

## **ECO WORLD INTERNATIONAL BERHAD**

Registration No. 201301030020 (1059850-A)

MINUTES OF THE EIGHTH ANNUAL GENERAL MEETING OF ECO WORLD INTERNATIONAL BERHAD (THE “**COMPANY**” OR “**EWI**”) HELD VIRTUALLY AT THE BROADCAST VENUE AT BUKIT BINTANG CITY CENTRE SALES GALLERY, NO. 2 JALAN HANG TUAH, 55100 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA ON THURSDAY, 24 MARCH 2022 AT 10.30 A.M.

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### **PRESENT**

Tan Sri Azlan Bin Mohd Zainol – Chairman  
Tan Sri Dato’ Sri Liew Kee Sin – Executive Vice Chairman  
Dato’ Teow Leong Seng – President & Chief Executive Officer (“**CEO**”)  
Mr Cheah Tek Kuang  
Dato’ Chang Khim Wah  
^ Mr Raymond Choong Yee How  
^ Mr Cheng Hsing Yao  
^ Tan Sri Datuk Dr Rebecca Fatima Sta Maria  
^ Dato’ Siow Kim Lun  
Dato’ Kong Sooi Lin  
Ms Pauline Wong Wan Voon

### **IN ATTENDANCE**

Ms Tan Ai Ning – Company Secretary

### **BY INVITATION**

Ms Melissa Tan Swee Peng - Chief Financial Officer  
Mr Eric Kuo Sze-Wei – Signing Partner, KPMG PLT  
Mr Low Yow Khun – Engagement Partner, KPMG PLT

#### **Note:**

^ Participated vide video conferencing

The list of shareholders, proxies, corporate representatives and invitees who participated in the Eighth Annual General Meeting (“**8<sup>th</sup> AGM**”) are set out in the Attendance Sheet as attached and shall form an integral part of this Minutes.

## **1. INTRODUCTION BY THE CHAIRMAN**

Tan Sri Azlan Bin Mohd Zainol (“**Tan Sri Chairman**” or “**Tan Sri Azlan**”) being the Chairman of the Board of Directors presided as the Chairman of the Meeting welcomed all shareholders, proxies, corporate representatives and invitees to the 8<sup>th</sup> AGM of the Company conducted through live streaming and online remote participation by using Remote Participation and Voting Facilities (“**RPV**”), which is in compliance with Section 327 of the Companies Act 2016 (“**Act**”) and Clause 78 of the Constitution of the Company.

Tan Sri Chairman also informed that the RPV served as a precautionary measure amid coronavirus pandemic (“**Covid-19**”) and to support the Government’s advice of not having mass gatherings to combat the spread of Covid-19.

## **2. QUORUM AND SUMMARY OF PROXIES RECEIVED**

The Company Secretary informed that based on the report issued by the appointed Poll Administrator of this AGM, SS E Solutions Sdn Bhd (“**SS E Solutions**”), a total of 259 participants, comprising shareholders, proxies and corporate representatives (herein after referred to as “**Participants**”), representing 1,888,558,600 ordinary shares or 79% of the total issued and paid-up shares of the Company have registered to attend the AGM via RPV.

The Company had received in total 67 proxy forms from the shareholders for a total of 1,875,903,593 ordinary shares representing 78% of the total issued and paid-up shares of the Company.

Out of these, there were 32 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 696,699,595, which represented 29% of the total issued and paid-up shares of the Company.

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the 8<sup>th</sup> AGM was called to order at 10.30 a.m.

## **3. INTRODUCTION OF BOARD MEMBERS AND INVITEES**

Tan Sri Chairman proceeded to introduce the members of the Board, Chief Financial Officer, Company Secretary and External Auditors who were in attendance with him at the broadcast venue and members of the Board who participated in the 8<sup>th</sup> AGM remotely.

## **4. WELCOME ADDRESS AND SPEECH BY TAN SRI CHAIRMAN**

Tan Sri Chairman gave a welcome address and shared with the Meeting that year 2021 remained a challenging year for the Company, its subsidiaries and joint-ventures (“**Group**”) amid uncertainties arising from the global Covid-19 pandemic and Brexit. Nonetheless, United Kingdom (“**UK**”) and Australia which went into lockdown previously have gradually eased the lockdown measures.

He added that acceleration of the sales of all the unsold completed stocks across the projects within the next 2 to 3 years is the main focus of the Group and the Company aims to distribute surplus cash to the shareholders after setting aside sufficient capital for operational needs and future growth.

In addition, the Group has undertaken a major cost cutting exercise to improve the operating cost structure following the increase in construction costs.

The Group will continue to assess and source for new lands for future development should opportunity arises.

## **5. NOTICE**

The Notice of the Meeting has been circulated within the stipulated time frame to the shareholders, Directors and External Auditors. With the permission of the Meeting, the Notice was taken as read and the Meeting proceeded with the Agenda proper.

Tan Sri Chairman further invited all the Participants to raise questions by transmitting via the text box.

## **6. VOTING PROCEDURES**

The Meeting noted that it is mandatory for all the resolutions set out in the Notice of AGM to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). Accordingly, Tan Sri Chairman directed the poll to be taken on all the resolutions set forth in the Notice of the 8<sup>th</sup> AGM by way of electronic polling.

