and JVs ("**Group**") with Messrs KPMG PLT ("**KPMG Malaysia**").
- Reviewed and approved the Audit Plan for FY2019 which outlined the materiality, audit scope, audit methodology, timing of audit, significant accounting policies/disclosures as well as audit focus areas with KPMG Malaysia.
- Reviewed, monitored and approved the non-audit services provided/to be provided by KPMG Malaysia and its affiliates. The AC having considered the nature, scope and amount of non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the External Auditors.
- Reviewed and assessed the independence, objectivity and capabilities of KPMG Malaysia during the AC meeting held on 17 September 2019. The AC was satisfied with the performance of KPMG Malaysia and recommended to the Board the re-appointment of KPMG Malaysia as External Auditors of the Company for financial year ending 31 October 2020 ("**FY2020**").
- Met with the External Auditors on 11 December 2018 (Messrs Mazars PLT, the former External Auditors of the Company) and 26 June 2019 (KPMG Malaysia) without the presence of the Executive Board members and Management.
- Reviewed and recommended to the Board for approval of External Auditors Policy.

Financial Reporting

- Reviewed the quarterly results with Management for recommendation to the Board for approval and release to Bursa Securities.
- Reviewed AFS for FY2019 with Management and External Auditors and recommended to the Board for approval and subsequent tabling at the upcoming Sixth Annual General Meeting of the Company.

Related Party Transactions

- Reviewed all recurrent related party transactions ("**RRPT**") entered into by the Group to ensure that the transactions entered into were on an arm's length basis and not detrimental to the interests of minority shareholders.
- Reviewed the circular to shareholders in relation to the proposed renewal of shareholders' mandate for RRPT of a revenue or trading nature before tabling to the Board for recommendation to the shareholders for approval.

Site photo of Kew Bridge, United Kingdom

Internal Audit

- Reviewed and deliberated on the Internal Audit Reports of Eco World-Ballymore Holding Company Limited ("**EcoWorld-Ballymore**") for FY2019 prepared by Messrs BDO LLP ("**BDO**"), the Internal Auditors of EcoWorld-Ballymore.
- Reviewed and deliberated on the Internal Audit Reports of Eco World London Holdings Limited ("**EcoWorld London**") for FY2019 prepared by Messrs PricewaterhouseCoopers London ("**PwC**"), the Internal Auditors of EcoWorld London.
- Reviewed and deliberated on the Internal Audit Reports by Group Corporate Governance ("**GCG**") for Malaysian and Australian operations for FY2019.
- Monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.
- Met with the GCG team to discuss any issues or significant matters without the presence of the Executive Board members and Management on 26 March 2019 and 17 September 2019.
- Reviewed and approved the Internal Audit Strategic Plan for year 2019 to 2021 and Internal Audit Annual Plan for FY2020 of GCG which cover the Malaysian and Australian operations to ensure adequate scope and coverage of the Group's activities based on the identified and assessed key risk areas and also considered the adequacy of the manpower resources of GCG to carry out the activities envisaged in the Internal Audit plan.
- Took note of the Internal Audit Annual Plan of BDO for EcoWorld-Ballymore and PwC for EcoWorld London for FY2020 to ensure adequate scope and coverage of the Group's activities in UK based on the identified and assessed key risk areas.
- Reviewed and approved the revised Internal Audit Charter and Internal Audit Methodology of GCG to ensure compliance with the revised International Professional Practices Framework ("**IPPF**") issued by the Institute of Internal Auditors.
- Assessed and deliberated on the performance of the Chief Audit Executive.
- Reviewed and deliberated on the performance of BDO and PwC with the input from GCG.
- Reviewed and noted on the Quality Assurance and Improvement Programme (QAIP). This was the self-assessment of GCG pertaining to the ongoing assignments and periodic assessment based on the IPPF's standards.
- Reviewed, deliberated and recommended to the Board for approval on the appointment of the external consultant to carry out the Quality Assessment Review on GCG.
- Reviewed and discussed on the Quality Assessment Reports issued by the Institute of Internal Auditors Malaysia ("**IIAM**"). The overall opinion on the assessment conducted by IIAM was *"Generally Conforms"* to the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**"). GCG will continue to meet or strive to exceed IIA Standards in all key aspects and the AC plans to commission the next external Quality Assessment review within the next (5) years.
- Evaluated the capability and competency of GCG as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.

Other Activities

- Reviewed and recommended to the Board for approval on the revised TOR of AC.
- Deliberated and recommended to the Board for approval on the proposed acquisition of the remaining 20% equity interest in Eco World Yarra One Pty Ltd (formerly known as Eco World-Salcon Y1 Pty Ltd).
- Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, AC Report, Additional Compliance Information and Statement on Risk Management and Internal Control to the Board for approval and inclusion in the 2019 Annual Report.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by GCG which is headed by the Chief Audit Executive, Mr Santosh P. Govindan Kutty Nair ("**Santosh**"). Santosh has a Master in Business Administration and is a member of the Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Accountants (MIA) and IIAM. Santosh has twenty-seven (27) years of experience in the audit field which include nine (9) years doing external audit and eighteen (18) years performing internal audit.

GCG comprises three (3) members as at 31 October 2019 and the Chief Audit Executive reports directly to the AC and administratively to the President & Chief Executive Officer. GCG is guided by IIA Standards laid down in the IPPF and its main responsibility is to provide an objective and independent evaluation of the adequacy and efficiency of the Group's risk management, internal control and governance processes implemented by Management. GCG personnel have also declared that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence in the September 2019 AC Meeting.

GCG performs the internal audit reviews for operations in Malaysia and Australia and works closely and coordinates with BDO and PwC who are undertaking the internal audit reviews of EcoWorld-Ballymore and EcoWorld London respectively in view of their familiarity in UK regulations and environment.

The Internal Audit Plan was prepared based on a risk-based approach for the approval of the AC. GCG has reviewed and tested the system of internal controls and key operating processes to enhance the Group's internal control and governance processes. GCG also progressively issues detailed Internal Audit Reports to the AC. The follow-ups on the implementation status of previously issued audit recommendations and the review of the related party transactions were also performed on a quarterly basis.

The total cost incurred for the internal audit function for FY2019 was approximately RM3 million (2018: RM2.35 million) which included the fees incurred pertaining to UK operations amounting to RM1.25 million.

CONTINUOUS TRAINING DEVELOPMENT

The details of training programmes and seminars attended by each AC member during the financial year are set out in pages 13 to 15 of the Corporate Governance Report.

EVALUATION OF THE AC

Each AC member has performed the self-evaluation assessment and the results were tabled to the Nomination and Remuneration Committee for review and discussion prior to presenting the Executive Reports to the Board for evaluation. The Board was satisfied that the AC members have carried out their duties and responsibilities in accordance with their TOR and was also satisfied with their performance throughout FY2019.

Site photo of Yarra One, Australia

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 October 2019, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

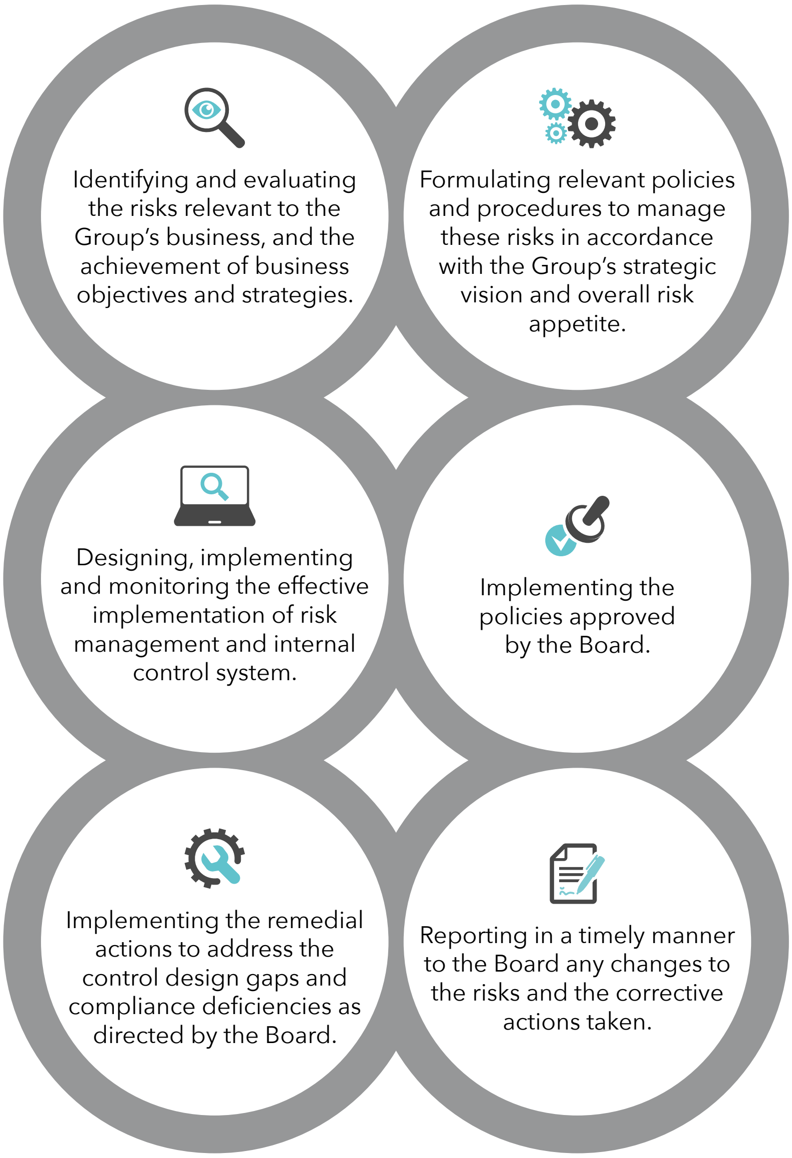
The Board has the overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, by keeping abreast with the latest developments and best practices in both risk management and governance.

In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks and internal controls in the Group at all levels. In fulfilling its oversight responsibility, the Board, as a whole or through delegation to the Audit Committee and the Risk Management Committee which are empowered by their terms of reference, reviews quarterly the adequacy and effectiveness of the Group's risk management and internal control systems.

Due to inherent limitations in the system of internal control and risk management, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the Group from achieving its business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of the delegated oversight responsibilities.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the Group's policies and procedures on risk management and internal control to identify, evaluate, measure, monitor and report on risks as well as the effectiveness of the internal control systems, taking appropriate remedial actions as required. Its roles include:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

RISK MANAGEMENT

Risk Management Framework

The Group has in place an Enterprise Risk Management ("**ERM**") Framework which outlines the Group's risks and on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the year under review. The framework also categorises the risks in relation to strategic, operational, financial and compliance matters based on the Group business objectives. The framework is incorporated into the risk management policy and guideline document that has been approved by the Board.

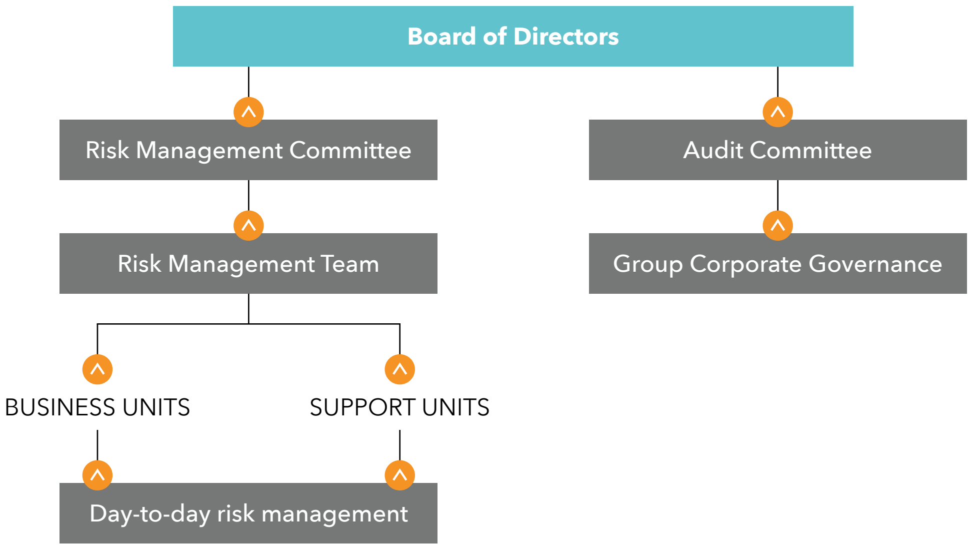
The Group's risk management practice is benchmarked against the ISO31000:2018 Risk Management – Principles and Guidelines, and is designed to embed ERM into key activities, initiatives and processes of the Group. The risk management framework that the Group adopts consists of five elements as reflected below:

Framework Elements	Description
Risk Governance	Establish an approach in developing, supporting, and embedding the risk management strategy and accountabilities.
Risk Assessment	Identify, assess and categorise risks across our Group.
Risk Qualification and Aggregation	Measure, analyse and consolidate risks.
Risk Monitoring and Reporting	Report, monitor and conduct activities to provide insight on risk management strengths and weaknesses.
Risk and Control Optimisation	Use risk and control information to improve performance.

This is a structured and disciplined approach aligning the strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organisation faces as it seeks to create value.

The Board provides full support to implement the ERM framework with an organisational structure that ensures that roles, responsibilities and accountabilities are defined and communicated at all levels. This will enable risk information to be communicated through a defined reporting structure.

The risk management organisational structure of the Group as illustrated below is established for effective risk management.



Risk Management Oversight

The oversight role of the risk management is carried out by the Risk Management Committee as delegated by the Board who has the ultimate oversight responsibility. The Risk Management Committee of Eco World International Berhad is formed by representatives of the Board of Directors and is chaired by an independent director. The Risk Management Committee is to ensure the risk management in the Group operates effectively based on the risk management policy approved by the Board. Significant risk issues evaluated by the Risk Management Committee will be discussed at the Board meetings. The principal roles and responsibilities of the Risk Management Committee are as follows:

- Provide oversight and direction to the Group's risk management process;
- Recommend to the Board high-level strategy which is aligned with the Group's strategic objectives;
- Communicate to the Board critical risks (present or potential) the Group faces, their changes and management action plans to manage these risks;
- Assist in the risk appraisal of corporate proposals being evaluated by the Board;
- Recommend for the Board's approval the Group's risk management policies, strategies and risk tolerance levels and proposed changes thereto; and
- Review the effectiveness of the ERM framework.

The Risk Management Committee is supported by the Risk Management Team. The Risk Management Team comprises of General Managers of business units as well as relevant Head of Departments from the support units and is chaired by the Group's President & Chief Executive Officer. The Risk Management Team has been established to oversee the risk management matters within the Group. The Risk Management Team meets on a quarterly basis and the principal roles and responsibilities include:

- Communicate the Board's vision, strategy, policy, responsibilities and reporting lines to all personnel across the Group;
- Reviewing risk profiles and performance of the business units and support units;
- Aggregate the Group's risk position and report to the Risk Management Committee on the risk situation;
- Provide guidance to the business units and support units on the Group's risk appetite and other criteria which, when exceeded, trigger an obligation to report upwards to the Risk Management Committee and the Board;
- Identifying and communicating to the Risk Management Committee the critical risks (present and potential) at the respective business units and support units, their changes and the management's action plans to manage the risks;
- Supervising ERM policy implementation at the Group level. This includes developing and updating the ERM system at the Group level after consulting with the Risk Management Committee;
- Coordinating the issuance of company-wide uniform ERM standards, combined with the authority to set guidelines with the approval of the Risk Management Committee;
- Training and communicating ERM details within the Group; and
- Reviewing and updating risk management methodologies applied at the relevant business units and support units, especially those related to risk identification, measuring, controlling, monitoring and reporting.

The day-to-day risk management resides with the respective business units and support units. The principal roles and responsibilities of business units and support units are as follows:

- Manage the business units' and support units' risk profile;
- Report risk exposure to the Risk Management Team;
- Develop and implement action plans to manage risks;
- Report status of action plans to the Risk Management Team; and
- Ensure critical risks are considered in the action plans.

Risk Management Process

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

All key risks identified are captured in a risk template and reviewed by the respective Support Units' Department Heads and Business Units' General Managers. The risk template includes detailed assessments of the risks as well as the corresponding mitigating controls implemented or to be implemented to deal with the risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

All the risks are consolidated and presented for deliberation during the quarterly Risk Management Team meetings. Subsequently, this is presented to the Risk Management Committee and the Board to ensure its continued application and relevance.

During the financial year, the risk management and internal controls were assessed by the Risk Management Committee and reported to the Board.

Risk Appetite and Tolerance

Risk appetite is defined as the level of risk the Group is prepared to accept to achieve its objectives measured in terms of variability of return (i.e. risk) in order to achieve a desired level of result (i.e. return) as set out in the risk parameters.

The Board, through the Risk Management Committee and the Risk Management Team, establishes the risk parameters for the Group. The defined risk parameters, i.e. financial and non-financial parameters, are reviewed at least annually by the Management and the Board in line with the Group's business strategies and operating environment. The financial parameters are based on the Group's risk appetite, which is defined as the level of risk EcoWorld International Group is prepared to accept to achieve its objectives. The Group's risk appetite can be expressed in terms of how much variability of return (i.e. risk) it is prepared to accept in order to achieve a desired level of result (i.e. return). The objective of this exercise is to determine how much risk the Group is willing to undertake.

KEY RISKS

The Group's financial performance and operations are influenced by a vast range of risk factors. We aim to mitigate the exposure through appropriate risk management strategy and internal controls. Principally, the key risks of the Group are as follows:

1 Weak Market Sentiment

The Group is dependent on the performance of the property industry in which the Group operates, namely in the United Kingdom and Australia. The demand for properties among others, could be affected by the weakness in the domestic and international economic environment, changes in Government policies, bank tightening lending policies and oversupply of certain products in the market. The residential units in the projects are currently sold on a "sell-then-build" basis. As such there may be a long period of time between the exchange of the sale and purchase agreement when a deposit is paid, and the completion of the contract when the balance of the selling price is paid upon handover of the residential unit. In that duration, there may be material changes to the property market, which may give rise to the risk that some purchasers may not be able to complete the purchase.

During the financial year, the Group continued to face challenges in the United Kingdom property market due to Brexit related uncertainty. While demand and supply factors remain key components of the property market, the demand for properties are affected by speculations on the possibility of weakening house prices and depreciation of the Pound Sterling.

