

ECO WORLD INTERNATIONAL BERHAD

Registration No. 201301030020 (1059850-A)

MINUTES OF THE EXTRAORDINARY 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 MONDAY, 19 JUNE 2023 AT 10.00 A.M.

PRESENT

Mr Cheah Tek Kuang – Chairman
Tan Sri Dato’ Sri Liew Kee Sin – Executive Vice Chairman
Dato’ Teow Leong Seng – President & Chief Executive Officer
^ Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Dato’ Chang Khim Wah
^ Mr Cheng Hsing Yao
^ Mr Andrew Chew Kwang Ming
Dato’ Siow Kim Lun
Dato’ Kong Sooi Lin
Ms Pauline Wong Wan Voon

IN ATTENDANCE

Ms Tan Ai Ning – Company Secretary

BY INVITATION

Mr Andy Leong Chain Hong - Chief Financial Officer
Mr Kenneth Lee Foo Chong- representative from CIMB Investment Bank Berhad
Mr Chin Wee Sing - representative from Messrs Kadir Andri & Partners
Mr Eric Kuo Sze-Wei - Reporting Accountant from Messrs KPMG PLT

Notes:

^ Participated vide video conferencing

The list of shareholders, proxies, corporate representatives and invitees who participated in the Extraordinary General Meeting (“**EGM**” or the “**Meeting**”) are set out in the Attendance Sheet as attached and shall form an integral part of this Minutes.

Any capitalised terms used in this Minutes which is not defined shall make reference to the definitions set out in the Circular to Shareholders dated 26 May 2023.

1. INTRODUCTION BY THE CHAIRMAN

Mr Cheah Tek Kuang (“**Mr Cheah**” or the “**Chairman**”), the Chairman of the Board of Directors (“**Board**”) who presided as the Chairman of the Meeting welcomed all shareholders, proxies, corporate representatives and invitees to the EGM of the Company conducted through live streaming and online remote participation by using

Remote Participation and Electronic Voting Facilities (“**RPEV**”), which is in compliance with Section 327 of the Companies Act 2016 (“**Act**”) and Clause 78 of the Constitution of the Company.

2. QUORUM AND SUMMARY OF PROXIES RECEIVED

The Company Secretary informed that based on the report issued by the Share Registrar, Boardroom Share Registrars Sdn Bhd (“**Boardroom**”), a total of 227 participants, comprising shareholders, proxies and corporate representatives (herein after referred to as “**Participants**”), representing 1,873,753,225 ordinary shares or 78.07% of the total issued and paid-up shares of the Company have registered to attend the EGM via RPEV.

The Company had received in total 55 proxy forms from the shareholders for a total of 1,869,475,598 ordinary shares representing 77.90% of the total issued and paid-up shares of the Company.

Out of these, there were 24 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 727,471,500 ordinary shares which represented 30.31% 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 EGM was called to order at 10.00 a.m.

3. INTRODUCTION OF BOARD MEMBERS AND INVITEES

The Chairman proceeded to introduce the members of the Board, Chief Financial Officer, Company Secretary, representative from CIMB Investment Bank Berhad, representative from Messrs Kadir Andri & Partners and Reporting Accountant from Messrs KPMG PLT who were in attendance with him at the broadcast venue and the members of the Board who participated in the EGM remotely.

4. NOTICE

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

The Chairman further invited all the Participants to raise questions by transmitting via the Messaging Window Facility.

5. VOTING PROCEDURES

The Meeting noted that it is mandatory for the resolution set out in the Notice of EGM to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). Accordingly, the Chairman directed the poll to be taken on the Special Resolution set forth in the Notice of the EGM by way of electronic polling.

The Chairman further informed that the Company has appointed Boardroom 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 Special Resolution 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.

The Chairman proceeded with the Special Resolution of the EGM.

6. SPECIAL RESOLUTION PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF THE COMPANY OF RM1,500 MILLION PURSUANT TO SECTION 117 OF THE ACT (“PROPOSED CAPITAL REDUCTION”)

The Chairman informed the Meeting that the Special Resolution is to seek shareholders’ approval on the Proposed Capital Reduction and the details of the Special Resolution were set out in the Circular to Shareholders dated 26 May 2023.