Tan Sri Chairman further informed that the Company has appointed SS E Solutions to conduct the poll voting electronically and GovernAce Advisory & Solutions Sdn Bhd as the Scrutineer to verify the poll results. The results of the poll voting will be announced after the Scrutineer has verified the poll results upon closure of the voting session.

Participants were informed that the voting on the resolutions could be done any time throughout the Meeting until the closure of the voting session. The process of voting was shared by the Poll Administrator vide video presentation.

## **7. PRESENTATION ON OVERVIEW OF PROJECTS AND FINANCIAL PERFORMANCE OF THE GROUP BY THE PRESIDENT & CEO**

At the invitation of Tan Sri Chairman, Dato’ Teow Leong Seng, the President & CEO (“**Dato’ Teow**”) gave an overview of the projects and financial performance of the Group with the salient points set out as follows:

- FY2021 remained a challenging year for the Group as various lockdowns imposed have severely curtailed the Group’s marketing activities and delayed the construction progress of the projects.

- The construction of Yarra One in Melbourne and Wardian in London were completed during the financial year. The Group has also commenced the handover of Millbrook Park, the final phase of Embassy Gardens (“EG”) and Built-to-Rent (“BtR”) projects in Barking Wharf and Kew Bridge. The cash flows generated from the completed projects allowed the Group to declare maiden dividend and special dividend in FY2021.
- The Board has in the interests of the Group and shareholders, revisited the sales strategy and made a strategic decision to accelerate the sales of the unsold completed stocks.
- The house prices in outer London grew 7.1% in the 12 months to October 2021, whilst inner London increased by 3.2% in the same period. The healthy house price trend reflected steady domestic demand whilst overseas demand remained weak as a result of cross-border restrictions and weak market sentiment. Despite the growth in house prices, the sales of private homes in London fell 8% in 2021 as compared to 2020. Foreign buyers’ interest has decreased after the expiry of stamp duty holiday and additional levies imposed since June 2021.
- Australia remains in line with the UK with steady increase in the house prices. Broad recovery in prices was experienced across all capital cities driven by strong domestic demand. However, overseas demand remains subdued due to border closure and geopolitical tension.
- In the near term, the Group recognises the key risks of (i) rising inflation and lower real income; (ii) rising interest rates and borrowing costs; (iii) prolonged geopolitical tensions; and (iv) movement restrictions and lockdowns in key markets.
- Given the uncertain timing of recovery in the real estate markets, the Group aims to accelerate the sales of completed stocks in EcoWorld Ballymore and Australia projects by increasing incentives to purchasers and sales agents in order to minimise the holding costs of unsold units. The Group would also prioritise cash generation to better position the Group to take advantage of post-Covid-19 opportunities. In addition, the Group will focus on mid-market Open Market Sales (“OMS”) and BtR segments in the UK. The Group also intends to return excess cash to shareholders after setting aside sufficient capital for operational needs and future growth.
- In term of sales performance, the Group has recorded sales of RM1.377 billion in FY2021, slightly lower compared to sales of RM1.382 billion in FY2020 due to higher incentives provided to purchasers and sales agents. It was noted that the growth in local sales remains decent and interests sustained in EG. In FY2021, EcoWorld Ballymore had contributed substantially to the overall sales performance of the Group, amounting to RM794 million, whilst EcoWorld London and Australia contributed sales of RM483 million and RM100 million respectively. There was a strong rebound in Australian sales despite multiple lockdowns implemented during FY2021. In addition, the Group also recorded a satisfactory sales performance of RM685 million in the first 4 months of FY2022.

- A profit after tax of RM16 million recorded in FY2021 was lower than RM83 million recorded in FY2020 due to lower revenue as a result of fewer handovers of Australian projects and lower share of results from Joint Ventures (“JVs”). This was partially offset by higher gross profits arising from handover of completed stocks of Yarra One with better margins, lower goodwill impairment and continued financial discipline.
- Lower share of results of JVs amounting to RM47 million in FY2021 was attributable to (i) additional incentives and higher commission offered to agents to accelerate sales of completed units after the expiry of UK stamp duty holiday in September 2021; and (ii) loss of RM50.2 million in the fourth quarter of FY2021 due to various accounting adjustments.
- With a net debt of RM564 million, the Group’s net gearing ratio as of 31 October 2021 has improved to 0.20 times. This was attributable to the Group’s strategy in accelerating sales which generated significant cashflows that enabled the Group to pare down the level of borrowings. The remaining borrowings of the Group are expected to be substantially paid off in FY2022 and FY2023.
- The Group cash balance, excluding cash and cash equivalents of JVs at EcoWorld Ballymore and EcoWorld London as of 31 October 2021 stood at RM336 million. The Group, including the cash balances in JVs at EcoWorld Ballymore and EcoWorld London has a total cash balance of approximately RM1.27 billion as of 31 October 2021. This healthy cash balance has enabled the Group to declare total dividends of 6 sen during the FY2021.
- The Group has set a sales target of RM2 billion for FY2022, which is 45% higher than the sales achieved in FY2021. The Group will continue to focus on cash generation with the aim to make further distributions to shareholders after setting aside a portion of the capital recouped from completed projects to be reinvested for future growth.
- The construction of all 3 projects of EcoWorld Ballymore will be fully completed by FY2022. The remaining key works include penthouse units in EG and a commercial block in London City Island (“LCI”). The Group is targeting sales of all completed unsold units in the next 2 to 3 years and expected substantial cash to be generated for the Group’s reinvestment and repatriation.
- EcoWorld London targets to complete all the active phases by FY2023. The sales proceeds shall be utilised to fund future phases and potential acquisition of new development sites. The upcoming launches include Oxbow Phase 4 and Woking. The Group will be focusing on London mid-market OMS and BtR segments which does not require substantial capital investments.
- In Australia, the construction of both West Village and Yarra One is fully completed. As at 28 February 2022, West Village and Yarra One has sold 94% and 72% of the available units respectively. The Group targeted to sell out all the remaining stocks by FY2022.