The Group constantly reassesses its risk exposure and seeks to optimise the balance between opportunities and risks, both in its operations and strategic direction in the United Kingdom and Australian property markets. This includes entering into joint-ventures with suitable partners to gain accelerated, wider and more extensive access in our target markets, particularly in the United Kingdom. The Group has embarked to supply Built to Rent ("**BtR**") homes in London as part of realising the Group's ambitions of becoming a market leader in the BtR segment and expand its presence in the property management business in the UK.

As part of the sales and marketing strategy, we constantly seek to enhance our image and brand name to reinforce brand loyalty which includes emphasising on quality standards of our products together with a variety of after-sales service beyond the completion of the development projects. We also adopt customised sales and marketing strategies for each of our individual projects to suit market conditions with ongoing review of the selling prices, design unit mix and sizes in all our projects to ensure that the products are value-optimised, competitive and attractive. Close follow-up with purchasers is also initiated to confirm the purchaser's ability to finance the settlement of the balance due when units are handed over.

2 Health, Safety and Environment

The Group is potentially exposed to health, safety and environment risk during the period of construction. Any significant health, safety and environment incident in any of our project sites could lead to significant liabilities and damage to our reputation. This risk is managed through a promotion of health and safety culture for all our project sites. This is expressed in several initiatives such as the development of health, safety and environment policy plan which applies to all the construction sites. Site inspections by Health and Safety Officers are also conducted along with site briefings to trade contractors to promote health and safety measures on-site which include safety awareness and training initiatives. Environmental plan surveys and processes are in place to monitor pollution prevention, waste, dust, noise and vibration.

3 Adverse currency exchange rate

The Group's main source of funds is raised in Ringgit Malaysia ("**RM**"), while the costs to be incurred by the United Kingdom and Australia projects are denominated in Pound Sterling ("**GBP**") and the Australian Dollar ("**AUD**") respectively. Hence, any adverse fluctuation in foreign exchange rates may increase the overall costs, which in turn, affect the return on capital. Thus, risk is mitigated by undertaking a cross currency interest rate swap from US Dollars to GBP and RM to GBP and AUD to mitigate our exposure to the potential rising interest rates in the US apart from GBP being a natural hedge currency for the projects in the United Kingdom. To minimise any potential gap arising from adverse currency exchange fluctuations, the Group has explored funding sources in foreign currencies such as GBP and/or AUD and/or hedge Ringgit Sukuk proceeds into either GBP or AUD. Furthermore, daily monitoring of the movement of GBP and AUD against RM is carried out in order to decide on the timing of fund remittance to minimise potential losses from adverse currency exchange fluctuation.

4 Regulatory

The Group is subject to various government regulations. Any changes in prevailing laws or regulations in Malaysia and other countries in which we operate (i.e. United Kingdom and Australia) may have an impact to the Group. The Group has in place a compliance framework to minimise financial, reputational and operational risks arising from regulatory non-compliance. The Group is kept abreast of the latest changes and updates on the regulatory requirements that affect the Group's operations and necessary steps are taken to ensure compliance with the regulations as well as to assess and monitor the impact of such changes. For this purpose, discussions are held, for example, with our consultants, bankers and lawyers on compliance and regulatory related matters. Apart from that, training is provided to staff by internal and external parties to keep staff abreast of changes in laws, regulations and standards. The responsibilities for regulatory compliances are cascaded to the relevant Support Units' Department Heads and Business Units' General Managers to ensure compliance and reporting.

5 Non-Performing Contractors and Joint-Venture Partners

The selection of contractors and joint-venture partners and monitoring of their performance during the construction stage is a critical process, which determines the quality, cost efficiency and timely delivery of projects. Poor performance of contractors and joint-venture partners may lead to quality issues, cost overrun and project delays.

Due diligence is performed before selecting joint-venture partners and senior management plays an active role in managing the joint-venture for example being members of the tender and procurement committee of the joint-venture companies for the selection of contractors.

Selection of contractors is through a robust selection process where contractors are evaluated against our criteria such as track record, quality, pricing and timeliness to ensure transparency and enabling competent contractors to be awarded based on fixed sum contracts. Tender and Procurement Committees ("**TPC**") have been established at Management level and is the platform to discuss and authorise major purchases and contracts according to the approved limits of authority. One of the main duties of the TPC is to ensure that the highest level of integrity, objectivity, accountability and transparency are maintained for each tender exercise.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Construction progress and project timeline of the contractors are monitored along with quality assurance procedures to maintain our quality standards. Furthermore, actual construction cost is monitored on a monthly basis against the project budgets and value management is conducted during the process of design development to optimise cost.

6 Liquidity

The Group has an obligation to fulfil the equity requirements of the land costs, development costs, administrative costs, overhead costs and financing costs to be incurred by the projects in United Kingdom and Australia and investment companies. The equity raised from the Initial Public offering ("**IPO**") have been fully utilised and therefore the Group is dependent on a combination of short-term and long-term borrowings to fund its operations. As a fast-growing Group which is reliant on a combination of both equity and borrowings to fund its operations, the Group may be adversely affected by a shortfall in anticipated cash flows. The Group continues to strengthen its treasury function to monitor the Group's cash flow requirement and ensure adequate financing facilities to support the Group's current and future needs. The networking with key bankers is on a continuous basis to keep track of the respective bank lending appetite and to explore new funding opportunities. The Group also monitors its borrowing repayment maturity profiles and financial covenants and to ensure that its gearing is within acceptable level.

7 Talent Management

Key personnel are crucial to ensure the smooth running of the Group's operations as well as achieving the goals and objectives of the Group. The loss of key personnel may be detrimental to the Group. There are continuing initiatives in recruiting and developing highly skilled and competent people. This includes grooming and developing younger members of the management team to gradually assume greater responsibilities as part of our succession plan in preparation of our anticipated growth. The Group also continues to implement and conduct various talent management and leadership programmes to further strengthen and improve the competency and capabilities of the employees of the Group. The compensation and benefit packages are also benchmarked against the competition in the respective countries.

8 Cyber Security

Cyber-attacks can cause serious damage to the Group, in terms of business disruption and leakage of confidential data. The Group monitors and implements new control layers to protect its critical business systems from the ever-changing cyber-threat landscape and challenges through appropriate security solutions such as firewall and anti-virus software. Apart from that, professionals are engaged to perform system security testing.

Various IT policies and procedures are developed and deployed. Roadshows are conducted to create and enhance staff awareness on the importance of cybersecurity and engagement of established service providers that are ISO certified which include cloud service providers for providing appropriate security solutions. A Disaster Recovery Plan is also formulated to address technical recovery in the event of a disaster.

INTERNAL CONTROL

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include:

Integrity and Ethical Values

The Group is committed to upholding a strong culture of integrity and ethical values, as emphasised in the Code of Conduct and Business Ethics which shall be observed by Directors and Employees of the Group. The Group's Code of Conduct and Business Ethics of Directors and Employees ("**Code**") was approved on 14 June 2017 and was revised on 12 October 2017.

The Code will be reviewed by Group Talent Management for the President & Chief Executive Officer's approval and updated as and when necessary to ensure that it remains current and relevant in addressing any ethical issues that may arise within the organisation.

Organisation Structure

The Group has an organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board of Directors and its various Board Committees are all governed by defined terms of reference.

Limits of Authority

The Group has limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed and updated in line with changes in the organisation.

Policies and Procedures

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

Compliance Framework

The Group has in place a compliance framework to minimise financial, reputational and operational risks arising from regulatory non-compliance. The Group has not noted any incidents of non-compliances to date.

Talent Management

Recruitment strategies are in place to attract skilled and competent persons to join our Group. On-the-job training and classroom training programmes are made available to all employees to ensure that they are trained and competent in carrying out their duties and responsibilities. Established guidelines are in place for recruitment, talent development programmes and performance appraisal to maintain high competency and capability levels.

Financial Budgeting

Annual budgets are prepared in advance for the following financial year and these budgets are subject to review by Senior Management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with detailed explanations provided for material variances.

Performance Review

Comprehensive information on financial performance, achievement of key performance indicators and progress of key projects are communicated by Senior Management to the Board on a quarterly basis. Furthermore, quarterly senior management meetings are held to discuss the Group's financial performance, business development, operational and corporate issues.

Investor Relations

Briefings are conducted half-yearly where the Group's financial performance, which has been approved by the Board, is communicated externally to fund managers, investment analysts and bankers who are given the opportunity to seek further clarification from the Senior Management.

Information Technology Management

IT systems and communication channels are put in place to enable effective decision-making by providing management with timely and accurate information.

Whistleblowing Policy

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. It is the Group's commitment to investigate any suspected serious misconduct or any breach reported, as well as to protect those who come forward to report such activities.

Anti-Bribery and Anti-Corruption Policy

The Group adopts a zero-tolerance approach to bribery and corruption in all its forms. It is committed in conducting the business free from any acts of bribery and corruption in upholding high standards of ethics and integrity. The Group has established an anti-bribery and anti-corruption policy which prohibits all forms of bribery and corruption practices.

Board Committees

The Board has established several board committees to oversee the respective functions within the Group, which include the Audit Committee, Risk Management Committee, Nomination & Remuneration Committee and Whistleblowing Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

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

GCG works closely with the following parties who are undertaking the internal audit function of the joint-ventures entities in the United Kingdom in view of their familiarity in United Kingdom's regulations and environment:

(i) Messrs BDO LLP ("**BDO**") is the Internal Auditors of EcoWorld-Ballymore; and

(ii) Messrs PricewaterhouseCoopers LLP ("**PwC**") is the Internal Auditors of EcoWorld London.

BDO and PwC are appointed by the respective joint-venture entities.

A description of the activities of GCG during the financial year ended 31 October 2019 can be found in the Audit Committee Report included in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement of Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG**") 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("**MIA**") for inclusion in the annual report of the Group for the year ended 31 October 2019, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraph 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
(b) is factually not accurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control systems to safeguard the shareholders' investments and the Group's assets.

In addition, the Board has received assurance from the President & Chief Executive Officer and Chief Financial Officer that the Group's risk management and the internal control systems are operating effectively, in all material respects.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement was approved by the Board of Directors on 6 February 2020.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

Proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. The status of the utilisation of these proceeds as at 31 October 2019 is as set out below:

	Proposed utilisation (RM'mil)	Actual utilisation (RM'mil)	Re-allocation (RM'mil)	Balance unutilised (RM'mil)	Intended timeframe for utilisation from completion date
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
Subtotal	**1,367**	**(1,302)**	**(65)**	**-**	
Settlement of the acquisition of Eco World Investment Co Ltd	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(1,202)	76	-	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
Total	**2,584**	**(2,584)**	**-**	**-**	

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditors and firms affiliated to the external auditor's firm are as follows:

	Group (RM)	Company (RM)
Audit Fees	533,000	85,000
Non-Audit Fees	1,227,000*	65,000
Total	**1,760,000**	**150,000**

* *Consists of due diligence and advisory fees for the acquisition of 70% equity interest in joint ventures of Eco World Be Co. Ltd. and review work on MFRS 15, MFRS 9 and Statement on Risk Management and Internal Control.*

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period except as disclosed in Note 32 of the audited financial statements for FY2019.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("Act") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 at the end of each financial year and of the results and cash flows of the Group and of the Company for that financial year then ended.

In preparing the financial statements, the Directors have:

(i) adopted appropriate accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent; and
(iii) adhered to all applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

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

FINANCIAL REPORTS

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FINANCIAL STATEMENTS

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ADDITIONAL INFORMATION

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company incorporated in Malaysia under the Companies Act 2016 and limited by shares
REGISTERED OFFICE	:	Suite 59, Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan
PRINCIPAL PLACE OF BUSINESS	:	Suite 59, Setia Avenue No. 2, Jalan Setia Prima S U13/S Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and joint ventures are disclosed in Notes 5 and 6 respectively of the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the year attributable to:		
Owners of the Company	187,004	(68,790)
Non-controlling interests	3,278	–
	190,282	(68,790)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend in respect of the current financial year.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Azlan Bin Mohd Zainol
Tan Sri Dato' Sri Liew Kee Sin*
Dato' Teow Leong Seng*
Cheah Tek Kuang
Dato' Voon Tin Yow
Choong Yee How*
Cheng Hsing Yao*
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato' Siow Kim Lun
Pauline Wong Wan Voon
Dato' Seri Ahmad Johan Bin Mohammad Raslan (Retired on 27 March 2019)
Dato' Kong Sooi Lin (Appointed on 1 April 2019)

** These Directors are also Directors of certain subsidiaries*

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

DIRECTORS OF THE SUBSIDIARIES

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Cheong Heng Leong
Lord Jonathan Marland
Stephen Anthony Rae McGrath
Edward Michael Fletcher
Yap Foo Leong
Ong Wee Ting
Tan Swee Peng (Alternate Director to Dato' Teow Leong Seng)
Law Woo Hock (Resigned on 24 April 2019)
Sir Edward Udny-Lister (Resigned on 29 August 2019)

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the financial year end (including the interests of the spouses and children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.11.2018	**Acquired**	**Sold**	**At 31.10.2019**
The Company				
Direct interest				
Tan Sri Azlan Bin Mohd Zainol	5,120,000	–	–	**5,120,000**
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	–	–	**246,540,798**
Dato' Teow Leong Seng	15,263,000	–	–	**15,263,000**
Cheah Tek Kuang	3,000,000	–	–	**3,000,000**
Dato' Voon Tin Yow	6,141,600	–	–	**6,141,600**
Dato' Siow Kim Lun	2,000,000	–	–	**2,000,000**
Deemed interest				
Tan Sri Azlan Bin Mohd Zainol [(1)]	58,200	9,000	–	**67,200**
Tan Sri Dato' Sri Liew Kee Sin [(2)]	45,700,000	–	–	**45,700,000**
Tan Sri Datuk Dr Rebecca Fatima Sta Maria [(3)]	5,000,000	–	–	**5,000,000**

	Number of Warrants 2017/2022			
	At 1.11.2018	**Acquired**	**Exercised/ Disposed**	**At 31.10.2019**
The Company				
Direct interest				
Tan Sri Azlan Bin Mohd Zainol	2,048,000	–	–	**2,048,000**
Tan Sri Dato' Sri Liew Kee Sin	98,616,319	–	–	**98,616,319**
Dato' Teow Leong Seng	6,105,200	–	–	**6,105,200**
Cheah Tek Kuang	1,200,000	–	–	**1,200,000**
Dato' Voon Tin Yow	2,456,640	–	–	**2,456,640**
Dato' Siow Kim Lun	800,000	–	–	**800,000**
Deemed interest				
Tan Sri Azlan Bin Mohd Zainol [(1)]	27,280	–	–	**27,280**
Tan Sri Dato' Sri Liew Kee Sin [(2)]	18,280,000	–	–	**18,280,000**

(1) *Deemed to have interest through his child pursuant to Section 59(11)(c) of the Companies Act 2016*
(2) *Deemed to have interest through his spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016*
(3) *Deemed to have interest through her spouse pursuant to Section 59(11)(c) of the Companies Act 2016*

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

DIRECTORS' INTERESTS (CONTINUED)

Other than as disclosed above, none of the other Directors holding office as at 31 October 2019 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) 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, other than those disclosed in Note 32 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate apart from the outstanding Warrants 2017/2022.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year and no debentures were issued by the Company during the financial year.

WARRANTS 2017/2022

The salient terms of the Warrants 2017/2022 are disclosed in Note 17.1 to the financial statements.

No Warrants 2017/2022 were exercised during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group are RM50,000,000 and RM52,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' reports on the audit of the financial statements of the Company's subsidiaries are not qualified.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have 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:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

iii) 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; or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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, or

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

No contingent liability or other liability of the Group and 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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 October 2019 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAN SRI DATO' SRI LIEW KEE SIN
Director

DATO' TEOW LEONG SENG
Director

Kuala Lumpur
Date: 6 February 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note	GROUP 31.10.2019 RM'000	GROUP 31.10.2018 RM'000 Restated	GROUP 1.11.2017 RM'000 Restated	COMPANY 31.10.2019 RM'000	COMPANY 31.10.2018 RM'000
Assets						
Plant and equipment	3	**4,243**	6,366	7,169	**717**	888
Goodwill	4	**109,527**	109,527	109,527	**-**	–
Investments in subsidiaries	5	**-**	–	–	**3,361,731**	3,157,814
Investments in joint ventures	6	**505,773**	194,153	140,665	**-**	–
Inventories	7	**122,163**	–	–	**-**	–
Amounts owing by joint ventures	8	**-**	2,116,983	1,089,481	**-**	–
Deferred tax assets	9	**20,066**	18,694	13,254	**-**	–
Total non-current assets		**761,772**	2,445,723	1,360,096	**3,362,448**	3,158,702
Inventories	7	**909,964**	460,331	365,138	**-**	–
Amounts owing by joint ventures	8	**2,101,102**	–	–	**-**	–
Trade receivables	10	**1,275**	5,605	32	**-**	–
Other receivables, deposits and prepayments	11	**124,157**	15,367	5,368	**6**	1,123
Contract costs	12.1	**23,661**	22,578	19,631	**-**	–
Amounts owing by subsidiaries	13	**-**	–	–	**322**	–
Current tax assets		**917**	1,188	682	**385**	680
Derivative financial assets	14	**-**	2,004	–	**-**	2,004
Cash, bank balances and deposits	15	**439,995**	436,960	992,388	**356,386**	390,452
Total current assets		**3,601,071**	944,033	1,383,239	**357,099**	394,259
Total assets		**4,362,843**	3,389,756	2,743,335	**3,719,547**	3,552,961

