ECOWORLD

CREATING TOMORROW & BEYOND

ANNUAL REPORT **2021**

This year's cover captures the growth across Malaysia through the representation of three distinct butterflies harvesting nectar from an illustrated hibiscus. The watercolour effect renders an elegant image to convey how our projects add sustainable value and creative vibrance to the local property market. The different tones of colour symbolises the diverse developments realised to date while the clean layout is in keeping with the sophisticated and focused EcoWorld brand.

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

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VISION MISSION

Eco Horizon - Ashton

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

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

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

Executive Chairman
Tan Sri Dato' Sri Liew Kee Sin

Non-Independent Non-Executive Deputy Chairman
Dato' Leong Kok Wah

Executive Director, President & Chief Executive Officer
Dato' Chang Khim Wah

Executive Director, Deputy President & Deputy Chief Executive Officer
Liew Tian Xiong

Executive Director & Chief Financial Officer
Datuk Heah Kok Boon

Senior Independent Non-Executive Director
Tang Kin Kheong

Independent Non-Executive Directors
Dato' Idrose Bin Mohamed
Dato' Haji Obet Bin Tawil
Dato' Noor Farida Binti Mohd Ariffin
Low Mei Ling
Lim Hiah Eng (Mrs Lucy Chong)
Sar Sau Yee

AUDIT COMMITTEE

Tang Kin Kheong (Chairman)
Dato' Idrose Bin Mohamed
Dato' Noor Farida Binti Mohd Ariffin
Low Mei Ling

REMUNERATION COMMITTEE

Dato' Noor Farida Binti Mohd Ariffin (Chairperson)
Dato' Idrose Bin Mohamed
Tang Kin Kheong

NOMINATION COMMITTEE

Dato' Idrose Bin Mohamed (Chairman)
Tang Kin Kheong
Dato' Noor Farida Binti Mohd Ariffin
Dato' Haji Obet Bin Tawil

WHISTLEBLOWING COMMITTEE

Datuk Heah Kok Boon (Chairman)
Dato' Idrose Bin Mohamed
Low Mei Ling

RISK MANAGEMENT COMMITTEE

Datuk Heah Kok Boon (Chairman)
Dato' Seri Sundarajoo A/L Somu
Dato' Soo Chan Fai
Ho Kwee Hong
Lim Eng Tiong
Ong Yew Leng

COMPANY SECRETARIES

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

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

REGISTERED OFFICE

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

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
(197701005827 (36869-T))

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

AUDITORS

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA & AF 0117)

Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)

WEBSITE

www.ecoworld.my

CORPORATE **STRUCTURE**

ECO WORLD DEVELOPMENT GROUP BERHAD
(197401000725 (17777-V))

- **100%**
  - **Eco Botanic Sdn. Bhd.** (201301037050 (1066879-M))
  - **Eco Business Park 1 Sdn. Bhd.** (201401011962 (1088039-M))
  - **Eco Business Park 2 Sdn. Bhd.** (201401002507 (1078581-H))
  - **Eco Grandeur Sdn. Bhd.** (201501021490 (1146818-W))
    - **50%** **Eco Ardence Sdn. Bhd.** (199701012416 (427912-X))
  - **Eco Macalister Development Sdn. Bhd.** (201301034541 (1064369-M))
  - **Eco Meadows Sdn. Bhd.** (201401011951 (1088028-X))
  - **Eco Sanctuary Sdn. Bhd.** (201401000413 (1076483-V))
  - **Eco Sky Sdn. Bhd.** (201401003011 (1079085-X))
  - **Eco Summer Sdn. Bhd.** (201401000315 (1076385-V))
  - **Eco Terraces Sdn. Bhd.** (201401000161 (1076231-P))
  - **Eco World Capital (International) Sdn. Bhd.** (201601003766 (1174692-P))
    - **27%** **Eco World International Berhad** (201301030020 (1059850-A))
- **60%**
  - **Eco Horizon Sdn. Bhd.** (201401006910 (1082988-W))
  - **Paragon Pinnacle Sdn. Bhd.** (201401022036 (1098122-T))
    - **40%** **Sejati Coast Sdn. Bhd.** (201901020647 (1329976-K))^
- **40%**
  - **BBCC Development Sdn. Bhd.** (201501003696 (1129028-T))
    - **70%** **MGB Global Sdn. Bhd.** (202101026497 (1426797-H))
    - **49%** **MFBBCC Serviced Suites Sdn. Bhd.** (202001011803 (1368123-P))
- **10%**
  - **MFBBCC Retail Mall Sdn. Bhd.** (201601018896 (1189832-W))
- **2%**
  - **Eco Majestic Development Sdn. Bhd.** (201401003012 (1079086-W))