- In an effort to promote Environmental, Social and Governance initiatives, the following key achievements were undertaken by the Group:
  - (i) Sustainable designs incorporated in building plans;
  - (ii) 100% of construction waste of UK projects diverted from landfill in FY2021;
  - (iii) Began tracking the direct greenhouse gas emissions in FY2021; and
  - (iv) Based on a survey conducted in 2020, 90% of EcoWorld London customers commented that they would recommend EcoWorld London to their friends and family.
  
- In conclusion, the Group has set a sales target of RM2 billion for FY2022 and realisation of effective future revenue of RM1.2 billion is expected to generate significant revenue and cashflows in FY2022. The challenging environment in the real estate markets in both the UK and Australia in FY2021 is expected to improve in FY2022, particularly in the UK. The Company is in a relatively good cashflow position with most projects having entered a highly cash generative phase of the development lifecycle. London is expected to return to its historic strength as the world's foremost real estate investment destination. In the meantime, the Company will focus on building up its cash reserves to select, evaluate and seize new opportunities for growth as the market recovers as well as reward shareholders with further distributions after growth and reinvestment objectives are met.

Tan Sri Chairman thanked Dato' Teow for his presentation and proceeded with the business of the 8<sup>th</sup> AGM.

## **AS ORDINARY BUSINESS**

### **8. AUDITED FINANCIAL STATEMENTS FOR FY2021 ("AFS") AND THE REPORTS OF THE DIRECTORS AND AUDITORS**

Tan Sri Chairman informed the Meeting that the AFS together with the Directors' and Auditors' Reports were meant for discussion only as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders.

It was recorded that the AFS together with the Directors' and Auditors' Reports have been duly received.

### **9. DIRECTORS' FEES FROM THE 8<sup>TH</sup> AGM UNTIL THE 9<sup>TH</sup> AGM OF THE COMPANY**

Ordinary Resolutions 1 to 6 are to approve the payment of Directors' Fees of RM128,000 per annum for each of the following Independent Non-Executive Directors from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears:

<b>Ordinary Resolution</b>	<b>Directors' Fees payable to:</b>
1	Tan Sri Azlan Bin Mohd Zainol
2	Mr Cheah Tek Kuang
3	Tan Sri Datuk Dr Rebecca Fatima Sta Maria
4	Dato' Siow Kim Lun
5	Dato' Kong Sooi Lin
6	Ms Pauline Wong Wan Voon

The interested Directors have abstained from voting on the resolutions.

Tan Sri Chairman is an interested person for Ordinary Resolution 1 and has abstained from voting on the resolution. However, he was also appointed to act as a proxy for a number of shareholders and has voted in accordance with the instructions received from non-interested shareholders.

#### **10. DIRECTORS' BENEFITS FROM THE 8<sup>TH</sup> AGM UNTIL THE 9<sup>TH</sup> AGM OF THE COMPANY**

Ordinary Resolution 7 is to seek shareholders' approval for the payment of Directors' Benefits of up to RM230,000 to the Independent Non-Executive Directors from the 8<sup>th</sup> AGM until 9<sup>th</sup> AGM of the Company. The Board has considered the number of scheduled and special meetings for the Board and Board Committees as well as the number of Independent Non-Executive Directors involved in the meetings in determining the estimated amount. The interested Directors have abstained from voting on the resolution.

Tan Sri Chairman is an interested person and has abstained from voting on this resolution. However, he was also appointed to act as a proxy for a number of shareholders and has voted in accordance with the instructions received from non-interested shareholders.

#### **11. RE-ELECTION OF DIRECTORS**

Ordinary Resolutions 8 to 11 are to approve the re-election of the following Directors who retire pursuant to Clause 114 of the Constitution of the Company and being eligible, have offered themselves for re-election:

<b>Ordinary Resolution</b>	<b>Re-election of:</b>
8	Tan Sri Azlan Bin Mohd Zainol
9	Tan Sri Dato' Sri Liew Kee Sin
10	Mr Cheah Tek Kuang
11	Ms Pauline Wong Wan Voon

## **12. RE-APPOINTMENT OF MESSRS KPMG PLT (“KPMG”) AS AUDITORS**

Ordinary Resolution 12 is on the re-appointment of KPMG as auditors and to authorise the Directors to fix their remuneration. KPMG has indicated its willingness to accept re-appointment.