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note	GROUP 31.10.2019 RM'000	GROUP 31.10.2018 RM'000 Restated	GROUP 1.11.2017 RM'000 Restated	COMPANY 31.10.2019 RM'000	COMPANY 31.10.2018 RM'000
Equity						
Share capital	16	**2,592,451**	2,592,451	2,592,451	**2,592,451**	2,592,451
Warrants reserve	17.1	**276,418**	276,418	276,418	**276,418**	276,418
Hedging reserve	17.2	**(2,011)**	(10)	–	**(2,011)**	(10)
Exchange translation reserve	17.3	**(44,874)**	(72,716)	16,430	**-**	–
Accumulated losses		**(136,343)**	(321,122)	(309,892)	**(156,813)**	(88,023)
Total equity attributable to owners of the Company		**2,685,641**	2,475,021	2,575,407	**2,710,045**	2,780,836
Non-controlling interests		**8,896**	16,807	3,210	**-**	–
Total equity		**2,694,537**	2,491,828	2,578,617	**2,710,045**	2,780,836
Liabilities						
Borrowings	18	**1,356,665**	605,440	48,684	**882,600**	527,224
Finance lease liabilities	19	**-**	134	–	**-**	–
Deferred tax liabilities	9	**1,800**	1,883	1,944	**-**	–
Derivative financial liabilities	14	**2,205**	–	–	**2,205**	–
Total non-current liabilities		**1,360,670**	607,457	50,628	**884,805**	527,224
Trade payables	20	**59,865**	7,260	1,512	**-**	–
Other payables and accruals	21	**25,832**	36,213	14,555	**17,617**	14,244
Contract liabilities	12.2	**113,884**	–	–	**-**	–
Amount owing to a corporate shareholder of a subsidiary	22	**-**	15,465	16,340	**-**	–
Amounts owing to subsidiaries	13	**-**	–	–	**-**	19
Borrowings	18	**107,080**	230,638	79,913	**107,080**	230,638
Finance lease liabilities	19	**130**	48	–	**-**	–
Current tax liabilities		**845**	847	1,770	**-**	–
Total current liabilities		**307,636**	290,471	114,090	**124,697**	244,901
Total liabilities		**1,668,306**	897,928	164,718	**1,009,502**	772,125
Total equity and liabilities		**4,362,843**	3,389,756	2,743,335	**3,719,547**	3,552,961

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000 Restated	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Revenue	23	**478**	1,303	**3,947**	–
Direct expenses		**-**	–	**-**	–
Gross profit		**478**	1,303	**3,947**	–
Other income	24	**19,227**	12,276	**18,656**	11,851
Marketing expenses		**(4,569)**	(7,131)	**-**	–
Administrative and general expenses		**(61,659)**	(77,737)	**(30,645)**	(32,281)
Unrealised loss on foreign exchange		**(1,817)**	(6,915)	**(2,976)**	(4,102)
Finance costs	25	**(57,780)**	(8,810)	**(57,772)**	(8,807)
Share of profit of joint ventures		**296,425**	71,711	**-**	–
Profit/(Loss) before tax	26	**190,305**	(15,303)	**(68,790)**	(33,339)
Taxation	27	**(23)**	4,915	**-**	394
Profit/(Loss) for the year		**190,282**	(10,388)	**(68,790)**	(32,945)
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Hedge of net investment		**(2,001)**	(10)	**(2,001)**	(10)
Exchange differences on translation of foreign operations		**28,917**	(90,276)	**-**	–
Other comprehensive income/(loss) for the year, net of tax		**26,916**	(90,286)	**(2,001)**	(10)
Total comprehensive income/(loss) for the year		**217,198**	(100,674)	**(70,791)**	(32,955)
Profit/(Loss) for the year attributable to:					
Owners of the Company		**187,004**	(11,230)	**(68,790)**	(32,945)
Non-controlling interests		**3,278**	842	**-**	–
		190,282	(10,388)	**(68,790)**	(32,945)
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		**213,786**	(100,386)	**(70,791)**	(32,955)
Non-controlling interest		**3,412**	(288)	**-**	–
		217,198	(100,674)	**(70,791)**	(32,955)
Earnings/(Loss) per ordinary share (sen):					
Basic earnings/(loss) per share	28	**7.79**	(0.47)		
Diluted earnings/(loss) per share	28	**7.79**	(0.47)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Share capital RM'000	Warrants reserve RM'000	Hedging reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		ATTRIBUTABLE TO OWNERS OF THE COMPANY							
		NON-DISTRIBUTABLE							
Group									
At 1 November 2017, as previously reported		2,592,451	276,418	–	17,644	(341,637)	2,544,876	2,768	2,547,644
Adjustment on initial application of MFRS 15, net of tax	37.1	–	–	–	(1,214)	31,745	30,531	442	30,973
At 1 November 2017, restated		2,592,451	276,418	–	16,430	(309,892)	2,575,407	3,210	2,578,617
Other comprehensive loss for the year:									
- Hedge of net investment		–	–	(10)	–	–	(10)	–	(10)
- Exchange differences on translation of foreign operations		–	–	–	(89,146)	–	(89,146)	(1,130)	(90,276)
(Loss)/Profit for the year		–	–	–	–	(11,230)	(11,230)	842	(10,388)
Total comprehensive loss for the year		–	–	(10)	(89,146)	(11,230)	(100,386)	(288)	(100,674)
Issuance of preference shares by a subsidiary to non-controlling interests		–	–	–	–	–	–	13,885	13,885
At 31 October 2018, restated		2,592,451	276,418	(10)	(72,716)	(321,122)	2,475,021	16,807	2,491,828

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

		ATTRIBUTABLE TO OWNERS OF THE COMPANY							
		NON-DISTRIBUTABLE							
	Note	Share capital RM'000	Warrants reserve RM'000	Hedging reserve RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 November 2018, as previously reported		2,592,451	276,418	(10)	(68,851)	(306,399)	2,493,609	15,873	2,509,482
Adjustment on initial application of MFRS 15, net of tax	37.1	-	-	-	(3,865)	(14,723)	(18,588)	934	(17,654)
At 1 November 2018, restated		2,592,451	276,418	(10)	(72,716)	(321,122)	2,475,021	16,807	2,491,828
Other comprehensive (loss)/income for the year:									
- Hedge of net investment		-	-	(2,001)	-	-	(2,001)	-	(2,001)
- Exchange differences on translation of foreign operations		-	-	-	28,783	-	28,783	134	28,917
Profit for the year		-	-	-	-	187,004	187,004	3,278	190,282
Total comprehensive (loss)/income for the year		-	-	(2,001)	28,783	187,004	213,786	3,412	217,198
Dividends declared to non-controlling interests of a subsidiary		-	-	-	-	-	-	(1,333)	(1,333)
Acquisition of non-controlling interests in a subsidiary	33	-	-	-	(941)	(2,225)	(3,166)	(9,990)	(13,156)
At 31 October 2019		**2,592,451**	**276,418**	**(2,011)**	**(44,874)**	**(136,343)**	**2,685,641**	**8,896**	**2,694,537**
		Note 16	Note 17.1	Note 17.2	Note 17.3				

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	NON-DISTRIBUTABLE				
		Share capital RM'000	Warrants reserve RM'000	Hedging reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company						
At 1 November 2017		2,592,451	276,418	-	(55,078)	2,813,791
Other comprehensive loss for the year						
- Hedge of net investment		-	-	(10)	-	(10)
Loss for the year		-	-	-	(32,945)	(32,945)
Total comprehensive loss for the year		-	-	(10)	(32,945)	(32,955)
At 31 October 2018/1 November 2018		2,592,451	276,418	(10)	(88,023)	2,780,836
Other comprehensive loss for the year						
- Hedge of net investment		-	-	(2,001)	-	(2,001)
Loss for the year		-	-	-	(68,790)	(68,790)
Total comprehensive loss for the year		-	-	(2,001)	(68,790)	(70,791)
At 31 October 2019		**2,592,451**	**276,418**	**(2,011)**	**(156,813)**	**2,710,045**
		Note 16	Note 17.1	Note 17.2		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000 Restated	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		**190,305**	(15,303)	**(68,790)**	(33,339)
Adjustments for:					
Interest income		**(14,595)**	(12,274)	**(13,897)**	(11,851)
Dividend income		**-**	-	**(3,947)**	-
Loss on disposal of plant and equipment		**-**	5	**-**	-
Plant and equipment written off		**1**	5	**1**	5
Depreciation of plant and equipment		**2,161**	2,229	**190**	197
Share of profits of joint ventures		**(296,425)**	(71,711)	**-**	-
Finance costs		**57,780**	8,810	**57,772**	8,807
Landholder duty		**-**	269	**-**	-
Unrealised loss on foreign exchange		**1,817**	6,915	**2,976**	4,102
Operating loss before working capital changes		**(58,956)**	(81,055)	**(25,695)**	(32,079)
Changes in inventories		**(566,656)**	(113,533)	**-**	-
Changes in receivables and other current assets		**(112,651)**	(14,342)	**(1)**	-
Changes in payables and other current liabilities		**35,688**	25,593	**(2,178)**	5,246
Contract liabilities		**113,884**	-	**-**	-
Cash used in operations		**(588,691)**	(183,337)	**(27,874)**	(26,833)
Interest received		**5,979**	295	**5,632**	246
Tax paid		**(2,308)**	(3,090)	**(385)**	(992)
Tax refunded		**680**	151	**680**	-
Net cash used in operating activities		**(584,340)**	(185,981)	**(21,947)**	(27,579)
Cash flows from investing activities					
Purchase of plant and equipment	a	**(63)**	(1,431)	**(20)**	(47)
Proceeds from disposal of plant and equipment		**-**	2	**-**	-
Net repayment by/(advances to) joint ventures		**46,424**	(1,030,287)	**-**	-
Investments in joint ventures		**(611)**	(50,823)	**-**	-
Net advances and equity contribution to subsidiaries		**-**	-	**(204,258)**	(1,217,951)
Acquisition of non-controlling interests	33	**(13,156)**	-	**-**	-
Placement of restricted cash and bank balances		**(11,012)**	(3,655)	**(11,152)**	(1,026)
Landholder duty		**-**	(269)	**-**	-
Dividends received		**-**	-	**3,947**	-
Interest received		**8,616**	11,979	**8,265**	11,605
Net cash generated from/(used in) investing activities		**30,198**	(1,074,484)	**(203,218)**	(1,207,419)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000 Restated	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Cash flows from financing activities					
Drawdown of borrowings	b	**758,090**	794,254	**360,429**	760,180
Repayment of borrowings	b	**(123,470)**	(73,818)	**(123,470)**	–
(Repayment to)/Advances from a corporate shareholder of a subsidiary	b	**(15,137)**	14,130	**-**	–
Interest paid		**(65,631)**	(25,744)	**(51,854)**	(11,515)
Dividends paid to non-controlling interests of a subsidiary		**(1,333)**	–	**-**	–
Repayment of finance lease liabilities	b	**(47)**	(23)	**-**	–
Net cash generated from financing activities		**552,472**	708,799	**185,105**	748,665
Net decrease in cash and cash equivalents		**(1,670)**	(551,666)	**(40,060)**	(486,333)
Cash and cash equivalents at the beginning of the year		**427,597**	986,680	**389,426**	879,915
Effect of exchange rate changes		**(6,307)**	(7,417)	**(5,158)**	(4,156)
Cash and cash equivalents at the end of the year	15	**419,620**	427,597	**344,208**	389,426

Note a

The Group acquired plant and equipment with an aggregate cost of RM63,000 (2018: RM1,638,000), of which nil (2018: RM207,000) were acquired by means of finance leases.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

Note b

Reconciliation of movements of liabilities to cash flows arising from financing activities is summarised as follows:

Group	Borrowings RM'000	Finance lease liabilities RM'000	Amount owing to a corporate shareholder of a subsidiary RM'000	Total RM'000
At 1 November 2017	128,597	–	16,340	144,937
Net changes from financing cash flows				
Drawdown of borrowings	794,254	–	–	794,254
Repayment of borrowings	(73,818)	–	–	(73,818)
Repayment of finance lease liabilities	–	(23)	–	(23)
Advances from a corporate shareholder of a subsidiary	–	–	14,130	14,130
Other changes				
Amortisation of facility fee on borrowings	(4,279)	–	–	(4,279)
Acquisition of new lease for purchase of plant and equipment	–	207	–	207
Allotment of preference shares through capitalisation of advances	–	–	(13,885)	(13,885)
Foreign exchange movements	(8,676)	(2)	(1,120)	(9,798)
At 31 October 2018/1 November 2018	836,078	182	15,465	851,725
Net changes from financing cash flows				
Drawdown of borrowings	758,090	–	–	758,090
Repayment of borrowings	(123,470)	–	–	(123,470)
Repayment of finance lease liabilities	–	(47)	–	(47)
Repayment to a corporate shareholder of a subsidiary	–	–	(15,137)	(15,137)
Other changes				
Amortisation of facility fee on borrowings	(751)	–	–	(751)
Foreign exchange movements	(6,202)	(5)	(328)	(6,535)
At 31 October 2019	**1,463,745**	**130**	**-**	**1,463,875**

Company	Borrowings RM'000
At 1 November 2017	–
Net changes from financing cash flows	
Drawdown of borrowings	760,180
Other changes	
Amortisation of facility fee on borrowings	(4,279)
Foreign exchange movements	1,961
At 31 October 2018/1 November 2018	757,862
Net changes from financing cash flows	
Drawdown of borrowings	360,429
Repayment of borrowings	(123,470)
Other changes	
Amortisation of facility fee on borrowings	(751)
Foreign exchange movements	(4,390)
At 31 October 2019	**989,680**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Eco World International Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Suite 59, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 October 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in joint ventures.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 6 February 2020.

1. BASIS OF PREPARATION

(a) 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 and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle*)
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments,* MFRS 139, *Financial Instruments*: *Recognition and measurement* and MFRS 7, *Financial Instruments: Disclosure - Interest Rate Benchmark Reform*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 November 2019 for those accounting standard, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019.

- from the annual period beginning on 1 November 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, amendments and interpretations is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company, except for the adoption of MFRS 16, *Leases*.

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases - Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has assessed that the initial application of MFRS 16 will result in the recognition of right-of-use assets and lease liabilities that approximate the amount of non-cancellable operating lease rentals payable as disclosed in Note 30 of the financial statements. The estimated impact on initial application is based on assessment undertaken to date and the actual impact of adopting the standard may change.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the measurement of the recoverable amounts of cash-generating units as disclosed in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

Arising from the adoption of MFRS 15, *Revenue from Contracts with Customers* and MFRS 9, *Financial Instruments*, there are changes to the accounting policies of:

i) financial instruments;

ii) impairment losses of financial instruments; and

iii) revenue recognition

as compared to those adopted in previous financial statements. The impact arising from the changes is disclosed in Note 37.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

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

For each business combination, the Group elects whether it measures the 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.

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.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint ventures are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vi) 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.

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate on that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate on the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In consolidated financial statements, 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, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates on the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Group and the Company have elected not to restate the comparatives.

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

Current financial year

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value. For a financial asset or a financial liability that is not at fair value through profit or loss, the initial measurement at fair value also includes transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Previous financial year

Financial instrument was recognised initially at its fair value. In the case of a financial instrument not at fair value through profit or loss, the initial measurement of financial instrument at fair value also includes transaction costs that were directly attributable to the acquisition or issue of the financial instrument.

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

Current financial year

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Current financial year (continued)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(k)(i)).

Previous financial year

In the previous financial year, financial assets of the Group and the Company were classified and measured under MFRS 139, *Financial Instruments: Recognition and Measurement* as follows:

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprised financial assets that were held for trading, including derivatives (except for a derivative that was designated as an effective hedging instrument) or financial assets that were specifically designated into this category upon initial recognition.

Derivatives that were linked to and must be settled by delivery of unquoted equity instruments whose fair values could not be reliably measured were measured at cost.

Other financial assets categorised as fair value through profit or loss were subsequently measured at their fair values with the gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Previous financial year (continued)

(b) Loans and receivables

Loans and receivables category comprised debt instruments that were not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables were subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, were subject to review for impairment (see Note 2(k)(i)).

Financial liabilities

Current financial year

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

Current financial year (continued)

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Previous financial year

In the previous financial year, financial liabilities of the Group and of the Company were subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprised financial liabilities that were derivatives or financial liabilities that were specifically designated into this category upon initial recognition.

Derivatives that were linked to and must be settled by delivery of unquoted equity instruments that did not have a quoted price in an active market for identical instruments whose fair values otherwise could not be reliably measured were measured at cost.

Financial liabilities categorised as fair value through profit or loss were subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Current financial year

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

Previous financial year

In the previous financial year, fair value arising from financial guarantee contracts was classified as deferred income and was amortised to profit or loss using a straight-line method over the contractual period or, when there was no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract was probable, an estimate of the obligation was made. If the carrying value of the financial guarantee contract was lower than the obligation, the carrying value was adjusted to the obligation amount and accounted for as a provision.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedge of a net investment

A hedge of a net investment is a hedge in the interest of the net assets of a foreign operation. In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of the foreign operation.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Plant and equipment (continued)

(i) Recognition and measurement (continued)

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

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "other income" and "administrative and general expenses" respectively in the profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

• Furniture and fittings	10 years
• Office equipment	5 - 10 years
• Computers	3 - 5 years
• Motor vehicles	6 years
• Renovation and show unit	4 - 5 years

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

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Goodwill

Goodwill which arises on business combinations is measured at cost less any accumulated impairment losses.

Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Inventories

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

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the land, development and conversion costs and other costs incurred in bringing them to their existing location and condition.

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.

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to IFRS 9, *Financial Instruments* (see Note k(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(i) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Contract cost (continued)

(ii) Cost to fulfill a contract

The Group or the Company recognises a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and restricted balances.

(k) Impairment

(i) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Group and the Company elected not to restate the comparatives.

Current financial year

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider 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, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(i) Financial assets (continued)

Current financial year (continued)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

Previous financial year

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and joint ventures) were assessed at each reporting date whether there was any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, were not recognised.

An impairment loss in respect of loans and receivables and held-to-maturity investments was recognised in profit or loss and was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset was reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase could be objectively related to an event occurring after impairment loss was recognised in profit or loss, the impairment loss was reversed, to the extent that the asset's carrying amount did not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment was reversed. The amount of the reversal was recognised in profit or loss.

(ii) Other assets

The carrying amounts of other 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, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

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 assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the 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. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

Instruments are classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs 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 capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is enacted tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants issued.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value 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 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.