- **Eco World Capital (L) Ltd** (LL12390)*
- **Eco World Capital Assets Berhad** (201601018863 (1189799-V))
- **Eco World Capital Services Berhad** (201401011942 (1088019-D))
- **Eco World Development (S) Pte. Ltd.** (201417197R)
- **Eco World Development Management (BBCC) Sdn. Bhd.** (201401020547 (1096633-W))
- **Eco World Digital Services Sdn. Bhd.** (201401013249 (1089333-D))
- **Eco World IBS Sdn. Bhd.** (201401010983 (1087059-U))
- **Eco World Project Management Sdn. Bhd.** (201201005078 (978603-W))
  - 100% **Eco World DM Services Sdn. Bhd.** (201401019982 (1096068-V))
    - 49% **Hara Kecil Property Management Sdn. Bhd.** (201501010259 (1135594-U))
- **Eco World Property Services (Eco Central) Sdn. Bhd.** (201501027328 (1152652-W))
- **Eco World Property Services (Eco North) Sdn. Bhd.** (201401021689 (1097775-M))
- **Eco World Property Services (Eco South) Sdn. Bhd.** (201401011941 (1088018-V))
- **Eco World Strategic Capital 1 Sdn. Bhd.** (202101037789 (1438089-H))
- **Eco World Trading Sdn. Bhd.** (201401010069 (1086148-X))
- **Eco World Ukay Sdn. Bhd.** (201401000319 (1076389-M))
- **Focal Aims Land Sdn. Bhd.** (199401033752 (319435-X))
- **Focal Aims Properties Sdn. Bhd.** (199801014972 (471101-H))
  - 100% **Eco Tropics Development Sdn. Bhd.** (199401030842 (316524-U))
- **Hasrat Budi Sdn. Bhd.** (202101027399 (1427699-A))
  - 10% **MYSJ Sdn. Bhd.** (202001029525 (1385845-M))
- **Jasa Hektar Sdn. Bhd.** (201401022034 (1098120-M))
- **Melia Spring Sdn. Bhd.** (201401019246 (1095333-H))
- **Meridian Insight Sdn. Bhd.** (201401014927 (1091013-W))
- **Rentas Prestasi Sdn. Bhd.** (201401021079 (1097165-X))
  - 98%

^ In the process of winding up
** In the process of striking off*

FINANCIAL **HIGHLIGHTS**

Year Ended	31 October 2021	31 October 2020@	31 October 2019	31 October 2018#	31 October 2017
			As per respective year's audited financial statements		
Financial Results (RM'000)					
Revenue	**2,042,767**	1,996,681	2,462,325	1,984,925	2,936,562*
Profit before tax	**239,316**	196,422	265,975	131,961	282,613
Profit attributable to owners of the Company	**182,740**	160,150	203,422	93,491	209,650
Financial Position (RM'000)					
Total cash and bank balances	**784,724**	456,437	600,539	510,297	433,824
Total assets	**9,749,262**	10,326,530	10,688,454	10,670,902	9,850,261
Total borrowings	**2,880,172**	3,316,632	3,779,715	3,831,602	3,479,571
Total net tangible assets	**4,765,304**	4,645,151	4,538,016	4,327,585	4,264,034
Share capital	**3,614,865**	3,614,865	3,614,865	3,614,865	3,614,865^
Equity attributable to owners of the Company	**4,765,304**	4 ,645,151	4,538,016	4,327,585	4,264,034
Financial Ratios					
Basic earnings per share (sen)	**6.21**	5.44	6.91	3.18	7.25
Net assets per share attributable to owners of the Company (RM)	**1.62**	1.58	1.54	1.47	1.45
Return on equity (%)	**3.83**	3.45	4.48	2.16	4.92
Net gearing ratio (times)	**0.44**	0.62	0.70	0.77	0.71
Share price - High (RM)	**1.25**	0.83	1.13	1.56	1.72
- Low (RM)	**0.37**	0.30	0.63	0.98	1.30