## **AS SPECIAL BUSINESS**

### **13. AUTHORITY TO ISSUE AND ALLOT SHARES**

Ordinary Resolution 13 is the first item under Special Business to seek shareholders’ approval on the authority to issue and allot new shares when the need arises up to a maximum amount of 10% of the total number of issued shares of the Company. This mandate if passed, would provide flexibility for the Company and empower the Directors to issue and allot new shares speedily for the purpose of funding future investments, working capital and/or acquisitions.

### **14. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”) AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RRPT**

Ordinary Resolution 14 is to seek shareholders’ approval for the proposed renewal of shareholders’ mandate for existing RRPT and proposed new shareholders’ mandate for additional RRPT which are necessary for day-to-day operations of the Company and are in the ordinary course of its business. The interested Directors and persons connected to these Directors have abstained from voting on the resolution.

Tan Sri Chairman is an interested person and has abstained from voting on this resolution. However, he was also appointed to act as a proxy for a number of shareholders and has voted in accordance with the instructions received from non-interested shareholders.

### **15. QUESTION AND ANSWER**

The Meeting noted that the Company has received a letter from the Minority Shareholders Watch Group (“MSWG”) seeking clarification/information pertaining to the operations and financial performance of the Group. Dato’ Teow provided responses to the questions raised as follows:



No.	Question	Response/Answer
1.	<p><i>The trend of house buyers moving from inner parts of cities to out of cities have not been favourable to the Group's initial projects in the UK and Australia, which are all located in inner parts of cities and comprise mostly apartment units. (Page 12 of AR)</i></p> <p><i>(a) What are the Group's strategies to further improve the sales of properties located in the inner parts of cities?</i></p> <p><i>(b) Does the Group intend to increase the land banks in the outer parts of cities in UK and Australia to take advantage of the shift in house buyers demand? If yes, where are the potential locations in UK and Australia respectively?</i></p>	<p>The Group's key sales initiatives include:</p> <ul style="list-style-type: none"> <li>(i) Providing better incentives to buyers and sales agents to make the Group's products more attractive;</li> <li>(ii) Differentiating the Group's projects from the competitors through placemaking and unique selling points. For instance, Sky-Pool at EG which has garnered global interest and transforming LCI into a hub for arts and culture with The English National Ballet as the centre-piece;</li> <li>(iii) Evaluating several bulk offers to accelerate sales.</li> </ul> <p>These strategies have been successful as the sales performance, including reserves, for the first 4 months of FY2022 has exceeded RM1 billion. Management was of the view that the re-opening of the borders and lifting of travel restrictions in the UK and Australia in February 2022 coupled with people returning to inner cities to work, will lead to demand for inner-city living returning.</p> <p>The Group is actively looking for new sites to develop both within and out of London, focusing on mid-market private homes segment as well as the institutional BtR sector. The Company will make the necessary announcements once decision is made to pursue these opportunities. However, the Company remains cautious in committing capital due to the current economic and geo-political uncertainties.</p>
2.	<p><i>The Group would focus on the strategy of selling off the completed units in the UK and Australia over the next two years. (Page 12 of AR)</i></p> <p><i>(a) What are the quantities and values of completed units available in UK and Australia respectively as of 31 October 2021?</i></p>	<p>As at 31 October 2021, the Group has approximately 300 completed units available in the UK and 105 units in Australia, both valued at approximately GBP330 million and AUD95 million respectively.</p> <p>In the first 3 months of FY2022, the Group sold approximately 50 completed units in the UK and 12 units in Australia, valued at around GBP60 million and AUD14 million respectively.</p>

No.	Question	Response/Answer
	<p>(b) What are the quantities and values of completed units sold in UK and Australia from FY2021 to January 2022 respectively?</p> <p>(c) What are the challenges faced by the Group in the sale of the unsold completed units in UK and Australia respectively?</p>	<p>The key challenges for sales include:</p> <ul style="list-style-type: none"> <li>(i) Travel restrictions and border closures which deter investors from investing;</li> <li>(ii) Current geo-political tensions affecting sentiment;</li> <li>(iii) Weak investor sentiment as a result of Covid-19; and</li> <li>(iv) Competition from other developers.</li> </ul>
3.	<p>The Group's inventory of developed properties increased to RM250.4 million in FY2021 from RM170.4 million in FY2020, an increase of RM80 million or 46.9%. (Page 100 of AR)</p> <p>(a) Please provide a breakdown of the developed properties by locations, units, and values respectively for FY2021;</p> <p>(b) What is the number of units, locations and values of developed properties which remained unsold in FY2021 that were carried forward from FY2020?</p>	<p>The Group has 31 unsold units in West Village, Sydney and 87 unsold units in Yarra One, Melbourne. 23% of the developed properties on the Group's balance sheet as at 31 October 2021 is for West Village whilst the balance 77% is for Yarra One.</p> <p>Out of the RM170 million carried forward from October 2020 to October 2021, RM112 million has been sold. The completion of Yarra One during FY2021 increased the inventory value of RM250 million as at October 2021.</p> <p>The Group continues to sell West Village and Yarra One and the value of developed properties on the Group's balance sheet has reduced to RM198 million as at 31 January 2022.</p>
4.	<p>The Groups' administrative and general expenses increased by RM16.6 million or 42.2% from RM39.3 million in FY2020 to RM55.9 million in FY2021.</p> <p>However, the Group's revenue decreased by RM100 million or 14.9% from RM673 million in FY2020 to RM573 million in FY2021. (Page 70 of AR)</p> <p>(a) Please explain the high administrative and general expenses in FY2021 as it does not commensurate with the reduction in the Group's revenue in FY2021?</p>	<p>Administrative and general expenses include the reversal of cash flow hedge reserves of RM21.6 million upon unwinding of Cross Currency Swap ("CCS"). This follows the repayment of capital contribution mainly from Australia. Excluding this one-off reversal, the Group recorded a reduction in administrative and general expenses mainly due to savings in staff cost and the Group also undertook a major cost re-engineering exercise during the year.</p> <p>The Group also recorded unrealised foreign exchange loss of RM3.5 million in FY2021, against a gain of RM1 million in FY2020, on loans denominated in GBP as GBP appreciated against MYR in FY2021. On top of that, there were some mark-to-market</p>