NOTES TO THE FINANCIAL STATEMENTS

3. PLANT AND EQUIPMENT

Group	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovation and show unit RM'000	Total RM'000
Cost						
At 1 November 2017	904	867	842	22	8,362	10,997
Additions	1,047	58	65	216	252	1,638
Disposals	(5)	(4)	–	–	–	(9)
Write off	–	–	(15)	–	–	(15)
Effect of movement in exchange rates	(72)	(2)	(37)	(3)	(205)	(319)
At 31 October 2018/ 1 November 2018	1,874	919	855	235	8,409	12,292
Additions	31	1	31	–	–	63
Write off	–	–	(6)	–	–	(6)
Effect of movement in exchange rates	15	–	(10)	(6)	(60)	(61)
At 31 October 2019	**1,920**	**920**	**870**	**229**	**8,349**	**12,288**
Accumulated depreciation						
At 1 November 2017	133	236	493	7	2,959	3,828
Charge for the year	322	194	182	38	1,493	2,229
Disposals	(1)	(1)	–	–	–	(2)
Write off	–	–	(10)	–	–	(10)
Effect of movement in exchange rates	(11)	–	(30)	(1)	(77)	(119)
At 31 October 2018/ 1 November 2018	443	429	635	44	4,375	5,926
Charge for the year	313	194	147	37	1,470	2,161
Write off	–	–	(5)	–	–	(5)
Effect of movement in exchange rates	9	–	(9)	(1)	(36)	(37)
At 31 October 2019	**765**	**623**	**768**	**80**	**5,809**	**8,045**
Carrying amount						
At 1 November 2017	771	631	349	15	5,403	7,169
At 31 October 2018/ 1 November 2018	1,431	490	220	191	4,034	6,366
At 31 October 2019	**1,155**	**297**	**102**	**149**	**2,540**	**4,243**

NOTES TO THE FINANCIAL STATEMENTS

3. PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 November 2017	18	160	252	18	814	1,262
Additions	–	5	42	–	–	47
Write off	–	–	(10)	–	–	(10)
At 31 October 2018/ 1 November 2018	18	165	284	18	814	1,299
Additions	–	1	19	–	–	20
Write off	–	–	(6)	–	–	(6)
At 31 October 2019	**18**	**166**	**297**	**18**	**814**	**1,313**
Accumulated depreciation						
At 1 November 2017	2	37	72	5	103	219
Charge for the year	2	33	78	3	81	197
Write off	–	–	(5)	–	–	(5)
At 31 October 2018/ 1 November 2018	4	70	145	8	184	411
Charge for the year	2	33	71	3	81	190
Write off	–	–	(5)	–	–	(5)
At 31 October 2019	**6**	**103**	**211**	**11**	**265**	**596**
Carrying amount						
At 1 November 2017	16	123	180	13	711	1,043
At 31 October 2018/ 1 November 2018	14	95	139	10	630	888
At 31 October 2019	**12**	**63**	**86**	**7**	**549**	**717**

At 31 October 2019, the net carrying amount of leased motor vehicle of the Group was RM135,000 (2018: RM172,000). The leased motor vehicle secures lease obligations (see Note 19).

NOTES TO THE FINANCIAL STATEMENTS

4. GOODWILL

Group	2019 RM'000	2018 RM'000 Restated
Goodwill on consolidation	**109,527**	109,527

Goodwill is allocated to the following group of cash-generating units ("CGUs"):		
Eco World Investment Co. Ltd. ("EW Investment") and its subsidiaries ("EW Investment Group")	**101,327**	101,327
Eco World Sydney Development Pty. Ltd. ("EW Sydney Development")	**8,200**	8,200
	109,527	109,527

EW Investment Group

The goodwill allocated to EW Investment Group arose from the acquisition of EW Investment in prior years. The impairment test for the goodwill allocated to EW Investment Group based on the value in use of Eco World-Ballymore Holding Company Limited ("EW Ballymore") and its subsidiaries ("EW Ballymore Group"), which is the lowest level at which impairment of goodwill is monitored for internal reporting purposes.

Value in use was determined by discounting the future post-tax cash flows expected to be generated from EW Ballymore Group and was based on the following key assumptions:

- Cash flows were projected based on the business plans for years 2020 and 2021, adjusted for past experience and actual operating results.
- The projected cash flows are driven by expected collections from the completion of existing sales and sales of unsold units based on planned selling prices at specific timeframes.
- A post-tax discount rate of 6.50% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry average weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of the property market in the United Kingdom and are based on both external sources and internal sources (historical data).

The goodwill will be impaired when collections from sales are received in the future, which will lead to a decrease in value in use.

EW Sydney Development

Goodwill allocated to EW Sydney Development is not material and hence, no further disclosures are provided.

5. INVESTMENTS IN SUBSIDIARIES

Company	2019 RM'000	2018 RM'000
Unquoted ordinary shares, at cost	**50,047**	50,047
Equity contribution to subsidiaries	**3,311,684**	3,107,767
	3,361,731	3,157,814

Equity contribution to subsidiaries represents unsecured and interest free advances given to subsidiaries. The settlement of these advances is neither planned nor likely to occur in the foreseeable future, as the Company considered them as a long-term source of capital to its subsidiaries. As these advances are deemed as the Company's net shareholders' investment in its subsidiaries, they are stated at cost less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2019 %	2018 %
Eco World Investment Co. Ltd. ("EW Investment")*	Jersey	Investment holding	**100**	100
Fortune Quest Group Ltd. ("Fortune Quest")#	British Virgin Islands	Investment holding	**100**	100
Eco World Management & Advisory Services (UK) Limited ("EW Management")*	United Kingdom	Provision of advisory and project monitoring services	**75**	75
Subsidiaries of EW Investment				
Eco World International Marketing Sdn. Bhd. ("EW International Marketing")	Malaysia	Promoting and marketing services for international projects	**100**	100
Eco World ACE Co. Ltd. ("EW ACE")*	Jersey	Investment holding	**100**	100
Eco World Be Co. Ltd. ("EW Be")* ^	Jersey	Investment holding	**100**	100
Subsidiaries of Fortune Quest				
Eco World Sydney Development Pty. Ltd. ("EW Sydney Development")*	Australia	Property development	**100**	100
Eco World Yarra One Pty. Ltd. (formerly known as Eco World-Salcon Y1 Pty. Ltd.) ("EW Yarra One")* Ω	Australia	Property development	**100**	80
Eco World (Macquarie) Pty. Ltd. ("EW Macquarie")* @	Australia	Property development	**100**	100

* *Audited by other member firms of KPMG PLT.*

\# *Consolidated based on management accounts. Contributions are not material to the Group.*

^ *On 23 November 2017, EW Investment acquired 1 ordinary share of Great Britain Pound ("GBP") 1 each in EW Be, a company incorporated in Jersey. As a result, EW Be became a wholly-owned subsidiary of the Group.*

Ω *On 24 April 2019, Fortune Quest acquired the remaining 20% equity interest in EW Yarra One (see Note 33).*

@ *On 8 November 2017, Fortune Quest incorporated a wholly-owned subsidiary, EW Macquarie, a company incorporated in Australia, with 100 ordinary issued and paid-up shares.*

The non-controlling interests are not material and hence, no further disclosures are provided.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN JOINT VENTURES

Group	2019 RM'000	2018 RM'000 Restated
Unquoted shares, at cost	**293,994**	290,362
Share of post-acquisition reserves	**211,779**	(96,209)
	505,773	194,153

Details of the joint ventures are as follows:

Name of joint venture	Principal place of business	Principal activities	Effective ownership interest and voting interest 2019 %	2018 %
Joint ventures of EW ACE				
Eco World-Ballymore Holding Company Limited ("EW Ballymore")*	Jersey	Investment holding	**75**	75
Joint ventures of EW Be				
Be Eco World Investment Company Limited ("Be EW Investment")#	Jersey	Investment holding	**70**	70
Eco World London Development Company Limited ("EW London DMCo")#	United Kingdom	Property development and project management	**70**	70

* *Audited by other member firms of KPMG PLT.*

\# *Audited by firms other than KPMG PLT.*

Nature of relationship with the Group

The above joint ventures are special purpose vehicles of the Group and other investors domiciled in United Kingdom. The joint ventures provide the Group with strategic access to the United Kingdom property development market.

Pursuant to the agreements under which the above joint ventures are established, the Group requires unanimous consent with the other investors for all significant decisions over the relevant activities of the joint ventures and their subsidiaries. Thus, the Group and the other investors have joint control over the joint ventures. Accordingly, these arrangements are classified as joint ventures and the investments in joint ventures are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information

The following table summarises the financial information of joint ventures, as adjusted for any differences in accounting policies and fair value adjustments. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in joint ventures, which is accounted for using the equity method.

2019	EW Ballymore Holding RM'000	Be EW Investment RM'000	EW London DMCo RM'000	Total RM'000
Percentage of ownership interest and voting interest	**75%**	**70%**	**70%**	
Summarised financial information as at 31 October				
Non-current assets	**213,256**	**118,746**	**4,227**	
Current assets	**6,735,857**	**1,488,476**	**56,675**	
Cash and cash equivalents	**860,395**	**79,128**	**10,042**	
Non-current liabilities	**(3,502,440)**	**(302,210)**	**-**	
Current liabilities	**(2,752,640)**	**(1,199,758)**	**(60,362)**	
Financial liabilities (excluding trade and other payables and provisions)				
- Non-current	**(3,358,372)**	**(255,057)**	**-**	
- Current	**(1,998,889)**	**-**	**-**	
Year ended 31 October				
Profit and total comprehensive income for the year	**316,043**	**50,023**	**530**	
Included in the total comprehensive income:				
Revenue	**2,493,602**	**996,653**	**133,494**	
Depreciation	**-**	**-**	**(1,019)**	
Interest income	**1,883**	**3,315**	**51**	
Interest expense	**(29,657)**	**(23,725)**	**(427)**	
Taxation	**(73,219)**	**(13,744)**	**(156)**	
Reconciliation of net assets to carrying amount as at 31 October				
Group's share of net assets	**520,521**	**73,678**	**378**	**594,577**
Elimination of unrealised profits	**(83,449)**	**(5,355)**	**-**	**(88,804)**
Carrying amount in the statement of financial position	**437,072**	**68,323**	**378**	**505,773**
Group's share of results for the year ended 31 October				
Group's share of profit and total comprehensive income for the year	**237,032**	**35,016**	**371**	**272,419**
Realisation of unrealised profits previously eliminated	**23,354**	**652**	**-**	**24,006**
Group's share of profit and total comprehensive income in the statement of profit or loss and other comprehensive income	**260,386**	**35,668**	**371**	**296,425**

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information (continued)

2018, Restated	**EW Ballymore Holding RM'000**	**Be EW Investment RM'000**	**EW London DMCo RM'000**	**Total RM'000**
Percentage of ownership interest and voting interest	75%	70%	70%	
Summarised financial information as at 31 October				
Non-current assets	114,554	102,522	837	
Current assets	7,304,844	1,543,173	41,866	
Cash and cash equivalents	754,230	45,493	13,403	
Non-current liabilities	(6,756,624)	(106,069)	–	
Current liabilities	(304,798)	(1,488,183)	(41,776)	
Financial liabilities (excluding trade and other payables and provisions)				
- Non-current	(5,813,238)	–	–	
- Current	–	(204,447)	–	
Year ended 31 October				
Profit/(Loss) and total comprehensive income/(loss) for the year	89,455	(19,580)	(21)	
Included in the total comprehensive income:				
Revenue	1,099,089	113,421	79,090	
Depreciation	–	–	(1,839)	
Interest income	62	502	–	
Interest expense	–	–	(758)	
Taxation	(26,098)	5,424	(13)	
Reconciliation of net assets to carrying amount as at 31 October				
Group's share of net assets	268,482	36,010	649	305,141
Elimination of unrealised profits	(105,264)	(5,724)	–	(110,988)
Carrying amount in the statement of financial position	163,218	30,286	649	194,153
Group's share of results for the year ended 31 October				
Group's share of profit and total comprehensive income for the year	67,091	(13,706)	(15)	53,370
Realisation of unrealised profits previously eliminated	18,341	–	–	18,341
Group's share of profit and total comprehensive income in the statement of profit or loss and other comprehensive income	85,432	(13,706)	(15)	71,711

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Commitments

The Group's commitments to fund joint ventures are as follows:

Group	2019 RM'000	2018 RM'000
Share of capital commitments of the joint ventures	**584,241**	302,939

The capital commitments are expected to be incurred in year 2020 and 2021.

7. INVENTORIES

Group	2019 RM'000	2018 RM'000 Restated
Non-current		
Land held for development	**122,163**	-
Current		
Properties under development	**909,964**	460,331
	1,032,127	460,331
Inventories pledged as securities for borrowings (Note 18)	**252,652**	264,565

8. AMOUNTS OWING BY JOINT VENTURES

Group	2019 RM'000	2018 RM'000
Non-current		
Interest bearing at 9.33% per annum	**-**	646,050
Interest bearing at 6.00% per annum	**-**	650,463
Interest free	**-**	820,470
	-	2,116,983
Current		
Interest free	**2,101,102**	-
	2,101,102	2,116,983

The advances are unsecured and are repayable after the bank loan facilities of the joint ventures have been settled.

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
Group	**2019 RM'000**	**2018 RM'000 Restated**	**2019 RM'000**	**2018 RM'000 Restated**	**2019 RM'000**	**2018 RM'000 Restated**
Contract costs	**-**	–	**(7,779)**	(7,093)	**(7,779)**	(7,093)
Inventories	**-**	–	**(12,976)**	(7,851)	**(12,976)**	(7,851)
Other items	**902**	1,357	**-**	–	**902**	1,357
Plant and equipment	**348**	93	**-**	–	**348**	93
Tax loss carry-forwards	**37,744**	30,305	**-**	–	**37,744**	30,305
Capital allowances carry-forwards	**27**	–	**-**	–	**27**	–
Tax assets/(liabilities)	**39,021**	31,755	**(20,755)**	(14,944)	**18,266**	16,811
Set off of tax	**(18,955)**	(13,061)	**18,955**	13,061	**-**	–
Net tax assets/(liabilities)	**20,066**	18,694	**(1,800)**	(1,883)	**18,266**	16,811

Tax loss of RM1,311,000 (2018: RM6,984,000) expires in 2026 under the tax legislation of Malaysia.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP		COMPANY	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Tax loss carry-forwards	**7,730**	1,030	**-**	1,030
Capital allowance carry-forwards	**32**	4	**32**	4
Others	**31**	–	**31**	–
	7,793	1,034	**63**	1,034

Unrecognised tax losses carry-forward of RM7,730,000 (2018: RM1,030,000) will expire in 2026 under the tax legislation of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in temporary differences during the year

Group	At 1.11.2017 RM'000 Restated	Recognised in profit or loss (Note 27) RM'000	Effect of movement in exchange rates RM'000	At 31.10.2018/ 1.11.2018 RM'000 Restated	Recognised in profit or loss (Note 27) RM'000	Effect of movement in exchange rates RM'000	At 31.10.2019 RM'000
Contract costs	(6,062)	(1,592)	561	(7,093)	(626)	(60)	**(7,779)**
Inventories	(5,098)	(3,260)	507	(7,851)	(5,609)	484	**(12,976)**
Other items	1,438	3	(84)	1,357	(451)	(4)	**902**
Plant and equipment	(97)	186	4	93	266	(11)	**348**
Tax loss carry-forwards	21,067	11,199	(1,961)	30,305	8,255	(816)	**37,744**
Capital allowances carry-forwards	62	(62)	–	–	27	–	**27**
	11,310	6,474	(973)	16,811	1,862	(407)	**18,266**

10. TRADE RECEIVABLES

The trade receivables represent amounts receivable from joint ventures for services rendered. These balances are recognised at their original billed amounts which represent their fair values on initial recognition.

The normal credit period granted by the Group ranged between 30 to 60 days.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Other receivables		**498**	1,118	**-**	–
Less: Allowance for impairment loss	a	**(198)**	(203)	**-**	–
		300	915	**-**	–
Deposit for acquisition of land for development		**-**	5,191	**-**	–
Pre-sale deposits held by solicitors	b	**113,884**	–	**-**	–
Prepayments	c	**605**	3,334	**-**	1,118
Goods and services tax ("GST") recoverable		**8,237**	3,398	**-**	–
Value-added tax ("VAT") recoverable		**81**	116	**-**	–
Sundry deposits		**706**	768	**6**	5
Amount owing by a joint venture	d	**344**	1,645	**-**	–
		124,157	15,367	**6**	1,123

Note a

The movements in the allowance for impairment loss of other receivables are as follows:

Group	2019 RM'000	2018 RM'000
At 1 November	**203**	222
Effect of movement in exchange rate	**(5)**	(19)
At 31 October	**198**	203

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Note b

Pre-sale deposits held by solicitors relate to deposits received by solicitors from customers of the Group for the sale of properties under development. The deposits will be released to the Group upon completion of the sales.

Note c

In 2018, included in prepayments of the Group and the Company was prepaid finance cost of RM1,118,000.

Note d

The amount owing by a joint venture represents marketing-related expenses paid on behalf by a subsidiary to be reimbursed from the joint venture.

12. CONTRACT WITH CUSTOMERS

12.1 Contract costs

Group	2019 RM'000	2018 RM'000 Restated
Cost to obtain a contract	**23,661**	22,578

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts. Capitalised commission fees are amortised when the related revenues are recognised. There was no amortisation recognised during the current and previous financial years.

12.2 Contract liabilities

Group	2019 RM'000	2018 RM'000
Contract liabilities	**113,884**	–

The contract liabilities primarily relate to the advance consideration received from customers for sales of properties. Most of the advance consideration is expected to be recognised as revenue in the ordinary course of business.

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by subsidiaries represent unsecured advances given to and payments on behalf of subsidiaries, which are repayable on demand. These balances are interest free.

The amounts owing to subsidiaries represented payments made on behalf by the subsidiaries, which were unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

14. DERIVATIVE FINANCIAL (LIABILITIES)/ASSETS

Group and Company	2019 Notional value RM'000	2019 Liabilities RM'000	2018 Notional value RM'000	2018 Assets RM'000
Cross currency swaps – Derivatives used for hedging				
– non-current	**305,312**	**(2,205)**	–	–
– current	**-**	**-**	125,520	2,004
	305,312	**(2,205)**	125,520	2,004

Cross currency swaps are used to manage the foreign currency exposures arising from the Company's equity contributions to subsidiaries denominated in currencies other than the functional currency of the Company. As at 31 October 2019, the Group and the Company entered into cross currency swaps with nominal value of RM305,312,000 to hedge the cash flow risk in relation to foreign currency exchange fluctuation of equity contributions to subsidiaries denominated in GBP and AUD (see Note 35.7).