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

Included effects from first time adoption of the Malaysian Financial Reporting Standards

* *Reclassification of certain fees charged by the Group to its joint ventures from other operating income to revenue, to conform with the current year's presentation*

^ *Included effects from adoption of Companies Act 2016 - transition to no-par value regime*

GROUP 2021 SUMMARY

Period Ended	3 months ended 31 October 2021	3 months ended 31 July 2021	3 months ended 30 April 2021	3 months ended 31 January 2021
(RM'000)				
Revenue	**666,050**	**448,909**	**420,455**	**507,353**
Profit before tax	**73,298**	**35,723**	**57,183**	**73,112**
Profit attributable to owners of the Company	**42,838**	**35,147**	**42,321**	**62,434**
Paid-up capital	**3,614,865**	**3,614,865**	**3,614,865**	**3,614,865**
Equity attributable to owners of the Company	**4,765,304**	**4,752,752**	**4,750,840**	**4,679,587**
Total assets	**9,749,262**	**9,931,176**	**10,107,945**	**10,170,766**
Total net tangible assets	**4,765,304**	**4,752,752**	**4,750,840**	**4,679,587**
Basic earnings per share (sen)	**1.45**	**1.20**	**1.44**	**2.12**
Net assets per share attributable to owners of the Company (RM)	**1.62**	**1.61**	**1.61**	**1.59**

CHAIRMAN'S **STATEMENT**

Dear Shareholders,

On behalf of the Board of Directors of Eco World Development Group Berhad ("**EcoWorld Malaysia**"), I am pleased to present to you the Annual Report of EcoWorld Malaysia for the financial year ended 31 October 2021 ("**FY2021**").

TAN SRI DATO' SRI LIEW KEE SIN
Non-Independent Executive Chairman

Eco Botanic 2

Eco Ardence

STRONG SALES DELIVERED

FY2021 has been a remarkable year for EcoWorld Malaysia. Despite challenges of the prolonged COVID-19 pandemic, a resurgence of cases which significantly impacted the global and domestic economy and multiple lockdowns to contain the spread of the virus, EcoWorld Malaysia achieved RM3.5 billion sales in FY2021. This is markedly higher than both the sales target set for FY2021 of RM2.875 billion and actual sales achieved in FY2020 of RM2.3 billion.

Eco World International Berhad ("**EcoWorld International**"), our 27% owned joint-venture, achieved RM1.4 billion sales in FY2021.

2021 SALES

ECOWORLD MALAYSIA
RM3.5 billion

ECOWORLD INTERNATIONAL
RM1.4 billion

On a combined basis, the EcoWorld brand recorded RM4.9 billion in sales in Malaysia, the United Kingdom and Australia which is 32% higher than the total sales recorded by the brand in FY2020. The result is largely attributable to our successful efforts in reinventing the way we do business which has enabled us to not only adapt to market changes but also seize new opportunities to broaden our share of the Malaysian property market.

REWARDING SHAREHOLDERS

Backed by strong sales, continued financial discipline and commitment to achieve cost efficiencies through digitalisation and improvement of work processes, EcoWorld Malaysia recorded profit after tax ("**PAT**") of RM183 million in FY2021. Along with the Group's improved balance sheet and cash position, the Board declared total dividends of 4 sen per ordinary share in FY2021, which is double the amount declared in FY2020. The total dividend payout is approximately RM117.8 million, representing a payout ratio of 64%.