No.	Question	Response/Answer
	<i>(b) Please name the expenses that recorded a higher increase in FY2021 as compared to FY2020.</i>	<p>losses on CCS.</p> <p>Lastly, the Group recorded an increase in finance cost of RM18 million due to cessation of capitalisation of general borrowing loan interest in FY2021 subsequent to the completion of Australia projects.</p>
5.	<i>One whistleblowing case was reported to the Whistleblowing Committee. Please explain the nature of the case, the investigation outcome and the action taken on the whistleblowing case.</i>	<p>The case was related to an allegation of workplace bullying raised by an employee against his supervisor. An independent investigation on the allegation was conducted in a timely manner and the investigation report was subsequently tabled to the Whistleblowing Committee for deliberation and was also submitted to the Regulator. The investigation concluded that there was no basis to the allegation.</p> <p>The Regulator has reverted that they were satisfied with the remedial actions undertaken by the Company and the matter was considered closed.</p> <p>Following the incident, the Group has developed a Respectful Workplace Environment Policy and a talk focusing on the Group's Grievances Process and Respectful Workplace Policy was conducted. This is to ensure all employees are aware of their rights when it comes to workplace bullying, harassment and victimisation as well as how to lodge a complaint if they feel bullied, victimised or harassed.</p>

Dato' Teow informed that all the questions received from MSWG have been addressed and the Company has also received questions from the Participants before and during the 8<sup>th</sup> AGM via the text box. Before he proceeded to address the questions, the Participants were informed that due to time constraints, the Board would not address questions that have been covered in the presentation earlier and similar questions would be summarised to avoid repetition. All the questions raised were succinctly addressed by Dato' Teow as set out below:

<b>No.</b>	<b>Question</b>	<b>Response/Answer</b>
1.	<i>What are the status of Macquarie Park project and new BtR project of Quayside Barking and the rationale of giving incentives to spur sales, especially for Wardian?</i>	<p>The Company is in the process of applying planning consent for Macquarie Park project. The Board has decided to put Quayside Barking on hold due to several planning complexities and inherent risks. The Group will continue to evaluate other opportunities in other sites which are suitable for BtR.</p> <p>With regards to the incentives provided to spur sales, EcoWorld Ballymore relied on foreign buyers for a substantial portion of its sales in the past. Border closures and lockdowns have resulted in significant decline in interest from foreign buyers in the past two years. Wardian was the most affected due to its close proximity to Canary Wharf, a major commercial/office estate that was deserted at the height of the Covid-19 pandemic. As such, higher incentives need to be given to spur the sales during this challenging period.</p>
2.	<i>What is the property management income of APO and the plan to grow this business?</i>	<p>The Management has started to manage the completed BtR projects in Barking Wharf and Kew Bridge through APO, the Company's in-house BtR management unit. The Company has to-date performed well in securing tenants and rental rates are higher than the business plan approved by the investor. Nonetheless, the management income is relatively small compared to the Company's overall revenue. The Company is unable to disclose the management fee due to commercial reasons.</p> <p>The Company is currently working towards securing an appointment to manage a third-party BtR development in near term and will continue to explore new opportunities to manage third party BtR developments in order to secure recurring income via APO platform.</p>