15. CASH, BANK BALANCES AND DEPOSITS

	GROUP 2019 RM'000	GROUP 2018 RM'000	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Cash on hand and at banks	**65,573**	33,184	**10,321**	11,138
Short-term deposits	**374,422**	403,776	**346,065**	379,314
Cash, bank balances and deposits in the statements of financial position	**439,995**	436,960	**356,386**	390,452
Less: Restricted balances	**(20,375)**	(9,363)	**(12,178)**	(1,026)
Cash and cash equivalents in the statements of cash flows	**419,620**	427,597	**344,208**	389,426

Restricted balances relate to bank balances and deposits that must be maintained during the tenure of borrowings and deposits pledged as security for other bank facilities (see Note 18).

16. SHARE CAPITAL

Group and Company

Issued and fully paid shares with no par value classified as equity instruments	NUMBER OF SHARES 2019 '000	NUMBER OF SHARES 2018 '000	AMOUNT 2019 RM'000	AMOUNT 2018 RM'000
Ordinary shares				
At 1 November/31 October	**2,400,000**	2,400,000	**2,592,451**	2,592,451

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

17. RESERVES

17.1 Warrants reserve

The warrants reserve arose from the 960,000,000 Warrants issued pursuant to the Initial Public Offering.

The salient terms of the Warrants are as follows:

(a) The Warrants are constituted by a Deed Poll executed on 20 February 2017;

(b) The Warrants are traded separately on Bursa Malaysia;

(c) The Warrants are exercisable at any time during the tenure of five (5) years commencing from the date of listing on Bursa Malaysia, i.e. 3 April 2017 to 4 April 2022 ("Exercise Period"). Warrants not exercised during the Exercise Period will lapse and cease to be valid;

(d) The exercise price is RM1.45 per Warrant ("Exercise Price"). The Exercise Price and/or the number of outstanding Warrants may from time to time be adjusted, calculated or determined by the Board of Directors in consultation with an approved investment bank and certified by the Company's auditors;

(e) Each Warrant entitles the holder to subscribe for one (1) new share at the Exercise Price at any time during the Exercise Period subject to the terms and conditions of the Deed Poll;

(f) The Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise the Warrants;

(g) The new shares to be issued arising from the exercise of the Warrants shall upon allotment and issue, rank equally in all respects with the then existing issued and fully paid-up shares;

(h) The Warrant holders shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of those new shares; and

(i) The Warrants are governed by the Laws of Malaysia.

Since the date of issuance of the Warrants, none of the Warrants has been exercised.

17.2 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedge instruments used to hedged equity contributions to subsidiaries denominated in GBP and AUD (see Note 35.7).

17.3 Exchange translation reserve

The exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

18. BORROWINGS

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Non-current					
Secured:					
Term loans	a	**474,065**	78,216	**-**	-
Unsecured:					
Term loan		**85,894**	-	**85,894**	-
Medium term notes ("MTNs")	b	**796,706**	527,224	**796,706**	527,224
		1,356,665	605,440	**882,600**	527,224
Current					
Unsecured:					
Term loan		**107,080**	105,668	**107,080**	105,668
Revolving credits		**-**	124,970	**-**	124,970
		107,080	230,638	**107,080**	230,638
		1,463,745	836,078	**989,680**	757,862
Represented by:					
– Term loans		**667,039**	183,884	**192,974**	105,668
– Revolving credits		**-**	124,970	**-**	124,970
– MTNs		**796,706**	527,224	**796,706**	527,224
		1,463,745	836,078	**989,680**	757,862
Repayable:					
– not later than 1 year		**107,080**	230,638	**107,080**	230,638
– later than 1 year but not later than 5 years		**1,356,665**	605,440	**882,600**	527,224
		1,463,745	836,078	**989,680**	757,862

Note a

The term loans are secured over inventories (see Note 7) and cash, bank balances and deposits (see Note 15) and are guaranteed by the Company.

Note b

The MTNs are issued under an unrated Islamic MTN ("Sukuk Murabahah") Programme of RM800.0 million in nominal value ("Sukuk Murabahah Programme") by the Company. The Sukuk Murabahah Programme has a tenure of twenty (20) years from 27 April 2018. The tenure of each Sukuk Murabahah issued shall be more than one (1) year and up to twenty (20) years, provided that the Sukuk Murabahah matures on or prior to the expiry of the Sukuk Muhabahah Programme.

The proceeds raised from the Sukuk Murabahah shall be utilised by the Company for its general corporate purposes, working capital requirements and/or for future financing of the Company, its subsidiaries and/or joint ventures.

On 27 April 2018, the Company completed an issuance of Sukuk Murabahah of RM180.0 million in nominal value (''First Issuance") with a tenure of five (5) years from the date of issuance. The Sukuk Murabahah under the First Issuance bears a periodic payment rate of 6.65% per annum and falls due for repayment in April 2023.

NOTES TO THE FINANCIAL STATEMENTS

18. BORROWINGS (CONTINUED)

Note b (continued)

On 25 October 2018, the Company completed the second issuance of Sukuk Murabahah of RM350.0 million in nominal value ("Second Issuance") with a tenure of three (3) years from the date of issuance. The Sukuk Murabahah under the Second Issuance bears a periodic payment rate of 6.40% per annum and falls due for repayment in October 2021.

On 24 May 2019, the Company completed the third and final issuance of Sukuk Murabahah of RM270.0 million in nominal value ("Third Issuance") with a tenure of four (4) years from the date of issuance. The Sukuk Murabahah under the Third Issuance bears a periodic payment rate of 6.40% per annum and falls due for repayment in May 2023. The completion of the Third Issuance marks the final tranche under the Sukuk Murabahah Programme of RM800.0 million following the completion of the First and Second Issuance amounting to RM180.0 million and RM350.0 million on 27 April 2018 and 25 October 2018 respectively.

Note c

The Group entities have complied with the financial ratios of their borrowing facilities during the financial years ended 31 October 2019 and 31 October 2018.

19. FINANCE LEASE LIABILITIES

Finance lease liabilities are payable as follows:

Group	**2019 RM'000**	**2018 RM'000**
Future minimum lease payments		
– not later than one year	**131**	51
– later than one year but not later than five years	**-**	134
	131	185
Unexpired term charges	**(1)**	(3)
	130	182
Present value of minimum lease payments		
– not later than one year	**130**	48
– later than one year but not later than five years	**-**	134
	130	182

20. TRADE PAYABLES

Included in trade payables of the Group is amount owing to a related company amounting to RM267,000 (2018: RM1,034,000), which is non-interest bearing and expected to be settled within the normal credit terms.

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER PAYABLES AND ACCRUALS

	Note	GROUP 2019 RM'000	GROUP 2018 RM'000	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Other payables		**1,545**	6,493	**908**	4,366
Retention sums		**-**	8,831	**-**	-
Deposits received		**-**	30	**-**	-
GST payable		**198**	-	**-**	-
VAT payable		**127**	1,054	**-**	-
Accruals	a	**22,041**	19,157	**15,445**	9,829
Amounts owing to joint ventures		**261**	-	**261**	-
Amounts owing to related companies	b	**1,660**	648	**1,003**	49
		25,832	36,213	**17,617**	14,244

Note a

Included in accruals of the Group and the Company are finance costs payable of RM9,161,000 and RM8,240,000 (2018: RM1,513,000 and RM1,108,000) respectively.

Note b

The amounts owing to related companies represent marketing-related expenses paid on behalf of the Group and office expenses payable, which are unsecured, interest free and repayable on demand.

22. AMOUNT OWING TO A CORPORATE SHAREHOLDER OF A SUBSIDIARY

The amount owing to a corporate shareholder of a subsidiary was an advance and was unsecured, interest free and repayable on demand.

23. REVENUE

Revenue of the Group relates to sales and marketing services rendered. As revenue is not material, no further disclosures are provided.

Revenue of the Company relates to dividend income from a subsidiary.

24. OTHER INCOME

	GROUP 2019 RM'000	GROUP 2018 RM'000	COMPANY 2019 RM'000	COMPANY 2018 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	**14,595**	12,274	**13,897**	11,851
Realised gain on foreign exchange	**4,454**	-	**4,759**	-
Others	**178**	2	**-**	-
	19,227	12,276	**18,656**	11,851

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCE COSTS

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Amortisation of facility fee on borrowings	**3,018**	529	**3,013**	529
Interest on amount owing to a corporate shareholder of a subsidiary	**691**	–	**-**	–
Interest on borrowings	**68,435**	22,342	**54,759**	8,278
Interest on finance lease liabilities	**3**	3	**-**	–
	72,147	22,874	**57,772**	8,807
Recognised in profit or loss	**57,780**	8,810	**57,772**	8,807
Capitalised on qualifying assets – inventories	**14,367**	14,064	**-**	–
	72,147	22,874	**57,772**	8,807

The capitalisation rate used to capitalise finance costs on qualifying assets ranges from 2.91% to 4.64% (2018: 3.32% to 4.52%).

26. PROFIT/(LOSS) BEFORE TAX

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit/(Loss) before tax is stated after charging/(crediting):				
Auditors' remuneration:				
Audit fees				
– current year				
KPMG PLT	**100**	–	**85**	–
Overseas affiliates of KPMG PLT	**433**	205	**-**	–
Other auditors	**-**	160	**-**	97
– prior years				
Overseas affiliates of KPMG PLT	**115**	120	**-**	-
Other auditors	**84**	23	**83**	23
- Non-audit fees				
KPMG PLT	**65**	25	**65**	25
Overseas affiliates of KPMG PLT	**1,162**	7,649	**-**	–
Other auditors	**-**	36	**-**	19
Material expenses				
Depreciation of plant and equipment	**2,161**	2,229	**190**	197
Employee benefits expense (Note 29)	**23,849**	22,941	**11,025**	11,628
Rental expense:				
– office premises	**2,265**	2,791	**180**	180
– office equipment	**83**	86	**35**	36

NOTES TO THE FINANCIAL STATEMENTS

27. TAXATION

	GROUP 2019 RM'000	GROUP 2018 RM'000 Restated	COMPANY 2019 RM'000	COMPANY 2018 RM'000 Restated
Current tax				
Malaysian tax				
– current year	**-**	23	**-**	–
– prior years	**-**	(394)	**-**	(394)
Foreign tax				
– current year	**2,001**	1,931	**-**	–
– prior years	**(116)**	(1)	**-**	–
	1,885	1,559	**-**	(394)
Deferred tax (Note 9)				
Malaysian tax				
– current year	**1,316**	138	**-**	–
– prior years	**(2)**	(3)	**-**	–
Foreign tax				
– current year	**(3,225)**	(5,546)	**-**	–
– prior years	**49**	(1,063)	**-**	–
	(1,862)	(6,474)	**-**	–
	23	(4,915)	**-**	(394)

The Group operates in a multi-jurisdictional tax environment.

The Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%).

The corporate tax rates of entities within the Group outside Malaysia are as follows:

(a) subsidiaries incorporated in Jersey and the British Virgin Islands: 0% (2018: 0%);

(b) subsidiary incorporated in the United Kingdom: 19% (2018: 19%); and

(c) subsidiaries incorporated in Australia: 30% (2018: 30%).

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the profit/(loss) before tax as a result of the following differences:

	GROUP 2019 RM'000	GROUP 2018 RM'000 Restated	COMPANY 2019 RM'000	COMPANY 2018 RM'000 Restated
Profit/(Loss) before tax	**190,305**	(15,303)	**(68,790)**	(33,339)
Less: Share of results of joint ventures	**(296,425)**	(71,711)	**-**	–
Loss before tax and share of results in joint ventures	**(106,120)**	(87,014)	**(68,790)**	(33,339)
Tax at applicable tax rates	**(19,704)**	(12,866)	**(16,510)**	(8,002)
Non-taxable and tax exempted income	**(2,685)**	(2,722)	**(2,684)**	(2,722)
Non-deductible expenses	**20,610**	11,886	**19,179**	10,476
Adjustments attributable to prior years	**(68)**	(1,461)	**-**	(394)
Effect of deferred tax assets not recognised	**1,870**	248	**15**	248
	23	(4,915)	**-**	(394)

NOTES TO THE FINANCIAL STATEMENTS

28. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share at 31 October 2019 was based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2019	2018 Restated
Profit/(Loss) for the year attributable to owners of the Company (RM'000)	**187,004**	(11,230)
Weighted average number of ordinary shares ('000)	**2,400,000**	2,400,000
Basic earnings/(loss) per ordinary share (sen)	**7.79**	(0.47)

Diluted earnings/(loss) per ordinary share

The calculation of diluted earnings/(loss) per ordinary share at 31 October 2019 was based on profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

For the year ended 31 October 2019 and 31 October 2018, the basic earnings/(loss) per share is equal to diluted earnings/(loss) per share as the unexercised Warrants has no dilutive effect on the earnings/(loss) per share given the Warrants' Exercise Price is higher than the market price per ordinary share.

29. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries, wages, bonuses and allowances	**20,023**	19,445	**9,372**	9,991
Defined contribution plan	**2,628**	1,799	**1,119**	1,183
Other staff benefits	**1,198**	1,697	**534**	454
	23,849	22,941	**11,025**	11,628

30. OPERATING LEASE

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

Group	2019 RM'000	2018 RM'000
Less than 1 year	**1,964**	2,484
Between 1 and 5 years	**5,217**	7,202
	7,181	9,686

The Group leases office premises under operating leases. The leases typically run for a period of three years, with an option to renew the lease after that date. Lease payments are increased every year to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL COMMITMENTS

Group	2019 RM'000	2018 RM'000
Approved and contracted for:		
– Acquisition of plant and equipment	**-**	26

32. RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries, joint ventures, related companies and key management personnel. Related companies include the significant investors' subsidiaries, joint ventures and associates.

Significant related party transactions

The significant related party transactions of the Group and of the Company are shown below. The terms and balances related to the below transactions are shown in Note 6, Note 8, Note 10, Note 11, Note 13, Note 20 and Note 21.

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
A. Joint ventures				
Revenue	**478**	1,303	**-**	–
Net (repayment by)/advances to joint ventures	**(46,424)**	1,030,287	**-**	–
Interest receivable	**-**	59,170	**-**	–

NOTES TO THE FINANCIAL STATEMENTS

32. RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions (continued)

		GROUP		COMPANY	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
B.	**Subsidiaries**				
	Dividend income	**-**	-	**(3,947)**	-
	Net advances and equity contribution to subsidiaries	**-**	-	**204,258**	1,217,951
	Purchase of plant and equipment	**-**	-	**-**	2
C.	**Significant investors**				
	Wholly-owned subsidiaries of EW Berhad where certain directors of the Company are also the directors of EW Berhad				
	Agent fees paid or payable	**1,247**	834	**-**	-
	Support service fees paid or payable	**115**	144	**115**	144
	Joint venture of EW Berhad where certain directors of the Company are also the directors of EW Berhad				
	Rental paid or payable	**1,101**	1,018	**-**	-
D.	**Key management personnel**				
	Directors				
	Salaries, allowances and bonuses	**14,738**	17,576	**10,015**	12,161
	Fees	**1,200**	1,117	**1,200**	1,117
	Defined contribution plan	**1,361**	1,623	**1,182**	1,435
	Others	**840**	868	**433**	319
		18,139	21,184	**12,830**	15,032
	Other key management personnel				
	Salaries, allowances and bonuses	**3,775**	3,791	**3,775**	3,245
	Defined contribution plan	**450**	450	**450**	385
	Others	**24**	22	**24**	19
		4,249	4,263	**4,249**	3,649
	Total remuneration to key management personnel	**22,388**	25,447	**17,079**	18,681
	Company where a director has interest				
	Rental paid or payable	**180**	180	**180**	180
	Company where a director of a subsidiary has interest				
	Consultancy fees paid or payable	**969**	834	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

33. ACQUISITION OF NON-CONTROLLING INTERESTS

On 11 April 2019, the Group entered into a conditional share sale and purchase agreement for the acquisition of 20 ordinary shares and 4,519,549 preference shares in EW Yarra One, representing the remaining 20% interest in EW Yarra One, for a total cash consideration of AUD4,519,569 (equivalent to approximately RM13,156,000). The acquisition was completed on 24 April 2019. As a result, EW Yarra One became a wholly-owned subsidiary of the Group. The carrying amount of EW Yarra One's net assets on the date of the acquisition was RM49,950,000. The Group recognised a decrease in non-controlling interests of RM9,990,000 and an increase in accumulated losses and exchange translation reserve of RM2,225,000 and RM941,000 respectively.

34. SEGMENTAL REPORTING

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they operate at different geographical locations with different social and economic conditions and require different marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- United Kingdom — Includes property development activities and provision of advisory and project monitoring services.
- Australia — Includes property development activities.
- Malaysia — Includes investment holding and promoting and marketing services activities.

Performance is measured based on segment profit after tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total liabilities is used to evaluate the liquidity risk of each segment.

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENTAL REPORTING (CONTINUED)

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment.