NEW PROJECT LAUNCHED IN ISKANDAR MALAYSIA

EcoWorld Malaysia is well represented in the Klang Valley, Iskandar Malaysia and Penang with 19 on-going projects comprising affordable, upgrader and luxury homes, integrated high-rise developments and green business parks. In March 2021, the Group launched its latest project, **Eco Botanic 2** at Iskandar Puteri which was well received with RM454 million sold as at 31 October 2021, less than a year from launch. This demonstrates the continued strength of the EcoWorld Brand in Iskandar Malaysia which remains a very attractive market for the Group, both for our residential townships as well as business parks.

PRODUCTS TO SUIT EVERY GENERATION

Our team is constantly coming up with innovative new product designs that suit the evolving lifestyle needs of homebuyers. By analysing property buying trends and through close engagement with customers, we have been able to bring to market a wide range of products catering to first-time homebuyers and young families at the right price points.

CHAIRMAN'S **STATEMENT**

In 2020 our efforts led to the creation of the ***duduk*** apartments and **ErgoHomes** and in 2021 we introduced yet another new product, **Co-Home**. This unique product which offers a hybrid landed living concept and very efficient space planning was launched in March 2021, at attractive starting prices of RM400,000.

In addition to design and product innovations, the rapid growth of our developments present a plethora of opportunities for emerging as well as established entrepreneurs. Sales of commercial properties within our townships have been doing well and our industrial segment more than doubled its sales from the previous year with RM482 million recorded in FY2021. We are gratified that both business owners and investors recognise the value created at our projects which can give them an undeniable edge in their business ventures. As we continue to nurture and grow our communities and expand our business networks, we aspire to be the ideal partner for business leaders, both present and future.

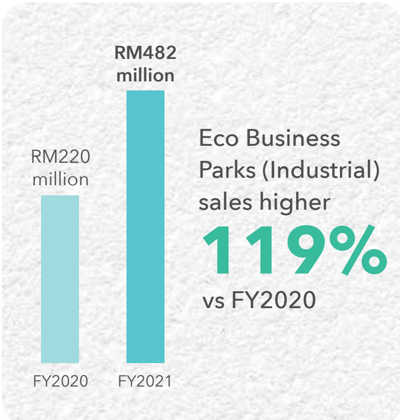
INTEGRATING THE BUSINESS FROM FRONT END TO BACK END VIA DIGITALISATION

EcoWorld's Digital Transformation journey started in 2017 when we began reinventing the way we did business by utilising digital tools to improve operations and big data to better understand customer preferences.

The Group's systematic and comprehensive digitalisation of both frontline and support functions over the years have resulted in significantly increased lead generation, faster sales conversion and highly efficient billing processes enabling accelerated cash recovery from sales whilst reducing overhead costs.

Eco Business Park V

ECO BUSINESS PARKS SALES PERFORMANCE



Despite the closure of sales galleries during the lockdowns, our team actively pursued on-line sales leads generated from targeted and localised social media marketing across a wide range of digital platforms. Thanks to the expertise of our staff in engaging with potential customers online coupled with systematic follow through on documentation and end-financing, we were able to effectively convert leads into sales without suffering any downtime.

The willingness of Team EcoWorld to initiate and embrace change which are crucial to the success of any efforts to digitalise the business were key factors that helped us secure the RM3.5 billion sales in FY2021.

PRIORITISING HEALTH AND SAFETY

Since the COVID-19 outbreak in Malaysia, we have been working hard to safeguard the health of our team, their families, and surrounding communities. At EcoWorld Malaysia, our number one priority has been to maintain the safety and health of our staff and their families. We initiated the EcoWorld Corporate Vaccination Programme ("**EWCVP**") in June 2021 and successfully secured vaccinations for all EcoWorld team members, their family members, our contractors and consultants covering over 8,000 individuals in total.

By September 2021, 100% of our workforce medically eligible to be vaccinated and more than 80% of workers at our project sites were fully vaccinated thus enabling the Group to return to operations at full capacity to catch up on work progress.