7. QUESTION AND ANSWER

Dato’ Teow Leong Seng (“**Dato’ Teow**”) informed the Meeting that the Company has received questions from the Participants before and during the EGM via the Messaging Window Facility. Before he proceeded to address the questions, the Participants were informed that similar questions would be grouped and combined to avoid repetition. All the questions raised were succinctly addressed by Dato’ Teow as set out below:

No.	Question	Response/Answer
1.	<i>Why does the Company undertake Proposed Capital Reduction?</i>	The Proposed Capital Reduction will enable the creation of a reasonable amount of retained earnings for the Company. This will facilitate and enhance the Company’s ability to declare and pay dividends in the future. The Company’s strategy of focusing on selling the remaining completed stocks in the Joint Venture companies in

No.	Question	Response/Answer
		London and Australia projects will generate significant cash proceeds which can be utilised to pay dividends to shareholders.
2.	<i>Has the Company or the Board considered any plans or strategies to uphold or preserve the value of the Company's shares after carrying out the Proposed Capital Reduction and achieving its Targeted Distribution Amount?</i>	<p>The Board is unable to comment on any share price movement as a result of the Proposed Capital Reduction and payment of Targeted Distribution Amount as this is largely beyond the Company's control.</p> <p>Nevertheless, against the backdrop of rising construction costs and soft market conditions, the Board has in the interest of the Group and shareholders, made a strategic decision to accelerate the monetisation of the Group's completed stocks to strengthen the Group's balance sheet to be more resilient under these challenging times.</p>
3.	<i>Considering that the Company will maintain a presence in the United Kingdom ("UK") through its joint venture company, Eco World London Holdings Limited, what is the estimated Gross Development Value ("GDV") of the remaining landbanks held by EcoWorld London and what is the estimated gross profit margin of these development?</i>	<p>The total GDV of unlaunched phases of current projects and new projects held by EcoWorld London is approximately RM9 billion.</p> <p>The Board is unable to comment on the estimated profit margin of these projects at this juncture as the Board is continuously assessing the feasibility of the future phases within these projects.</p>
4.	<i>How does the Company plan to sustain the growth of the Group?</i>	<p>The Group has approximately RM400 million worth of completed property units to be sold in the remaining period of financial year ("FY") 2023 and FY2024. The sales of these completed property units will continue to generate cash for the Group.</p> <p>In addition, the Group has 2 on-going projects in New Road Triangle and Millbrook Park, future phases of 2 projects in Kew Bridge and Oxbow as well as 2 new projects in Woking and Barking.</p>

No.	Question	Response/Answer
		<p>The Group has ample facility headroom to fund future projects if required, as the gearing of the Group (excluding joint venture companies) is currently nil following the full settlement of the Medium Term Notes.</p>
5.	<p><i>With a sales target of approximately RM1.40 billion for FY2023, the Company has already achieved RM577.60 million worth of sales in the first six months of FY2023. Therefore, is the Company on track to meet its sales target within the remaining period of FY2023?</i></p>	<p>As at 30 April 2023, the Company has achieved sales exchanges of RM577 million plus reservation pipeline of RM167 million, totalling RM744 million. This represents 53% of the sales target. The Company is optimistic of being able to achieve the sales target for FY2023 and will continue to sell completed property units in the UK and Australia by undertaking appropriate marketing strategies and offering appropriate incentive packages.</p>
6.	<p><i>As the Targeted Distribution Amount is conditional upon the Company achieving the sales target of RM1.40 billion, what would happen if the Company is unable to meet this target?</i></p>	<p>If the Company is unable to achieve its sales target of RM1.40 billion, the distribution amount will be lower than RM900 million. Nevertheless, the Company is optimistic of being able to achieve the sales target for FY2023.</p>
7.	<p><i>Would there be any distribution of dividend beyond the First Tranche Dividend?</i></p>	<p>The possibility of further dividend payments after the First Tranche Dividend and beyond the Targeted Distribution Amount in 2023, is subject to:</p> <p>(i) The sales progress of the remaining unsold property units over the course of FY2023 and FY2024; and</p> <p>(ii) Other factors including the working capital and funding requirements of the Group.</p>
8.	<p><i>Considering the Group's net cash position of RM446.3 million as at 31 January 2023, shouldn't the quantum of the First Tranche Dividend be higher than RM300 million?</i></p>	<p>The exact quantum of the First Tranche Dividend will be determined and announced at a later date. Before dividends can be declared and paid, it is also important to ensure that there are sufficient funds retained for</p>