Group	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Total RM'000
2019				
Segment profit/(loss)	**280,113**	**(10,972)**	**(78,859)**	**190,282**
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	**-**	**-**	**478**	**478**
Inter-segment revenue	**21,220**	**-**	**1,790**	**23,010**
Share of profit of joint ventures	**296,425**	**-**	**-**	**296,425**
Depreciation of plant and equipment	**(277)**	**(668)**	**(1,216)**	**(2,161)**
Finance costs	**-**	**(8)**	**(57,772)**	**(57,780)**
Finance income	**332**	**220**	**14,043**	**14,595**
Taxation	**(1,845)**	**3,135**	**(1,313)**	**(23)**
Segment assets	**2,775,016**	**1,223,503**	**364,324**	**4,362,843**
Included in the measure of segment assets are:				
Additions to plant and equipment	**31**	**12**	**20**	**63**
Investments in joint ventures	**505,773**	**-**	**-**	**505,773**
Segment liabilities	**3,048**	**654,038**	**1,011,220**	**1,668,306**

Group	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Total RM'000
2018, Restated				
Segment profit/(loss)	42,973	(19,362)	(33,999)	(10,388)
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	-	-	1,303	1,303
Inter-segment revenue	21,319	-	4,277	25,596
Share of profit of joint ventures	71,711	-	-	71,711
Depreciation of plant and equipment	(285)	(722)	(1,222)	(2,229)
Finance costs	-	(3)	(8,807)	(8,810)
Finance income	179	148	11,947	12,274
Taxation	(2,036)	6,715	236	4,915
Segment assets	2,452,156	541,885	395,715	3,389,756
Included in the measure of segment assets are:				
Additions to plant and equipment	1,019	473	146	1,638
Investments in joint ventures	194,153	-	-	194,153
Segment liabilities	(3,719)	(118,213)	(775,996)	(897,928)

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS

35.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 October 2019 categorised as follows:

(a) Amortised cost ("AC")

(b) Derivatives used for hedging

2019	Carrying amount RM'000	AC RM'000	Derivatives used for hedging RM'000
Financial assets			
Group			
Amounts owing by joint ventures	**2,101,102**	**2,101,102**	-
Trade receivables	**1,275**	**1,275**	-
Other receivables and deposits	**115,234**	**115,234**	-
Cash, bank balances and deposits	**439,995**	**439,995**	-
	2,657,606	**2,657,606**	-
Company			
Other receivables and deposits	**6**	**6**	-
Amounts owing by subsidiaries	**322**	**322**	-
Cash, bank balances and deposits	**356,386**	**356,386**	-
	356,714	**356,714**	-
Financial liabilities			
Group			
Borrowings	**(1,463,745)**	**(1,463,745)**	-
Finance lease liabilities	**(130)**	**(130)**	-
Trade payables	**(59,865)**	**(59,865)**	-
Other payables and accruals	**(25,507)**	**(25,507)**	-
Derivative financial liabilities	**(2,205)**	-	**(2,205)**
	(1,551,452)	**(1,549,247)**	**(2,205)**
Company			
Borrowings	**(989,680)**	**(989,680)**	-
Other payables and accruals	**(17,617)**	**(17,617)**	-
Derivative financial liabilities	**(2,205)**	-	**(2,205)**
	(1,009,502)	**(1,007,297)**	**(2,205)**

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments as at 31 October 2018 categorised as follows:

(a) Loans and receivables ("L&R")

(b) Financial liabilities measured at amortised cost ("FL")

(c) Derivatives used for hedging

2018, Restated	**Carrying amount RM'000**	**L&R/FL RM'000**	**Derivatives used for hedging RM'000**
Financial assets			
Group			
Amounts owing by joint ventures	2,116,983	2,116,983	–
Trade receivables	5,605	5,605	–
Other receivables and deposits	8,519	8,519	–
Derivative financial assets	2,004	–	2,004
Cash, bank balances and deposits	436,960	436,960	–
	2,570,071	2,568,067	2,004
Company			
Other receivables and deposits	5	5	–
Derivative financial assets	2,004	–	2,004
Cash, bank balances and deposits	390,452	390,452	–
	392,461	390,457	2,004
Financial liabilities			
Group			
Borrowings	(836,078)	(836,078)	–
Finance lease liabilities	(182)	(182)	–
Trade payables	(7,260)	(7,260)	–
Other payables and accruals	(35,159)	(35,159)	–
Amount owing to a corporate shareholder of a subsidiary	(15,465)	(15,465)	–
	(894,144)	(894,144)	–
Company			
Borrowings	(757,862)	(757,862)	–
Other payables and accruals	(14,244)	(14,244)	–
Amounts owing to subsidiaries	(19)	(19)	–
	(772,125)	(772,125)	–

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.2 Net gains and losses arising from financial instruments

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net (losses)/gains on:				
Derivatives used for hedging	**(2,195)**	2,004	**(2,195)**	2,004
Financial assets at amortised cost	**9,437**	–	**8,739**	–
Loans and receivables	**-**	8,118	**-**	7,695
Financial liabilities at amortised cost	**(64,158)**	(30,480)	**(50,637)**	(10,777)
	(56,916)	(20,358)	**(44,093)**	(1,078)

35.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

35.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from amounts owing by joint ventures, other receivables and financial guarantees given to banks for credit facilities granted to joint ventures. The Company's exposure to credit risk arises principally from equity contribution to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and joint ventures.

Amount owing by joint ventures and equity contribution to subsidiaries

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured advances to joint ventures and the Company provides unsecured advances to subsidiaries, which were classified as equity instruments. The Group and the Company monitor the ability of the joint ventures and subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.4 Credit risk (continued)

Recognition and measurement of impairment loss

Generally, the Group and the Company consider advances to joint ventures and subsidiaries to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the joint ventures' and subsidiaries' advances when they are payable, the Group and the Company consider the advances to be in default when the joint ventures and subsidiaries are not able to pay when demanded. The Group and the Company consider a joint venture's and subsidiary's advance to be credit impaired when:

- The joint venture or subsidiary is unlikely to repay its advance to the Group or the Company in full;
- The joint venture or subsidiary is continuously loss making and is having a deficit shareholders' fund and is not expected to turnaround its financial performance and position.

The Group and the Company determine the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the advances owing from the joint ventures and subsidiaries have low credit risk and no allowance for impairment loss has been recognised.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from pre-sale deposits held on behalf of the Group by solicitors in respect of property sales. The pre-sale deposits will be received by the Group upon completion of the property sales.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the impairment allowance recognised by the Group is not significant.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to joint ventures and certain subsidiaries. The Group and the Company monitor the ability of the joint ventures and subsidiaries to service their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk representing the outstanding banking facilities of the joint ventures and subsidiaries that were supported by the financial guarantees issued by the Group and the Company as at end of the reporting period is as follows:

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Financial guarantees to banks in respect of banking facilities granted to:				
– Joint ventures	**3,276,723**	3,705,935	**3,276,723**	3,705,935
– Subsidiaries	**-**	–	**474,065**	78,216
	3,276,723	3,705,935	**3,750,788**	3,784,151

The financial guarantees are provided as credit enhancements to the joint ventures' and subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Group and the Company assume that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

- The joint venture or subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The joint venture or subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default of the guaranteed loans individually using internal information available.

35.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2019	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Group						
Non-derivative financial liabilities						
Term loans	**667,039**	**2.59-3.86**	**696,480**	**128,352**	**568,128**	**-**
Medium term notes	**796,706**	**6.40-6.65**	**947,866**	**51,650**	**896,216**	**-**
Finance lease liabilities	**130**	**6.60**	**131**	**131**	**-**	**-**
Trade payables	**59,865**	**-**	**59,865**	**59,865**	**-**	**-**
Other payables and accruals	**25,507**	**-**	**25,507**	**25,507**	**-**	**-**
Financial guarantee	**-**	**-**	**3,276,723**	**3,276,723**	**-**	**-**
	1,549,247		**5,006,572**	**3,542,228**	**1,464,344**	**-**
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	**(305,312)**	**6.40**	**(344,392)**	**(19,540)**	**(324,852)**	**-**
Outflow	**307,517**	**4.50-5.77**	**334,551**	**14,548**	**320,003**	**-**
	1,551,452		**4,996,731**	**3,537,236**	**1,459,495**	**-**
Company						
Non-derivative financial liabilities						
Term loans	**192,974**	**3.74-3.86**	**200,027**	**114,475**	**85,552**	**-**
Medium term notes	**796,706**	**6.40-6.65**	**993,415**	**51,650**	**941,765**	**-**
Other payables and accruals	**17,617**	**-**	**17,617**	**17,617**	**-**	**-**
Financial guarantees	**-**	**-**	**3,750,788**	**3,750,788**	**-**	**-**
	1,007,297		**4,961,847**	**3,934,530**	**1,027,317**	**-**
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	**(305,312)**	**6.40**	**(344,392)**	**(19,540)**	**(324,852)**	**-**
Outflow	**307,517**	**4.50-5.77**	**334,551**	**14,548**	**320,003**	**-**
	1,009,502		**4,952,006**	**3,929,538**	**1,022,468**	**-**

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.5 Liquidity risk (continued)

Maturity analysis (continued)

2018	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Group						
Non-derivative financial liabilities						
Term loans	183,884	3.22-4.52	196,127	112,414	83,713	–
Revolving credits	124,970	4.60	130,545	130,545	–	–
Medium term notes	527,224	6.40-6.65	650,582	34,370	616,212	–
Finance lease liabilities	182	6.60	185	51	134	–
Trade payables	7,260	–	7,260	7,260	–	–
Other payables and accruals	35,159	–	35,159	35,159	–	–
Amount owing to a corporate shareholder of a subsidiary	15,465	–	15,465	15,465	–	–
Financial guarantee	–	–	3,705,935	3,705,935	–	–
	894,144		4,741,258	4,041,199	700,059	-
Derivative financial assets						
Cross-currency swap (gross settled)						
Inflow	(125,520)	4.04-4.09	(125,520)	(125,520)	–	
Outflow	123,516	2.65-2.69	123,516	123,516	–	–
	892,140		4,739,254	4,039,195	700,059	–
Company						
Non-derivative financial liabilities						
Term loan	105,668	3.22	109,266	109,266	–	–
Revolving credits	124,970	4.60	130,545	130,545	–	–
Medium term notes	527,224	6.40-6.65	650,582	34,370	616,212	–
Other payables and accruals	14,244	–	14,244	14,244	–	–
Amount owing to subsidiaries	19	–	19	19	–	–
Financial guarantees	–	–	3,784,151	3,784,151	–	–
	772,125		4,688,807	4,072,595	616,212	–
Derivative financial assets						
Cross-currency swap (gross settled)						
Inflow	(125,520)	4.04-4.09	(125,520)	(125,520)	–	–
Outflow	123,516	2.65-2.69	123,516	123,516	–	–
	770,121		4,686,803	4,070,591	616,212	–

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

As at the end of the reporting period, the Group and the Company are not exposed to other price risks.

35.6.1 Currency risk

The Group and the Company are mainly exposed to foreign currency risk on equity contribution to subsidiaries and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Great Britain Pound (''GBP'').

Risk management objectives, policies and processes for managing the risk

The Group and the Company closely monitor their exposure to foreign currency risk and the fluctuation in foreign currencies. The Group and the Company use cross-currency swaps to hedge their foreign currency risk. Most of the cross-currency swaps have maturities of one to five years after the end of the reporting period.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	AUD	GBP
2019	**RM'000**	**RM'000**
Group		
Trade receivables	**-**	**1,275**
Cash, bank balances and deposits	**3,242**	**58,581**
Borrowings	**(85,894)**	**(107,080)**
Other payables and accruals	**-**	**(261)**
Derivative financial liabilities	**-**	**(2,205)**
Net exposure	**(82,652)**	**(49,690)**
Company		
Cash, bank balances and deposits	**3,242**	**58,581**
Borrowings	**(85,894)**	**(107,080)**
Other payables and accruals	**-**	**(261)**
Derivative financial liabilities	**-**	**(2,205)**
Net exposure	**(82,652)**	**(50,965)**

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.6 Market risk (continued)

35.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in	
	USD	GBP
2018	**RM'000**	**RM'000**
Group		
Trade receivables	–	5,605
Cash, bank balances and deposits	300	19,585
Borrowings	(124,970)	(105,668)
Derivative financial assets	2,004	–
Net exposure	(122,666)	(80,478)
Company		
Amounts owing to subsidiaries	–	(22)
Cash, bank balances and deposits	300	19,585
Borrowings	(124,970)	(105,668)
Derivative financial assets	2,004	–
Net exposure	(122,666)	(86,105)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have Ringgit Malaysia as functional currency. The exposure to currency risk of Group entities which do not have a Ringgit Malaysia functional currency is not material and hence, sensitivity analysis is not performed.

A 10% (2018: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased profit or loss by the pre-tax amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant.

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Profit or loss	**RM'000**	**RM'000**	**RM'000**	**RM'000**
USD	**-**	12,267	**-**	12,267
AUD	**8,220**	–	**8,220**	–
GBP	**5,014**	8,048	**5,142**	8,611
	13,234	20,315	**13,362**	20,878

A 10% (2018: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown on the above currencies, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.6 Market risk (continued)

35.6.2 Interest rate risk

The Group's and the Company's fixed rate deposits held with licensed financial institutions and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company regularly review their debt portfolio and such strategy enables the Group and the Company to source low interest funding from the market and achieve a certain level of protection against interest rate hike. The Group and the Company do not use derivative financial instruments to hedge their debt obligations.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fixed rate instruments				
Financial assets	**374,422**	1,700,289	**346,065**	379,314
Financial liabilities	**(796,706)**	(527,224)	**(796,706)**	(527,224)
	(422,284)	1,173,065	**(450,641)**	(147,910)
Floating rate instruments				
Financial liabilities	**(667,039)**	(308,854)	**(192,974)**	(230,638)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	GROUP		COMPANY	
Profit or loss	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
2019				
Floating rate instruments	**(5,069)**	**5,069**	**(1,467)**	**1,467**
2018				
Floating rate instruments	(2,347)	2,347	(1,753)	1,753

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.7 Hedging activities

35.7.1 Currency risk – Transactions in foreign currency

The Group and the Company are mainly exposed to foreign currency risk on equity contribution to subsidiaries and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Great Britain Pound (''GBP'').

The Group and the Company used cross-currency swaps to hedge their foreign currency risk arising from AUD and GBP denominated equity contribution to subsidiaries, that is a net investment in a foreign operation. The Group and the Company closely monitor their exposure to foreign currency risk and the fluctuation in foreign currencies. The Group and the Company designated cross-currency swaps that are entered specifically to hedge against foreign currency risk from individual equity contribution ("hedge item") as effective hedge. These contracts have a maturity of one to five years from the reporting date.

The Group and the Company had assessed and determined that the critical terms of the cross-currency swap contracts ("hedge instrument") align with the hedged item. In assessing the critical terms of the hedge instrument, the Group and the Company determined the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group and the Company assessed whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's and the Company's own credit risk on the fair value of the cross-currency swap contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates and interest rates; and
- changes in the timing of the hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.7 Hedging activities (continued)

35.7.2 Hedge of net investment in a foreign operation

At 31 October 2019, the Group and the Company held cross currency swap to hedge exposures to changes in foreign currency from AUD and GBP denominated equity contribution to subsidiaries.

The amounts at the reporting date relating to items designated as hedged items were as follows:

Group and Company 2019	Change in value used for calculation of hedge ineffectiveness RM'000	Hedging reserve RM'000	Balances remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied RM'000
Foreign currency risk			
Equity contribution to subsidiaries	**2,225**	**2,011**	-

The amounts relating to items designated as hedging instruments are as follows:

Group and Company 2019	Nominal amount RM'000	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets RM'000	Liabilities RM'000	
Foreign currency risk				
Cross currency swap	**305,312**	-	**2,205**	Derivative financial liabilities

Included in the carrying amount of hedging instrument is hedge ineffectiveness of RM194,000, which has been recognised as unrealised loss on foreign exchange in the profit or loss.

35.8 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
2019	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities										
Finance lease liabilities	-	-	-	-	-	-	130	130	130	130
Term loans	-	-	-	-	-	-	667,039	667,039	667,039	667,039
Medium term notes	-	-	-	-	-	807,018	-	807,018	807,018	796,706
Derivative financial liabilities	-	2,205	-	2,205	-	-	-	-	2,205	2,205
	-	2,205	-	2,205	-	807,018	667,169	1,474,187	1,476,392	1,466,080
Company										
Financial liabilities										
Term loans	-	-	-	-	-	-	192,974	192,974	192,974	192,974
Medium term notes	-	-	-	-	-	807,018	-	807,018	807,018	796,706
Derivative financial liabilities	-	2,205	-	2,205	-	-	-	-	2,205	2,205
	-	2,205	-	2,205	-	807,018	192,974	999,992	1,002,197	991,885

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.8 Fair value information (continued)

2018	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
Financial assets										
Amounts owing by joint ventures	–	–	–	–	–	–	2,116,983	2,116,983	2,116,983	2,116,983
Derivative financial assets	–	2,004	–	2,004	–	–	–	–	2,004	2,004
	–	2,004	–	2,004	–	–	2,116,983	2,116,983	2,118,987	2,118,987
Financial liabilities										
Finance lease liabilities	–	–	–	–	–	–	182	182	182	182
Term loans	–	–	–	–	–	–	183,884	183,884	183,884	183,884
Revolving credits	–	–	–	–	–	–	124,970	124,970	124,970	124,970
Medium term notes	–	–	–	–	–	592,700	–	592,700	592,700	527,224
	–	–	–	–	–	592,700	309,036	901,736	901,736	836,260
Company										
Financial assets										
Derivative financial assets	–	2,004	–	2,004	–	–	–	–	2,004	2,004
Financial liabilities										
Term loans	–	–	–	–	–	–	105,668	105,668	105,668	105,668
Revolving credits	–	–	–	–	–	–	124,970	124,970	124,970	124,970
Medium term notes	–	–	–	–	–	527,224	–	527,224	527,224	527,224
	–	–	–	–	–	527,224	230,638	757,862	757,862	757,862

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

35.8 Fair value of information (continued)

Level 2 fair value

Derivatives

The fair value of cross currency swap is estimated by discounting the future contractual cash flows at the current market rate available for similar instruments.

Medium term notes ("MTN")

The fair value of MTN is estimated by discounting the future contractual cash flows based on the effective yield of latest sales and purchases of the MTN at year end.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2018: no transfer in either directions).

Level 3 fair value

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Amounts owing by joint ventures	Discounted cash flows using a rate based on the current market rate of interest with similar tenure at the reporting date.
Term loans and finance lease liabilities	Discounted cash flows valuation technique using a rate based on the current market rate of borrowing of the respective group entities at the reporting date.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to support the Group's stability and growth. The principal form of capital is share capital and when necessary, borrowings as included in the statements of financial position.

The Group actively and regularly reviews and manages its capital structure and when necessary, obtains financial support from its lenders, debt and equity capital raising exercises to ensure optimal capital structure and shareholder returns.

The Company and certain group entities are required to maintain a maximum debt-to-equity ratio to comply with bank covenants, failing which, the bank may call an event of default. The Company and these group entities have complied with the respective bank covenants.

NOTES TO THE FINANCIAL STATEMENTS

36. CAPITAL MANAGEMENT (CONTINUED)

The debt-to-equity ratios at 31 October 2019 and at 31 October 2018 were as follows:

	GROUP		COMPANY	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Borrowings (Note 18)	**1,463,745**	836,078	**989,680**	757,862
Finance lease liabilities (Note 19)	**130**	182	**-**	-
Less: Cash, bank balances and deposits (Note 15)	**(439,995)**	(436,960)	**(356,386)**	(390,452)
Net debt	**1,023,880**	399,300	**633,294**	367,410
Total equity attributable to owners of the parent	**2,685,641**	2,475,021	**2,710,045**	2,780,836
Debt-to-equity ratio	**0.38**	0.16	**0.23**	0.13

There was no change in the Group's and the Company's approach to capital management during the financial year.