No.	Question	Response/Answer
3.	<i>What is the commercial space under EcoWorld Ballymore?</i>	The total commercial space in LCI, EG, and Wardian, excluding English National Ballet is approximately 120,000 square feet, which is about 5% of saleable area across the 3 projects, with book value of about GBP45 million. The current rental income is relatively small compared to the total revenue generated from the sales of apartment units.
4.	<i>What constitutes the sales target of RM2 billion and the expected launches in FY2022?</i>	<p>The sales target of RM2 billion is expected to be largely contributed by sales of completed units in LCI, EG and Wardian.</p> <p>The planned launches in FY2022 are Oxbow Phase 4 and potentially Woking, upon securing planning consents and improvement in market conditions. At this juncture, the Company has yet to determine the number of units to be launched in FY2022.</p>
5.	<i>How does the regulatory environment impact the Group's business?</i>	The planning environment has become more demanding, which has resulted in longer planning application process. This has subsequently increased the Group's overhead costs as well as land holding cost. On the flip-side, it allowed the Company's new projects to be launched once the market conditions improved and Covid-19 pandemic subsided.
6.	<p><i>Questions relate to profitability and profit margins were raised as follows:</i></p> <p>(a) <i>What were the reasons behind the low net margin in the past few years?</i></p> <p>(b) <i>What are the Group's plans in improve margins?</i></p> <p>(c) <i>Impact of elevated building material prices on margins;</i></p> <p>(d) <i>The Group's plan in review cost structure;</i></p> <p>(e) <i>What are the issues that affect the Group's sales and financial performance?</i></p>	<p>The low profit margins were due to (i) challenging market conditions over the past few years with falling prices and soft demand in certain segments of the real estate market due to Covid-19 pandemic; (ii) prolongation in the construction timeframe of the Group's projects due to labour shortages and supply chain disruptions which has subsequently increased the construction costs; and (iii) increase in incentives offered to purchasers and agents to secure sales.</p> <p>The Group has undertaken extensive cost cutting exercises over the past 2 years to improve the operating cost structure. The Company has instilled financial discipline</p>

No.	Question	Response/Answer
	<p>(f) <i>What is the mitigation strategy in avoiding writing off of planning costs?</i></p>	<p>throughout the Group and initiatives have been undertaken to reduce operating cost which include significant cost cutting in staff salaries, benefits and Directors’ fees as well as office expenses. Besides that, the Group is also working towards accelerating the sales of completed stocks to minimise the holding costs. With the cash generated from the completed sales, the Group will be in a better position to select and evaluate opportunities to further grow the business and thereafter return surplus cash to the shareholders.</p> <p>Rising construction costs have small impact on the Group’s existing projects as they are mostly completed or in advanced stages of construction. As such, higher construction costs are expected to have a minimal impact on the profit margins. Pricing of future launches will take into account the current construction costs. Management will evaluate the possibility of increasing selling prices to improve the margins.</p> <p>As for the issues affecting the Group’s performance, it was due to the challenging market conditions over the past few years with falling prices and soft demand in certain segments of the real estate market due to Covid-19 pandemic. This had also prolonged the construction timeframe of the Company’s projects leading to higher cost. Hence, it had impacted the Group’s sales and profitability in the past few years.</p> <p>The write-off of planning costs pertains mainly to the planning cost incurred on Gurnell, a site that has not been acquired by EcoWorld London yet, hence, no write-off for land cost at this juncture. The Management will always assess the risks and likelihood of securing viable planning consent at various stages of the planning process to minimise abortive costs.</p>

No.	Question	Response/Answer
7.	<i>What is the status on the unbilled sales and earnings visibility?</i>	The Company targets to sell out all the completed stocks within the next 2 to 3 years and revenue could be recognised shortly after the exchange of the sales contract. As such, lower unbilled sales from exchanged contracts is not a major concern.
8.	<p><i>Questions relate to amounts owing by JVs and impairment losses were raised as follows:</i></p> <p><i>(a) How much capital would be repatriated from dividend distributions and amounts owed by JVs and what is the expected return of investment since 2017?</i></p> <p><i>(b) Is there a plan to distribute amounts owing by JVs as dividends?</i></p> <p><i>(c) When is the Company expecting the repayment of amounts owing by JVs in current assets and how the Group plans to utilise the proceeds?</i></p> <p><i>(d) What is the expected impairment loss on inventories after taking into account the sales incentives provided?</i></p>	<p>As at 31 January 2022, the amount owing by EcoWorld Ballymore is recorded at RM1.6 billion whilst the capital invested into Australia stood at RM237 million. To date, Australian projects have repatriated dividends of RM84 million and capital repayments of RM481 million. Meanwhile, UK JV has paid RM299 million in dividends.</p> <p>The current portion of amount owing by JVs is expected to be repaid in the second half of FY2022, and the funds will be partially utilised towards repayment of EWI loans and Medium Term Notes. The repayment will also improve the cashflow position at the holding level and provide the Board with avenues to distribute the excess cash to shareholders.</p> <p>Based on the impairment assessment on inventory carried out for FY2021, the impairment loss of GBP3.6 million is mainly related to EG, following the Group's decision to provide incentives to spur sales.</p> <p>The Management will continue to carry out similar assessments throughout the year based on the market condition and the expected selling prices of unsold units.</p>
9.	<p><i>Questions relate to the Group's strategy and growth plan were raised as follows:</i></p> <p><i>(a) Is the Group still pursuing growth rather than profitability?</i></p> <p><i>(b) Does the Group plan to expand to other countries with more friendly planning application</i></p>	The Group is working towards selling out the completed stocks over the next 2 to 3 years to generate cashflow and to minimise holding costs. Incentives need to be given to achieve this target. As such, there will be a trade-off between de-risking the Company's exposure and profitability. The Board after assessing the current market condition, opined that an aggressive sales strategy remains the most appropriate option to