To foster a safe working environment for all, we made regular testing using the COVID-19 antigen rapid test kits ("**RTK**") mandatory as our people returned to work. Weekly RTK testing is performed by all staff at the start of the week. For our customer facing staff at the sales galleries as well as our site and maintenance teams, they undergo two tests every week. All visitors to our premises are also required to undertake the RTK test to put our staff and customers' mind at ease that every effort has been made to reduce the risk of contracting the COVID-19 virus.

TEAM SOLIDARITY

The challenges of the pandemic have shown us the true value of community spirit, teamwork, and reaching out to those in need. I am proud of Team EcoWorld's compassion and spirit of solidarity. In July 2021, they displayed their empathy by initiating *Bantu* by Team EcoWorld, a staff-led programme to collect funds from our own people to support local communities who were struggling due to the pandemic. Kudos to Team EcoWorld for raising RM80,000 within a week which were distributed to many needy families and charities to help them overcome their financial constraints, meet daily living necessities and put food on the table.

When massive floods hit the Klang Valley in December 2021, Team EcoWorld once again rose to the occasion to render practical and financial assistance. In the immediate aftermath of the flood, a list of items most required by flood victims was shared with our communities via digital and social media channels. Well organised collection stations were set up at Eco Ardence, Eco Grandeur, Eco Sanctuary and Eco Majestic to receive flood aids and donations of basic necessities. Team EcoWorld and community volunteers then quickly sorted out, packaged and distributed the items to flood victims directly and at various flood relief centres.

Multiple teams of staff volunteers were also mobilised to assist the local authorities and our own colleagues who were affected by the floods in the evacuation of victims, setting up of temporary shelters and tents, clean-up efforts, disposal of flood damaged items and many other urgent and critical works over the ensuing days and nights.

As quite a few of our own team members were badly impacted, a staff-led fund-raising programme, *Bantu* by Team EcoWorld for Team EcoWorld was initiated to provide an avenue for our teammates to stand alongside our own colleagues and their families who suffered extensive damage to their homes and belongings to get back on their feet.

These efforts truly exemplify the caring heart of the Group and it is a shining example of how EcoWorld's Vision, Mission and Core Values have been embraced by Team EcoWorld in everything that they do.

Team EcoWorld stepped up to help the communities affected by the December 2021 floods

Shared a list of most required items with our communities via **digital** & **social media channels**, and distributed these to flood victims directly and at various flood relief centres

Bantu by Team EcoWorld raised **RM80,000** within a week to help needy families and charities affected by the pandemic

LaLaport Bukit Bintang City Centre

CHAIRMAN'S **STATEMENT**

SUSTAINABILITY

EcoWorld's vision of *Creating Tomorrow & Beyond* places sustainability as the #1 Core Value of the brand as we seek to build responsibly and with longevity to make a positive impact on the lives and livelihoods of the communities that we serve and are a part of, for generations.

This commitment to sustainability forms an integral part of our business strategy, which is built on the three pillars of Economy, Environment and Society, held together by our pledge to uphold high standards of Governance in all our endeavours. By employing a strategic approach and embedding sustainability at the heart of our culture and operations, we are able to ensure that we can continue to deliver enduring value to all our stakeholders.

2021 marks the 8th birthday of the EcoWorld Brand and as we celebrated this milestone, we wanted to look back on what we have achieved to date, some key learnings gleaned over the years and how we intend to improve going forward.

Accordingly, our FY2021 Sustainability Report provides more insights on EcoWorld Malaysia's efforts over the years to live up to our Vision, Mission and Core Values in the pursuit of sustainable operations across every stage of the development process. Elements of Environmental, Social and Governance ("**ESG**") are weaved into our projects right from conceptualisation, design, construction and up to when we engage with new residents to promote a positive, sustainable future.

As the impact of climate change continues to be felt around the world, we are increasingly conscious of the Group's carbon footprint, and the importance of monitoring and reducing our greenhouse gas emissions.