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the year, the Group and the Company adopted MFRS 15, *Revenue from Contracts with Customers* and MFRS 9, *Financial Instruments* on their financial statements. The Group and the Company generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemptions as allowed by the standards. Nevertheless, as permitted by MFRS 9, the Group and the Company have elected not to restate the comparatives.

The impacts arising from the adoption of MFRS 15 on the Group's financial statements is disclosed in Note 37.1. There is no impact arising from the adoption of MFRS 15 in respect of the Company's financial statements.

There is no material impact on the Group's and the Company's financial statements arising from the adoption of MFRS 9 apart from certain changes in classification as disclosed in Note 37.2.

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.1 Impacts on financial statements

a. Statement of financial position

Group **1 November 2017**	**As previously reported** **RM'000**	**MFRS 15 adjustments** **RM'000**	**As restated** **RM'000**
Non-current assets			
Plant and equipment	7,169	–	7,169
Goodwill	126,302	(16,775)	109,527
Investment in a joint venture	104,907	35,758	140,665
Amount owing by a joint venture	1,089,481	–	1,089,481
Deferred tax assets	19,316	(6,062)	13,254
	1,347,175	12,921	1,360,096
Current assets			
Inventories	366,717	(1,579)	365,138
Trade receivables	32	–	32
Other receivables, deposits and prepayments	5,368	–	5,368
Contract costs	–	19,631	19,631
Current tax assets	682	–	682
Cash, bank balances and deposits	992,388	–	992,388
	1,365,187	18,052	1,383,239
Total assets	2,712,362	30,973	2,743,335
Equity			
Share capital	2,592,451	–	2,592,451
Warrants reserve	276,418	–	276,418
Exchange translation reserve	17,644	(1,214)	16,430
Accumulated losses	(341,637)	31,745	(309,892)
Equity attributable to owners of the Company	2,544,876	30,531	2,575,407
Non-controlling interests	2,768	442	3,210
Total equity	2,547,644	30,973	2,578,617
Non-current liabilities			
Borrowings	48,684	–	48,684
Deferred tax liabilities	1,944	–	1,944
	50,628	–	50,628
Current liabilities			
Trade payables	1,512	–	1,512
Other payables and accruals	14,555	–	14,555
Amount owing to a corporate shareholder of a subsidiary	16,340	–	16,340
Borrowings	79,913	–	79,913
Current tax liabilities	1,770	–	1,770
	114,090	–	114,090
Total liabilities	164,718	–	164,718
Total equity and liabilities	2,712,362	30,973	2,743,335

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.1 Impacts on financial statements (continued)

a. Statement of financial position (continued)

Group 31 October 2018	As previously reported RM'000	MFRS 15 adjustments RM'000	As restated RM'000
Non-current assets			
Plant and equipment	6,366	–	6,366
Goodwill	126,302	(16,775)	109,527
Investments in joint ventures	209,012	(14,859)	194,153
Amounts owing by joint ventures	2,116,983	–	2,116,983
Deferred tax assets	25,787	(7,093)	18,694
	2,484,450	(38,727)	2,445,723
Current assets			
Inventories	461,836	(1,505)	460,331
Trade receivables	5,605	–	5,605
Other receivables, deposits and prepayments	15,367	–	15,367
Contract costs	–	22,578	22,578
Current tax assets	1,188	–	1,188
Derivative financial assets	2,004	–	2,004
Cash, bank balances and deposits	436,960	–	436,960
	922,960	21,073	944,033
Total assets	3,407,410	(17,654)	3,389,756
Equity			
Share capital	2,592,451	–	2,592,451
Warrants reserve	276,418	–	276,418
Hedging reserve	(10)	–	(10)
Exchange translation reserve	(68,851)	(3,865)	(72,716)
Accumulated losses	(306,399)	(14,723)	(321,122)
Equity attributable to owners of the Company	2,493,609	(18,588)	2,475,021
Non-controlling interests	15,873	934	16,807
Total equity	2,509,482	(17,654)	2,491,828
Non-current liabilities			
Borrowings	605,440	–	605,440
Finance lease liabilities	134	–	134
Deferred tax liabilities	1,883	–	1,883
	607,457	–	607,457
Current liabilities			
Trade payables	6,933	327	7,260
Other payables and accruals	36,540	(327)	36,213
Amount owing to a corporate shareholder of a subsidiary	15,465	–	15,465
Borrowings	230,638	–	230,638
Finance lease liabilities	48	–	48
Current tax liabilities	847	–	847
	290,471	–	290,471
Total liabilities	897,928	–	897,928
Total equity and liabilities	3,407,410	(17,654)	3,389,756

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.1 Impacts on financial statements (continued)

b. Statement of profit or loss and other comprehensive income for the year ended 31 October 2018

	As previously reported RM'000	MFRS 15 adjustments RM'000	As restated RM'000
Group			
Revenue	4,904	(3,601)	1,303
Direct expenses	(4,614)	4,614	–
Gross profit	290	1,013	1,303
Other income	12,276	–	12,276
Marketing expenses	(10,242)	3,111	(7,131)
Administrative and general expenses	(74,775)	(2,962)	(77,737)
Unrealised loss on foreign exchange	(6,915)	–	(6,915)
Finance costs	(8,810)	–	(8,810)
Share of results in joint ventures	117,195	(45,484)	71,711
Profit/(Loss) before tax	29,019	(44,322)	(15,303)
Taxation	6,507	(1,592)	4,915
Profit/(Loss) for the year	35,526	(45,914)	(10,388)
Other comprehensive loss, net of tax			
Items that may be reclassified to profit or loss subsequently:			
Hedge of net investment	(10)	–	(10)
Exchange differences on translation of foreign operations	(87,563)	(2,713)	(90,276)
Total comprehensive loss for the year	(52,047)	(48,627)	(100,674)
Profit/(Loss) for the year attributable to:			
Owners of the Company	35,238	(46,468)	(11,230)
Non-controlling interests	288	554	842
	35,526	(45,914)	(10,388)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company	(51,267)	(49,119)	(100,386)
Non-controlling interests	(780)	492	(288)
	(52,047)	(48,627)	(100,674)
Earnings/(Loss) per share attributable to owners of the Company:			
Basic earnings/(loss) per share (sen)	1.47	(1.94)	(0.47)
Diluted earnings/(loss) per share (sen)	1.47	(1.94)	(0.47)

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.1 Impacts on financial statements (continued)

c. Statement of cash flows

There is no material impact arising from the adoption of MFRS 15 in respect of the Group's and the Company's statement of cash flows.

37.2 Accounting for financial instruments

a. Transition

In the adoption of MFRS 9, the following transitional exemptions as permitted by the standard have been adopted:

i) The determination of the business model within which a financial asset is held have been made based on the facts and circumstances that existed at the date of initial application:

ii) Loss allowance for receivables (other than trade receivables) is recognised at an amount equal to lifetime expected credit losses until the receivable is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.2 Accounting for financial instruments (continued)

b. Classification of financial assets and financial liabilities on the date of initial application of MFRS 9

The following table shows the measurement categories under MFRS 139 and the new measurement categories under MFRS 9 for each class of the Group's and the Company's financial assets and financial liabilities as at 1 November 2018:

		1 November 2018 Reclassification to new MFRS 9 category	
Category under MFRS 139	**31 October 2018**	**Remeasurement**	**Amortised cost**
Group	**RM'000**	**RM'000**	**RM'000**
Financial assets			
Loans and receivables			
Amounts owing by joint ventures	2,116,983	–	2,116,983
Trade receivables	5,605	–	5,605
Other receivables and deposits	8,519	–	8,519
Cash, bank balances and deposits	436,960	–	436,960
	2,568,067	–	2,568,067
Financial liabilities			
Financial liabilities measured at amortised cost			
Borrowings	(836,078)	–	(836,078)
Finance lease liabilities	(182)	–	(182)
Trade payables	(7,260)	–	(7,260)
Other payables and accruals	(35,159)	–	(35,159)
Amount owing to a corporate shareholder of a subsidiary	(15,465)	–	(15,465)
	(894,144)	–	(894,144)
Company			
Financial assets			
Loans and receivables			
Other receivables and deposits	5	–	5
Cash, bank balances and deposits	390,452	–	390,452
	390,457	–	390,457
Financial liabilities			
Financial liabilities measured at amortised cost			
Borrowings	(757,862)	–	(757,862)
Other payables and accruals	(14,244)	–	(14,244)
Amount owing to subsidiaries	(19)	–	(19)
	(772,125)	–	(772,125)

NOTES TO THE FINANCIAL STATEMENTS

37. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

37.2 Accounting for financial instruments (continued)

b. Classification of financial assets and financial liabilities on the date of initial application of MFRS 9 (continued)

There is no impact to the measurement categories in respect of derivative held for hedging arising from the adoption of MFRS 9.

Reclassification from loans and receivables to amortised cost

Financial assets that were classified as loans and receivables under MFRS 139 are now reclassified at amortised cost.

37.3 Accounting for revenue

There are no changes in revenue recognition for the Company from the adoption of MFRS 15.

The changes in revenue recognition from the adoption of MFRS 15 in respect of the Group, which is included in the share of profit from joint ventures, are as follows:

Type of revenue	Previous year's revenue recognition	Current year's revenue recognition
Sales of properties	The Group previously recognised revenue when significant risks and rewards of development units are transferred to customers and it is probable that the economic benefits for the sales of properties will flow to the Group.	Revenue is recognised when the control of the properties is transferred to the customers and the collectability of the consideration for the sales of properties is probable.
	Incremental costs incurred in obtaining contracts with customers are expensed off into profit or loss as incurred.	Incremental costs of obtaining contracts are recognised as an asset when the Group expects to recover these costs. These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 96 to 167 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 of 31 October 2019 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.

TAN SRI DATO' SRI LIEW KEE SIN
Director

DATO' TEOW LEONG SENG
Director

Kuala Lumpur
Date: 6 February 2020

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Dato' Teow Leong Seng, the Director primarily responsible for the financial management of Eco World International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 96 to 167 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Dato' Teow Leong Seng, NRIC: 581212-10-6981, MIA CA 3871 at Kuala Lumpur in the Federal Territory on 6 February 2020.

DATO' TEOW LEONG SENG
Director

Kuala Lumpur

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World International Berhad, which comprise the statements of financial position as at 31 October 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on page 96 to 167.

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 2019, and of their financial performance and cash flows for the 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 of 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 auditors' 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 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.

Key Audit Matters for the Group

Share of profits of equity-accounted joint ventures

Refer to Note 2(a)(iv) - Significant accounting policy: Joint ventures and Note 6 - Investments in joint ventures

The key audit matter:

The Group has an equity interest of 75% in Eco World-Ballymore Holding Company Limited and 70% in Be Eco World Investment Company Limited at 31 October 2019. For the financial year ended 31 October 2019, the share of profit of joint ventures amounted to RM296 million of the Group's profit after tax.

The accounting for the results of the joint ventures is identified as a key audit matter because the share of profit of joint ventures is the largest contributor to the Group's profit after tax position.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

Key Audit Matters for the Group (continued)

Share of profits of equity-accounted joint ventures (continued)

How the matter was addressed in our audit:

We performed the following audit procedures, amongst others:

- We communicated continuously with the component auditors of the joint ventures throughout the audit to satisfy our requirements under the international auditing standards;
- We issued group audit instructions to the component auditors to communicate our group audit strategy and directed the scope of work to be performed;
- We obtained an understanding of the procedures planned to be performed by the component auditors and considered whether the planned procedures were appropriate for the purpose of the audit of the consolidated financial statements;
- We assessed the adequacy of the work performed by the component auditors and the consistent application of the Group's accounting policies;
- We discussed significant matters arising from the audit with the component auditors, in particular on identified significant risks of material misstatements to the Group financial statements; and
- We assessed whether the carrying amounts of the joint ventures are properly accounted for using the equity method, including checking the arithmetic accuracy of the calculation of share of profit of joint ventures and evaluated that the accounting policies of the joint ventures have been aligned to the Group's accounting policies.

Valuation of goodwill

Refer to Note 2(f) - Significant accounting policy: Goodwill, Note 2(k) - Significant accounting policy: Impairment and Note 4 - Goodwill

The key audit matter:

At 31 October 2019, the Group has goodwill amounting to RM109 million. Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired. An impairment loss is recognised if the carrying amount of the cash-generating units ("CGU") exceeds its estimated recoverable amount.

Impairment of goodwill is considered to be a key audit matter because of the degree of judgement involved in the assessment of the recoverable amount of each CGU. The determination of recoverable amount for CGUs is subjected to key assumptions made with regards to future cash flows of the CGUs and the discount rate applied to the future cash flows.

How the matter was addressed in our audit:

We performed the following audit procedures, amongst others:

- We assessed the Group's key assumptions used to determine the recoverable amount of the CGUs against corroborative evidence, which include checking the assumptions on the projected cash flows against approved business plans and actual sales results achieved to-date audited by the component auditor and evaluating the reasonableness of the industry average weighted average cost of capital used to discount the projected cash flows; and
- We assessed the adequacy of the disclosure of the key assumptions used by the Group in determining the recoverable amount of the CGUs.

Key Audit Matters for the Group (continued)

Valuation of inventories

Refer to Note 2(g) - Significant accounting policy: Inventories and Note 7 - Inventories

The key audit matter:

Inventories of the Group comprise properties under development amounting to RM910 million from on-going property development projects of overseas subsidiaries. The determination of the estimated net realisable value for these developed properties is dependent upon the Group's expectation of future selling prices.

Valuation of properties under development is identified as a key audit matter because of the uncertainty in the global property market and the resultant market volatility, which may lead to downward pressure on transaction volumes and prices. This in turn poses a challenge on the sustainability of expected future selling prices of the Group's properties.

How the matter was addressed in our audit:

We requested the component auditors to perform the following audit procedures and assessed the adequacy of work performed:

- We compared the actual cost and cost to completion of properties under development against budgeted selling prices to assess whether there are any indications that the net realisable value of properties under development are below their carrying amounts;
- We compared the budgeted selling prices against actual selling prices in signed sale and purchase agreements to assess whether the Group's expected future selling prices are attainable; and
- We evaluated the sale of properties under development achieved by the Group against targeted sales to identify downward pressure on transaction volumes.

Key audit matters for the Company

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 Directors' Report, Statement on Risk Management and Internal Control, (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

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 ability of the Group and of the Company to continue as a 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.

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 judgment 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 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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 gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 auditors' 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 5 to the financial statements.

OTHER MATTERS

1. The financial statements of the Group and of the Company as at and for the year ended 31 October 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 24 January 2019.
2. 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 content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor
Date: 6 February 2020

FOONG MUN KONG
Approval Number: 02613/12/2020 J
Chartered Accountant

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 OCTOBER 2019

(i) Details of the development properties held by the Group are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^ (RM'000)
1	**West Village, Parramatta** Lot 100 in Deposited Plan 792374 Lot 504 in Deposited Plan 701136/ 76-82 and 100, Church Street Parramatta New South Wales 2150 Australia	Land under development and held for development	30 November 2015	4,778	Freehold	628,078
2	**Yarra One, Melbourne** 16-22, Claremont Street South Yarra, Victoria 3141 Australia	Land under development and held for development	10 April 2015	2,128	Freehold	281,886
3	**Macquarie Park** 1-3 Lachlan Avenue Macquarie Park Sydney New South Wales 2113 Australia	Development site for Macquarie Park Project	9 November 2018	2,751	Freehold	122,163

Note:
^ *Based on the exchange rate of AUD1.00 : RM2.8889, being the closing rate for AUD to RM as at 31 October 2019*

(ii) Details of the development properties held by a Joint Venture, EcoWorld-Ballymore are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
1	**Eco World-Ballymore London City Island Company Limited** EGL442847/Land at Middle Wharf Baldwins Upper Wharf and Crown Wharf, Orchard Place London E14 United Kingdom	Development site for the London City Island Phase 2 Project	11 January 2015	23,553	Freehold	892,484
	EGL489449/Land on the west side of Orchard Place London E14 United Kingdom			526	Leasehold Expiring: Year 2130	
2	**Eco World-Ballymore Embassy Gardens Company Limited** TGL423144/Phase 2 Embassy Gardens Nine Elms Lane London SW8 5BL United Kingdom	Development site for the Embassy Garden Phase 2 Project	11 January 2015	22,015	Freehold	2,418,671
3	**Eco World-Ballymore Arrowhead Quay Company Limited** NGL501731 and EGL531989/ Land at South Quay Isle of Dogs London E14 United Kingdom	Development site for the Wardian London Project	11 January 2015	5,463	Freehold	2,116,642

Note:

^ *Based on the exchange rate of GBP1.00 : RM5,4049, being the closing rate for GBP to RM as at 31 October 2019*

\# *These amount represent 100% of the net book value of the properties held by the joint ventures*

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 OCTOBER 2019

(iii) Details of the development properties held by the Joint Venture, EcoWorld London are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
1	**Be (M&J) LLP** The Quadrant Kilburn Lane London W10 4AH United Kingdom	Development site for Moberly Project (Kensal Rise)	16 March 2016	6,600	Leasehold	74,088
	Jubilee Sports Centre Caird Street London W10 4RR United Kingdom	Development site for Jubilee Project (Maida Hill)	16 March 2016	5,900	Leasehold	-
2	**Prime Place (Millbrook) LLP** Millbrook Park Project Office Inglis Way London NW7 1FJ United Kingdom	Development site for Millbrook Park Project	17 December 2015	10,800	Freehold	245,321
3	**Be Living (Lampton) LLP** Nantly House 33, Lampton Road Middlesex TW3 4DN United Kingdom	Development site under framework agreement with London Borough of Hounslow for Nantly House Project	N/A*	N/A*	N/A*	N/A*
	Be Living (Lampton) LLP Acton Lodge Site 84 London Road Brentford TW8 8JJ	Development site under framework agreement with London Borough of Hounslow	N/A*	N/A*	N/A*	N/A*
4	**Barking Wharf Limited** Abbey Retail Park Abbey Road Barking IG11 7BL United Kingdom	Development site for Barking Wharf Phase 1	23 March 2017	12,800	Freehold	-
5	**Be (Barking) LLP** Tesco Car Park Highbridge Rd Barking IG11 7BS United Kingdom	Development site for Barking Tesco Phase 1	7 August 2019	10,000	Freehold	71,453