No.	Question	Response/Answer
	<p><i>processes?</i></p> <p><i>(c) What is the Gross Development Value (“GDV”) replenishment and business strategy for the next three years?</i></p>	<p>preserve shareholder value.</p> <p>With the cash generated, the Group will de-risk the exposure and strengthen the balance sheet and cashflow position. The Group will then be in a better position to select and evaluate growth opportunities as well as to explore ways to return surplus cash to the shareholders.</p> <p>In short, the Group is continuing to pursue both careful growth and profitability.</p> <p>The Group still has 12 active projects in the UK and Australia with remaining GDV of RM13 billion and the Group’s primary focus is to develop these existing sites.</p> <p>Our business strategy over the medium-term is to focus on mid-market private homes segment and the institutional BtR business in the UK. As such, the Group will continue sourcing for suitable BtR and OMS sites.</p> <p>At this juncture, there is no plan to expand into countries other than the UK and Australia.</p>
10.	<p><i>How much did the Company incur for holding the virtual AGM?</i></p>	<p>The estimated total cost of holding the virtual AGM is approximately 25% lower than physical AGM.</p>
11.	<p><i>What is the Group’s planned product mix for the upcoming launches?</i></p>	<p>The Group’s strategy in the near to medium term is to sell out the completed stocks and to focus on mid-market OMS and BtR segments. As such, new launches will focus on these two segments.</p>
12.	<p><i>Will there be further handovers for West Village and Yarra One in Australia?</i></p>	<p>Construction for both projects are fully completed. Revenue will be recognised once the company sell the remaining units and handover to the new purchasers.</p>



No.	Question	Response/Answer
13.	<p><i>EWI reclassified losses from hedge of net investment included in profit and loss amounting to RM21.581 million in FY2021 (Page 111 of AR).</i></p> <p><i>(a) What is the nature of the losses in “hedge of net investment” recognised?</i></p> <p><i>(b) Why is this amount reclassified and recognised as a material expense in FY2021?</i></p> <p><i>(c) Is this a cash flow item and any possibility of the amount being reversed in future financial years?</i></p>	<p>The hedge of net investment was the reversal of hedging reserves upon the early unwinding of CCS following the timing of repatriation of capital from the UK and Australia, which is an accounting entry instead of a cash flow item. The hedging reserves was to offset against the realised foreign exchange gain on repatriation of capital of RM10.9 million recognised under Other Income.</p>
14.	<p><i>What is the Company’s mitigation plan for rising material costs and labour shortages?</i></p>	<p>Covid-19 pandemic has caused disruption to economic activities and affected contractors’ supply chain. As most of the Group’s active projects are completed or nearing completion, hence, the supply chain issue is not a serious concern of the Group. As for the new projects, the unit pricing and development timeline will take into account the challenges to ensure the projects deliver reasonable returns to the Group.</p>
15.	<p><i>What is the impact of Covid-19 pandemic on foreign investors in China and Hong Kong and how much does this region contribute to the Group’s sales?</i></p>	<p>Increase in Covid-19 cases has affected the marketing activities in China and Hong Kong. This region historically contributed approximately 15% to 20% of the Group’s total sales. Whilst the physical marketing activities have been curtailed, Management continues to engage with the prospective buyers in this region to promote the projects through local agents and virtual exhibitions.</p>
16.	<p><i>Is the Company open to corporate exercises such as merger and acquisition or further JV?</i></p>	<p>The Board is open to evaluate any good offers or opportunity that may arise.</p>
17.	<p><i>Why did the Company proposed a resolution for authority to issue and allot shares under general mandate at market price, even the actual share price is below book value?</i></p>	<p>The rationale of the proposed resolution is to enable the Company to tap into the equity market expeditiously if such need arises and is in accordance with all relevant regulations.</p>

No.	Question	Response/Answer
18.	<i>Will there be dividend payout for current financial year and how the Company balancing it with capital expenditure spending?</i>	<p>Dividend distribution for the current year is subject to availability of profits. At this juncture, the Board has not adopted any dividend policy.</p> <p>As the Company continue pursuing growth which requires capital expenditure, Management is always cautious about cashflows and in making further distributions to shareholders.</p>

Tan Sri Chairman then concluded the questions and answers session.

## 16. VOTING

After having addressed all the questions raised, Tan Sri Chairman proceeded to inform the Meeting to proceed with voting and that the verification of the votes would take approximately 20 minutes. Tan Sri Chairman placed on record that a number of shareholders have appointed him to be their proxy and he will vote according to their instructions.

Tan Sri Chairman informed that the outcome of the poll would be announced after a short break as it would take some time for the Scrutineers to tabulate the results of the poll. The AGM was then adjourned at 11.30 a.m. for the shareholders and proxies to cast their votes.

Tan Sri Chairman declared the polling closed at 11.40 a.m. for the votes to be counted and to enable the Scrutineers to present their report to him.