Apart from reporting our operations' scope 1 and scope 2 carbon emissions we also commissioned a pilot study at Eco Ardence to understand and measure how we can help reduce the amount of carbon dioxide in the atmosphere via carbon sequestration, details of which are contained in the Sustainability Report.

We are gratified that our efforts on sustainability and commitment to excellence were rewarded with several accolades in FY2021:

- In December 2020 EcoWorld Malaysia was included in the FTSE4Good Bursa Malaysia ("**F4GBM**") Index in recognition of the Group's good ESG practices;
- In April 2021, we were conferred the EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021;
- In December 2021 the Group won the "Best Culture of Learning 2021" award by LinkedIn Learning Talent Award Malaysia which recognises companies that have invested in the learning and development of their employees by connecting them to relevant and applicable skills; and
- EcoWorld Malaysia also won the SDG Ambition Benchmark 2: Net-Positive Water Impact in Water-Stressed Basins Award at the United Nations Global Compact Malaysia & Brunei's ("**UNGCMYB**") inaugural Sustainability Performance Awards 2021 held on 9 December 2021.

These awards are certainly encouraging and while we acknowledge that we still have much to learn, we are committed to continually improve ourselves in order to fulfil our aspiration of building a better and brighter future for all.

Eco Spring

Elements of ESG are weaved into our projects right from conceptualisation, design, construction and up to when we engage with new residents to promote a positive, sustainable future.

Eco Galleria @ Eco Botanic

ENHANCING VALUE

Despite the many challenges of the pandemic, EcoWorld Malaysia's efforts to reset and reinvent our business model and processes over the last two years have delivered outstanding results. Sales achieved in FY2021 were at near historic highs and the Group's balance sheet has been strengthened with gross and net gearing positions significantly improved as discussed in the Management Discussion & Analysis section. The substantial cash inflows generated from high sales has also enabled the Group to increase the amount of dividends paid to shareholders in FY2021 following the declaration of our maiden dividend in FY2020.

Moving ahead into FY2022, the Group has set a sales target of RM3.5 billion for our Malaysian operations. Many of EcoWorld Malaysia's projects have matured with the bulk of the major infrastructure and lifestyle amenities already completed during the initial development phase - this enables higher net cashflow to be recouped from the launch of each new phase within these projects.

Accordingly, our focus in the new financial year is on enhancing value for our shareholders with the aim of further improving profitability by introducing products with higher margins, commensurate with the increasing maturity of our landbank and projects. By pursuing this strategy, we aim to both extend the life of our valuable landbank whilst generating sufficient cashflow and profits to be able to continue rewarding our shareholders with dividend payments.

NOTE OF APPRECIATION

On behalf of the Board, I wish to express our sincere appreciation to our customers, business associates, bankers and shareholders for your support through the years. I would also like to take this opportunity to thank Dato' Idrose Bin Mohamed for his immense contributions and invaluable guidance since he first joined the Board on 29 November 2013 as an Independent Non-Executive Director of the Group. Dato' Idrose is due to retire by rotation in accordance with Article 126 of the Constitution of the Company and has decided not to seek for re-election at the upcoming AGM. We wish him all the very best in his personal endeavours.

We are also pleased to welcome a new member of the board, Madam Sar Sau Yee who was appointed as an Independent Non-Executive Director on 1 October 2021. We look forward to her insights and contributions to the Group as Madam Sar brings with her over 40 years of experience as an Advocate and Solicitor specialising in real estate.

To Team EcoWorld, thank you for your strength, tenacity and resilience in overcoming this extremely challenging season to deliver a spectacular outcome. As we continue to push hard, innovate and deliver value to all our stakeholders, let's create a marvellous year for everyone in FY2022, together.