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
6	**Prime Place (Woking Island Site) LLP** Station Approach Woking Surrey GU22 7PY United Kingdom	Land sold 30 April 2019	26 January 2016 & sold 30 April 2019	1,638	Freehold	-
7	**Prime Place (Woking Goldsworth Road North) LLP** 15-29 Goldsworth Road Woking GU21 6JT United Kingdom	Development site for Woking Project	26 January 2016	1,700	Freehold	29,299
8	**Goldsworth Road Development LLP** 30-32 Goldsworth Road Woking GU21 6JT United Kingdom	Development site for Woking Project	12 October 2015	3,885	Freehold	119,387
9	**Aberfeldy New Village LLP** Aberfeldy Marketing Gallery Lighterman Point 2A Abbott Road London E14 0ND United Kingdom	Development site for Aberfeldy Village Project Phase 3 – 6	23 March 2017	66,000	Leasehold	135,799
10	**Kew Bridge Gate Developments LLP** Kew Bridge Community Stadium Brentford Brentford TW8 0EX United Kingdom	Development site for Kew Bridge Project	30 August 2018	47,300	Leasehold	605,207

Notes:
^ *Based on the exchange rate of GBP1.00 : RM5.4049, being the closing rate for GBP to RM as at 31 October 2019*
# *These amount represent 100% of the net book value of the properties held by the joint ventures*
* *Not applicable due to no ownership of land*

ANALYSIS OF SHAREHOLDINGS
AS AT 16 JANUARY 2020

Issued share capital : 2,400,000,000
Class of share : Ordinary shares
Voting rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	19	0.12	331	0.00
100 - 1,000	3,477	21.65	2,118,250	0.09
1,001 - 10,000	8,219	51.19	42,666,989	1.78
10,001 - 100,000	3,863	24.06	123,832,700	5.16
100,001 to less than 5% of issued shares	476	2.96	688,840,932	28.70
5% and above of issued shares	3	0.02	1,542,540,798	64.27
Total	**16,057**	**100.00**	**2,400,000,000**	**100.00**

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. of Ordinary Shares held			
Name	Direct	%	Indirect	%
Tan Sri Azlan Bin Mohd Zainol	5,120,000	0.21	67,200[(1)]	negligible
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000[(2)]	1.90
Dato' Teow Leong Seng	15,263,000	0.64	-	-
Cheah Tek Kuang	3,000,000	0.13	-	-
Dato' Voon Tin Yow	6,141,600	0.26	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	5,000,000[(3)]	0.21
Dato' Siow Kim Lun	2,000,000	0.08	-	-
Dato' Kong Sooi Lin	-	-	-	-
Pauline Wong Wan Voon	-	-	-	-

[(1)] *Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
[(2)] *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act*
[(3)] *Deemed interested by virtue of her spouse's interest in the Company pursuant to Section 59(11)(c) of the Act*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of Ordinary Shares held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000[(1)]	1.90
Eco World Capital (International) Sdn Bhd	648,000,000	27.00	-	-
GLL EWI (HK) Limited	648,000,000	27.00	-	-
Sinarmas Harta Sdn Bhd	78,726,900	3.28	648,000,000[(2)]	27.00
Dato' Leong Kok Wah	2,000,000	0.08	726,726,900[(3)]	30.28
Syabas Tropikal Sdn Bhd	-	-	726,726,900[(4)]	30.28
Eco World Development Group Berhad	-	-	648,000,000[(2)]	27.00
Davos Investment Holdings Private Limited	-	-	648,000,000[(5)]	27.00
Hong Leong Investment Holdings Pte Ltd	-	-	648,000,000[(5)]	27.00
Kwek Holdings Pte Ltd	-	-	648,000,000[(5)]	27.00
GLL (Malaysia) Pte Ltd	-	-	648,000,000[(5)]	27.00
GuocoLand Limited	-	-	648,000,000[(5)]	27.00
GuocoLand Assets Pte Ltd	-	-	648,000,000[(5)]	27.00
Guoco Group Limited	-	-	648,000,000[(5)]	27.00
GuoLine Overseas Limited	-	-	648,000,000[(5)]	27.00
GuoLine Capital Assets Limited	-	-	648,000,000[(5)]	27.00
Hong Leong Company (Malaysia) Berhad	-	-	648,000,000[(5)]	27.00
HL Holdings Sdn Bhd	-	-	648,000,000[(5)]	27.00
Hong Realty (Private) Limited	-	-	648,000,000[(5)]	27.00
Kwek Leng Kee	-	-	648,000,000[(5)]	27.00
Kwek Leng Beng	-	-	648,000,000[(5)]	27.00
Tan Sri Quek Leng Chan	-	-	648,000,000[(5)]	27.00

[(1)] *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
[(2)] *Deemed interested by virtue of its interest in Eco World Capital (International) Sdn Bhd pursuant to Section 8 of the Act*
[(3)] *Deemed interested by virtue of his interest in Syabas Tropikal Sdn Bhd pursuant to Section 8 of the Act*
[(4)] *Deemed interested by virtue of its interest in Sinarmas Harta Sdn Bhd pursuant to Section 8 of the Act*
[(5)] *Deemed interested by virtue of their interest in GLL EWI (HK) Limited pursuant to Section 8 of the Act*

ANALYSIS OF SHAREHOLDINGS
AS AT 16 JANUARY 2020

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	648,000,000	27.00
2	GLL EWI (HK) LIMITED	648,000,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	246,540,798	10.27
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	119,930,600	5.00
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	75,546,900	3.15
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	49,738,700	2.07
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	47,794,800	1.99
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIEW TIAN XIONG (PB-0J0007)	40,500,000	1.69
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	28,988,200	1.21
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD	22,000,000	0.92
11	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM LEE	16,459,800	0.69
12	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	15,000,000	0.63
13	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOW LEONG SENG	14,200,000	0.59
14	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN SARA (MIXED ASSET CONSERVATIVE) 1	11,359,300	0.47
15	SIGMA SELEKSI SDN BHD	6,809,200	0.28
16	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN IMBANG (MIXED ASSET BALANCED) 2	6,750,000	0.28
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SWEE YEE (M09)	6,265,600	0.26
18	VOON TIN YOW	6,056,000	0.25
19	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN EQUITY 3	5,644,300	0.24
20	AZLAN BIN MOHD ZAINOL	5,120,000	0.21

THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	%
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH LILY (E-BBB/SNG)	5,100,000	0.21
22	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	5,054,200	0.21
23	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	5,000,000	0.21
24	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAYASANKARAN A/L K.K.SANKARAN	5,000,000	0.21
25	KENANGA NOMINEES (TEMPATAN) SDN BHD KHO CHAI YAM	4,341,900	0.18
26	AMANAHRAYA TRUSTEES BERHAD ASN IMBANG (MIXED ASSET BALANCED) 1	3,500,000	0.15
27	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW TIAN XIONG	3,500,000	0.15
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUA SIN MO	3,110,000	0.13
29	AMANAHRAYA TRUSTEES BERHAD ASN EQUITY 2	3,000,000	0.12
30	BAKRY BIN HAMZAH	3,000,000	0.12
		2,061,310,298	**85.89**

ANALYSIS OF WARRANTHOLDINGS
AS AT 16 JANUARY 2020

Total no. of warrants issued : 960,000,000
Exercise price of warrants : RM1.45
Expiry date : 4 April 2022

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
Less than 100	1,277	12.67	62,573	0.01
100 - 1,000	3,247	32.22	1,401,395	0.14
1,001 - 10,000	3,211	31.87	12,637,139	1.32
10,001 - 100,000	1,846	18.32	69,305,554	7.22
100,001 to less than 5% of issued warrants	493	4.89	276,996,659	28.85
5% and above of issued warrants	3	0.03	599,596,680	62.46
Total	**10,077**	**100.00**	**960,000,000**	**100.00**

DIRECTORS' WARRANTHOLDINGS AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS

	No. of Warrants held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Azlan Bin Mohd Zainol	2,048,000	0.21	27,280[1]	negligible
Tan Sri Dato' Sri Liew Kee Sin	98,616,319	10.27	18,280,000[2]	1.90
Dato' Teow Leong Seng	6,105,200	0.64	-	-
Cheah Tek Kuang	1,200,000	0.13	-	-
Dato' Voon Tin Yow	2,456,640	0.26	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	-	-
Dato' Siow Kim Lun	800,000	0.08	-	-
Dato' Kong Sooi Lin	-	-	-	-
Pauline Wong Wan Voon	-	-	-	-

(1) *Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
(2) *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act*

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	No. of Warrant	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	259,200,000	27.00
2	GLL EWI (HK) LIMITED	259,200,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	81,196,680	8.46
4	LIEW KEE SIN	17,419,639	1.81
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIEW TIAN XIONG (PB-0J0007)	16,200,000	1.69
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	12,987,000	1.35
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	11,595,280	1.21
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD	8,800,000	0.92
9	SINARMAS HARTA SDN BHD	6,908,480	0.72
10	TEOW LEONG SENG	6,105,200	0.64
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	5,581,260	0.58
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SWEE YEE (M09)	5,100,000	0.53
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SHIOU CHERNG (JDB TUNGGAL BR-CL)	3,400,000	0.35
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PHUA SIN MO	3,315,500	0.34
15	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FRANCIS CHAI KIM LUNG	2,873,000	0.30
16	SIGMA SELEKSI SDN BHD	2,723,680	0.28
17	LOW WEE LI	2,683,700	0.28
18	VOON TIN YOW	2,422,400	0.25
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KWAN SENG (E-BPJ)	2,324,500	0.24
20	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHI LEONG MING	2,200,000	0.23

ANALYSIS OF WARRANTHOLDINGS
AS AT 16 JANUARY 2020

THIRTY (30) LARGEST WARRANTHOLDERS (CONTINUED)

No.	Name of Warrantholders	No. of Warrant	%
21	AZLAN BIN MOHD ZAINOL	2,048,000	0.21
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POH SENG KIAN (TJJ/KEN)	1,810,000	0.19
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	1,591,280	0.17
24	CHEW KUAN FAH	1,500,000	0.16
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	1,500,000	0.16
26	TEE TIAM LEE	1,500,000	0.16
27	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW TIAN XIONG	1,400,000	0.15
28	TEH YEE LIM	1,350,000	0.14
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING CHOO KONG	1,320,000	0.14
30	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LUKE KOH EARN TEN (REM 650-MARGIN)	1,300,000	0.13
		727,555,599	**75.79**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting ("AGM") of Eco World International Berhad will be held at EcoWorld Gallery @ Eco Grandeur, Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 25 March 2020 at 10.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 31 October 2019 together with the Reports of the Directors and Auditors thereon. **Please refer to the Explanatory Note (i)**

2 To approve the payment of Directors' Fees for the financial year ended 31 October 2019. **Ordinary Resolution 1 [Please refer to the Explanatory Note (ii)]**

3 To approve the payment of Directors' Fees quarterly in arrears from 1 November 2019 until the 7th AGM of the Company. **Ordinary Resolution 2 [Please refer to the Explanatory Note (iii)]**

4 To approve the payment of Directors' Benefits to the Independent Directors of the Company from the 6th AGM until the 7th AGM of the Company. **Ordinary Resolution 3 [Please refer to the Explanatory Note (iv)]**

5 To re-elect the following Directors who are retiring pursuant to Clause 114(1) of the Constitution of the Company:-

(i) Dato' Teow Leong Seng **Ordinary Resolution 4**
(ii) Mr Cheah Tek Kuang **Ordinary Resolution 5**
(iii) Dato' Siow Kim Lun **Ordinary Resolution 6**

6 To re-elect Dato' Kong Sooi Lin who is retiring pursuant to Clause 121 of the Constitution of the Company. **Ordinary Resolution 7**

7 To re-appoint Messrs KPMG PLT as Auditors of the Company until the conclusion of the 7th AGM of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

8 **Authority to issue and allot shares** **Ordinary Resolution 9 [Please refer to the Explanatory Note (v)]**

"THAT subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being."

NOTICE OF ANNUAL GENERAL MEETING

9 **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 10
[Please refer to the Explanatory Note (vi)]

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, the Company and/or its subsidiaries and/or joint ventures ("**Group**") be and is/are hereby authorised to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature of the Group from time to time with related parties who may be a Director, a major shareholder of the Group or a person connected with such a Director and major shareholder, as specified in Section 2.2 of the Company's Circular dated 25 February 2020 which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until:

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

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

10 To transact any other business for which due notice shall have been given in accordance with the Act.

By Order of the Board

TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)
TAN AI NING (SSM PC No. 202008000067) (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
25 February 2020

NOTES

(i) In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 March 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

(ii) A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. There shall be no restriction to the qualification of the proxy. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy.

(iii) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(iv) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the 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.

(v) The instrument appointing a proxy by a member who is entitled to attend and vote at the AGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.

(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn Bhd at Ground Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.

(vii) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

EXPLANATORY NOTES

(i) Item 1 of the Agenda: Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(ii) Ordinary Resolution 1 – Directors' Fees for the financial year ended 31 October 2019

The payment of the Directors' Fees of RM1,197,850 in respect of the financial year ended 31 October 2019 will only be made if the proposed Ordinary Resolution 1 has been passed at the 6th AGM pursuant to Clause 122 of the Constitution of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(iii) Ordinary Resolution 2 – Directors' Fees from 1 November 2019 until the 7th AGM of the Company

The payment of the Directors' Fees of RM200,000 per annum for each Independent Director from 1 November 2019 until the 7th AGM of the Company will only be made quarterly in arrears if the proposed Ordinary Resolution 2 has been passed at the 6th AGM pursuant to Clause 122 of the Constitution of the Company.

(iv) Ordinary Resolution 3 – Directors' Benefits payable to the Independent Directors from the 6th AGM until the 7th AGM of the Company

The Directors' Benefits payable to the Independent Directors up to RM230,000 from the 6th AGM until the 7th AGM of the Company will only be made by the Company as and when incurred if the proposed Ordinary Resolution 3 has been passed at the 6th AGM. In determining the estimated total amount of the Directors' Benefits, the Board has considered the number of scheduled and special meetings for the Board and Board Committees as well as the number of Independent Directors involved in the meetings.

(v) Ordinary Resolution 9 – Authority to issue and allot shares

The Company had during its 5th AGM held on 27 March 2019, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. The Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The proposed Ordinary Resolution 9 is a renewal general mandate for issuance of shares by the Company pursuant to Section 76 of the Act, the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities. The mandate, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of funding future investments project(s), working capital and/or acquisitions. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the 7th AGM.

(vi) Ordinary Resolution 10 – Proposed Shareholders' Mandate

The proposed Ordinary Resolution 10, if passed, will allow the Group to enter into the Recurrent Related Party Transactions under the Proposed Shareholders' Mandate pursuant to the provisions of the Main Market Listing Requirements of Bursa Securities and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantially the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 25 February 2020 for further information.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ECO WORLD INTERNATIONAL BERHAD
Registration No. 201301030020 (1059850-A)
(Incorporated in Malaysia)

ECOWORLD INTERNATIONAL
CREATING TOMORROW & BEYOND

I/We, ______________________________________ NRIC/Passport/Company No. ______________________
(NAME IN FULL AND BLOCK LETTERS)

of ____
(FULL ADDRESS)

and Telephone No./Email Address ________________________________ being a member/members of **ECO WORLD INTERNATIONAL BERHAD** ("**Company**"), hereby appoint ______________________________________
(NAME IN FULL AND BLOCK LETTERS)

NRIC/Passport No. _____________________ of ____
(FULL ADDRESS)

____ (Proportion: _____%)
(FULL ADDRESS)

and/or failing him/her, __________________________________ NRIC/Passport No. ______________________
(NAME IN FULL AND BLOCK LETTERS)

of ____ (Proportion: _____%)
(FULL ADDRESS)

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Sixth Annual General Meeting ("**AGM**") of the Company, to be held at EcoWorld Gallery @ Eco Grandeur, Lot 6232, Persiaran Mokhtar Dahari, Eco Grandeur, 42300 Bandar Puncak Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 25 March 2020 at 10.30 a.m. and, at any adjournment thereof.

I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast:-

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval for the payment of Directors' Fees for financial year ended 31 October 2019		
Ordinary Resolution 2	Approval for the payment of Directors' Fees quarterly in arrears from 1 November 2019 until the 7th AGM of the Company		
Ordinary Resolution 3	Approval for the Payment of Directors' Benefits		
Ordinary Resolution 4	Re-election of Dato' Teow Leong Seng		
Ordinary Resolution 5	Re-election of Mr Cheah Tek Kuang		
Ordinary Resolution 6	Re-election of Dato' Siow Kim Lun		
Ordinary Resolution 7	Re-election of Dato' Kong Sooi Lin		
Ordinary Resolution 8	Re-appointment of Messrs KPMG PLT as Auditors of the Company		
Ordinary Resolution 9	Authority to issue and allot shares		
Ordinary Resolution 10	Proposed Shareholders' Mandate		

Signed this ________________ day of ________________, 2020

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as he/she/they may think fit.

If appointment of proxy is under hand .... Signed by individual member/officer or attorney of member/ authorised nominee of .... (beneficial owner)	No. of shares held: .... Securities Account No: .... (CDS Account No.) (Compulsory) Date: ....
If appointment of proxy is under seal The Common Seal of .... was hereto affixed in accordance with its Constitution in the presence of: .... Director Director/Secretary In its capacity as member/attorney of member/ authorised nominee of .... (beneficial owner)	Seal No. of shares held: .... Securities Account No: .... (CDS Account No.) (Compulsory) Date: ....

Fold this flap for sealing

Then fold here

Affix Stamp

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647 (378993-D))

Ground Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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NOTES

(i) In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 March 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

(ii) A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. There shall be no restriction to the qualification of the proxy. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy.

(iii) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(iv) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the 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.

(v) The instrument appointing a proxy by a member who is entitled to attend and vote at the AGM, shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.

(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn Bhd at Ground Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.

(vii) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Sixth Annual General Meeting dated 25 February 2020.

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