## 17. POLL RESULTS

Tan Sri Chairman called the Meeting to order at 11.50 a.m. The Scrutineers then proceeded to announce the results of the poll as follows:

Ordinary Resolution 1	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Tan Sri Azlan Bin Mohd Zainol, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,880,827,295	99.9552	842,505	0.0448	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Tan Sri Azlan Bin Mohd Zainol from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 2	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Mr Cheah Tek Kuang, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,883,043,795	99.9595	763,005	0.0405	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Mr Cheah Tek Kuang from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 3	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Tan Sri Datuk Dr Rebecca Fatima Sta Maria, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,885,947,295	99.9553	842,505	0.0447	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Tan Sri Datuk Dr Rebecca Fatima Sta Maria from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 4	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Dato' Siow Kim Lun, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,885,942,295	99.9555	839,505	0.0445	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Dato' Siow Kim Lun from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 5	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Dato' Kong Sooi Lin, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,885,949,295	99.9555	840,505	0.0445	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Dato' Kong Sooi Lin from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 6	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Director's Fees to Ms Pauline Wong Wan Voon, an Independent Non-Executive Director of the Company quarterly in arrears from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,885,947,295	99.9553	842,505	0.0447	CARRIED

It was RESOLVED:

THAT the payment of Director's Fees of RM128,000 per annum to Ms Pauline Wong Wan Voon from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company, to be paid quarterly in arrears is approved.

Ordinary Resolution 7	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To approve the payment of Directors' Benefits to the Independent Non-Executive Directors of the Company from the 8 <sup>th</sup> AGM until the 9 <sup>th</sup> AGM of the Company	1,877,530,795	99.9385	1,156,005	0.0615	CARRIED

It was RESOLVED:

THAT the payment of Directors' Benefits of up to RM230,000 to the Independent Non-Executive Directors of the Company from the 8<sup>th</sup> AGM until the 9<sup>th</sup> AGM of the Company is approved.

Ordinary Resolution 8	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To re-elect Tan Sri Azlan Bin Mohd Zainol, who is retiring pursuant to Clause 114 of the Constitution of the Company	1,886,058,945	99.9607	740,855	0.0393	CARRIED

It was RESOLVED:

THAT the retiring Director, namely Tan Sri Azlan Bin Mohd Zainol, who retired pursuant to Clause 114 of the Constitution of the Company is re-elected as a Director of the Company.

Ordinary Resolution 9	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To re-elect Tan Sri Dato' Sri Liew Kee Sin, who is retiring pursuant to Clause 114 of the Constitution of the Company	1,886,338,447	99.9755	461,353	0.0245	CARRIED

It was RESOLVED:

THAT the retiring Director, namely Tan Sri Dato' Sri Liew Kee Sin, who retired pursuant to Clause 114 of the Constitution of the Company is re-elected as a Director of the Company.

Ordinary Resolution 10	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To re-elect Mr Cheah Tek Kuang, who is retiring pursuant to Clause 114 of the Constitution of the Company	1,886,288,947	99.9729	510,853	0.0271	CARRIED

It was RESOLVED:

THAT the retiring Director, namely Mr Cheah Tek Kuang, who retired pursuant to Clause 114 of the Constitution of the Company is re-elected as a Director of the Company.

Ordinary Resolution 11	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To re-elect Ms Pauline Wong Wan Voon, who is retiring pursuant to Clause 114 of the Constitution of the Company	1,886,210,947	99.9688	588,853	0.0312	CARRIED

It was RESOLVED:

THAT the retiring Director, namely Ms Pauline Wong Wan Voon, who retired pursuant to Clause 114 of the Constitution of the Company is re-elected as a Director of the Company.

Ordinary Resolution 12	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
To re-appoint KPMG as Auditors of the Company until the conclusion of the 9th AGM of the Company and to authorise the Directors to fix their remuneration	1,886,266,697	99.9717	534,103	0.0283	CARRIED

It was RESOLVED:

THAT KPMG having consented to act is re-appointed as Auditors of the Company to hold office until the conclusion of the 9<sup>th</sup> AGM of the Company and that authority is given to the Directors to fix their remuneration.

Ordinary Resolution 13	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
Authority to issue and allot shares	1,737,401,895	92.0812	149,413,505	7.9188	CARRIED

It was RESOLVED:

THAT subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of 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 10% of the total number of issued shares of the Company for the time being.

Ordinary Resolution 14	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
Proposed Renewal of Shareholders' Mandate for existing RRPT and Proposed New Shareholders' Mandate for Additional RRPT.	917,543,497	99.9394	556,005	0.0606	CARRIED

It was RESOLVED:

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, the Group be and is/are hereby authorised to enter into any of the transactions falling within the types of existing and additional RRPT 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 23 February 2022 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 no 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 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 renewal of shareholders' mandate for existing RRPT and proposed new shareholders' mandate for additional RRPT.

Tan Sri Chairman declared that all the resolutions as set forth in the Notice of the 8<sup>th</sup> AGM were duly carried.

## **CONCLUSION**

Tan Sri Chairman expressed his appreciation to all the Participants who have attended this Meeting. There being no other business to be transacted, Tan Sri Chairman declared the AGM closed at 12.05 p.m.

SIGNED AS A CORRECT RECORD

**TAN SRI AZLAN BIN MOHD ZAINOL**

*Chairman/ Independent Non-Executive Director*