No.	Question	Response/Answer
		working capital and funding requirements of the Group at the material points in time.
9.	<i>Out of the outstanding amounts of RM 1.75 billion owed by the joint venture companies as at 31 October 2022, how much has the joint venture companies repaid to the Company? Additionally, how much of these funds will be allocated towards payment of Targeted Distribution Amount and when does the Company expect to fully recover the entire amount of indebtedness?</i>	As at 30 April 2023, about RM449 million has been repaid by the joint venture companies and such repayment has been earmarked for working capital requirements and payment of the Target Distribution Amount. The amount and timing of repayment from the joint venture companies is subject to sales targets being achieved.
10.	<i>What is the Group's plan to generate revenue and profits through its business operations and what is the Company's action plan to improve profitability and distribution of dividends?</i>	The current difficult market conditions are not favourable for new launches and acquisitions. The Group is continuously reviewing the feasibility of the future phases of existing projects as well as the new pipeline projects. The Group will consider launching these projects when market conditions improve, construction cost pressure stabilises and required returns could be forecast with greater certainty.
11.	<i>Is KWSP planning to sell land to the Company for project development?</i>	The Board is not aware of any plan of KWSP to sell land to the Company.
12.	<i>What is the current amount of cash and bank balances in foreign currencies held by the joint venture entities?</i>	As at 30 April 2023, the total cash and bank balances in joint venture companies, of which EWI's share amounts to approximately RM142 million.
13.	<i>With the British Pound Sterling ("GBP") rebounded strongly against MYR, will there be a write-back of loss?? If GBP maintains its current level, how much improvement can the Company expect in terms of net profit and operating cash flow?</i>	Appreciation of GBP against MYR is expected to contribute positively upon repatriation of cash from the UK joint venture companies to Malaysia. However, the Company is unable to provide any profit forecast at this juncture.

No.	Question	Response/Answer
14.	<i>Considering that the Company's future projects' GDV of approximately RM8 billion to RM9 billion, how does the Company plan to fund these projects after the capital reduction exercise? Will borrowing, issuance or internal funds be sufficient?</i>	It will be a mixture of internal funds and borrowings. However, the Company is unable to provide the breakdown of the source of funding at this juncture and the allocation is subject to the working capital requirements of the Group at such point in time.
15.	<i>What is the current situation of the housing market in the UK, and what are the trends in the profile of purchasers?</i>	<p>The Company continues to see interest from purchasers particularly foreign purchasers after easing of travel restriction. However, development costs have increased significantly more than house prices. As such, while the Company manages to sell existing stocks, it is still not feasible to undertake new launches at this juncture.</p> <p>Following the hikes in interest rates, the Company is seeing a shift in demand towards owner occupiers.</p>
16.	<i>When will the Special Dividend be paid?</i>	The Company intends to declare the First Tranche Dividend following the completion of the Proposed Capital Reduction which is expected to complete in August 2023. This is subject to compliance with all legal and regulatory requirements at the material point in time.
17.	<i>Upon completion of the capital reduction, does the Company foresee that the year 2023 will be better or more challenging?</i>	The economy and business environment in 2023 is expected to be equally challenging as compared with 2022 with higher interest rates and cost of living in the UK. All these affect the purchasing power of homebuyers.
18.	<i>Considering the GBP of RM5.92 is now at a 5-year high, how much is the resulting increase in the cash and bank balances of the Group?</i>	The appreciation of GBP will contribute positively to the Group. The quantum of the increase in the Group's cash and bank balances is very much dependent on the timing of the repatriation of funds from joint venture companies and subsidiaries and the

No.	Question	Response/Answer
		conversion rates when the funds received are converted to RM.
19.	<i>Why is the Company undertaking a capital reduction of RM1,500 million when the accumulated loss is only RM150 million?</i>	This is to provide additional headroom for further declaration of dividends in the future in excess of the Targeted Distribution Amount arising from sales of our remaining property units in the UK after setting aside sufficient working capital and funding requirements for the Group.
20.	<p><i>(a) Based on the previous announcement made by the Company, can the Company confirm its intention to pay a dividend of RM900 million, which the First Tranche Dividend amounting to RM300million?</i></p> <p><i>(b) When is the estimated time for completing the RM900 million dividend payout?</i></p>	<p>(a) First Tranche Dividend of at least RM300 million is part of the Target Distribution Amount of RM900 million and is expected to be declared following the completion of the Proposed Capital Reduction which is expected to complete in August 2023, subject to the Board's approval and all regulatory requirements.</p> <p>(b) There is no fixed timeline for subsequent declaration of dividends. This is because any subsequent declarations and payments of dividends after the First Tranche Dividend will be subject to and are intended to be timed to coincide with the accumulation of sizeable cash reserves arising from sales of the completed property units over the course of FY2023 and FY2024.</p>
21.	<i>Upon completion of the capital reduction, will the Company formulate a dividend policy considering that there has been no guidance on dividends to receive or payout since the Company was listed?</i>	The Company does not have a dividend policy at this juncture. However, this proposed capital reduction will pave the way for dividend distribution to shareholders in the near term upon progressive receipt of future cash proceeds from our joint venture companies following the sales of the completed property units.

No.	Question	Response/Answer
22.	<i>How does the enforcement of the minimum wages impact the Company?</i>	The Company's key business operations are in the UK and Australia. Hence, the minimum wage policy in Malaysia has minimal impact to the Company, if any.

The Chairman then concluded the question and answer session.

8. VOTING

Having addressed all the questions raised, the Chairman proceeded to inform the Meeting to proceed with voting and the verification of the votes would take approximately 15 minutes. The Chairman placed on record that a number of shareholders have appointed him to be their proxy and he will vote according to their instructions.

The Chairman informed the Meeting that the outcome of the poll would be announced after a short break as it would take some time for the Scrutineers to validate the results of the poll. The EGM was then adjourned at 10.45 a.m. for the shareholders and proxies to cast their votes.

The Chairman declared the polling closed at 10.50 a.m. for the votes to be counted and to enable the Scrutineers to present their report to him.

9. POLL RESULTS

The Chairman called the Meeting to order at 11.00 a.m. for the declaration of the results. The results of the poll were presented to the Meeting as follows:

Special Resolution	Votes in favour		Votes against		Results
	No. of shares	%	No. of shares	%	
Proposed reduction of the issued share capital of the Company of RM1,500 million pursuant to Section 117 of the Companies Act 2016	1,873,913,120	99.9921	147,705	0.0079	CARRIED

It was RESOLVED:

THAT, subject to the approvals from the relevant parties and/or authorities (where applicable) pursuant to Section 117 of the Act being obtained, the Company be and is hereby given the authority and approval to reduce the share capital of the Company via

the cancellation of the issued share capital by RM1,500 million and for the credit arising from such cancellation to be used to set-off against the accumulated losses of the Company while the remaining balance, if any, will be credited to the retained earnings account of the Company which shall be used in a manner to be determined by the Board of Directors of the Company (“**Board**”) at a later date and in the best interest of the Company as permitted by the relevant and applicable laws and regulations as well as the Main Market Listing Requirements of Bursa Securities.

AND THAT the Board be and is hereby empowered and authorised to take such steps and do all acts, deeds and things and to execute, sign, deliver and cause to be delivered for and on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Board may consider necessary, expedient and/or relevant to finalise, implement and to give full effect to and complete the Proposed Capital Reduction with full powers to assent to any conditions, terms, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may in their discretion deem fit, necessary, expedient or relevant and to do all such acts and things as the Board may consider necessary or expedient in the best interest of the Company.

The Chairman declared that the Special Resolution as set forth in the Notice of the EGM was duly carried.

CONCLUSION

The Chairman expressed his appreciation to all the Participants who have attended this Meeting. There being no other business to be transacted, the Chairman declared the EGM closed at 11.05 a.m.

SIGNED AS A CORRECT RECORD

CHEAH TEK KUANG

Chairman/ Independent Non-Executive Director