Tan Sri Dato' Sri Liew Kee Sin
Non-Independent
Executive Chairman

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

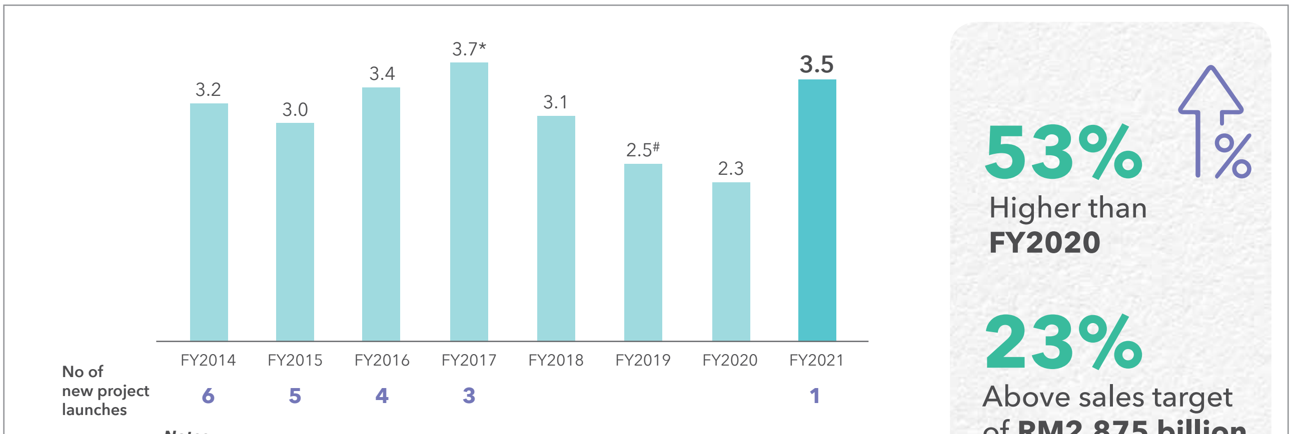
DATO' CHANG KHIM WAH
Executive Director, President & Chief Executive Officer

In FY2021 the Group managed to sell 4,984 properties with a total sales value of RM3.5 billion which is 53% higher than FY2020 and 23% higher than the target of RM2.875 billion set for the year.

The sales achieved was near the Group's historic high of RM3.7 billion attained in FY2017, notwithstanding the myriad challenges of the current operating environment due to uncertainties caused by the COVID-19 pandemic.

SALES ACHIEVED

Sales performance near historic high

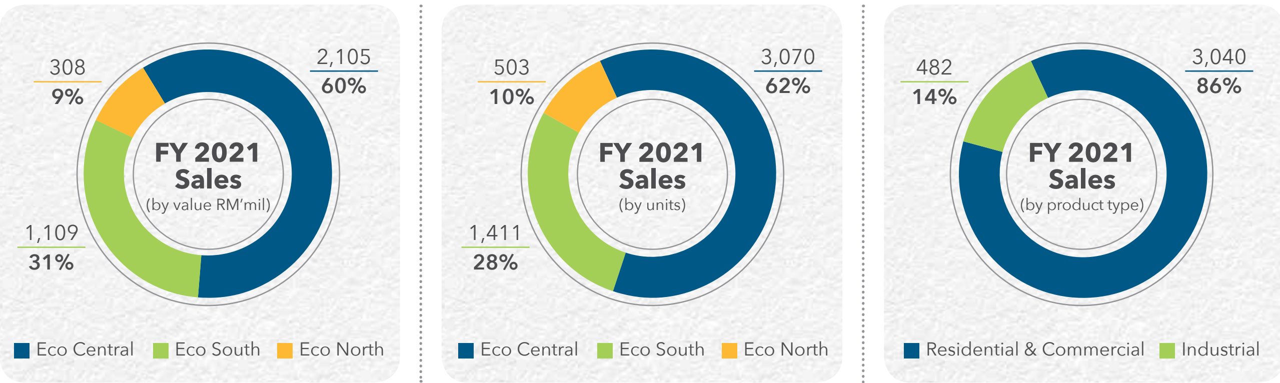


Notes:

** Adjusted for termination of BBCC Hotel Sale*

 # Adjusted for termination of proposed JV with PowerChina Group

All three regions (Eco Central, Eco South and Eco North) have substantially outperformed the targets set and strong increases were recorded across our Residential, Commercial and Industrial portfolios.

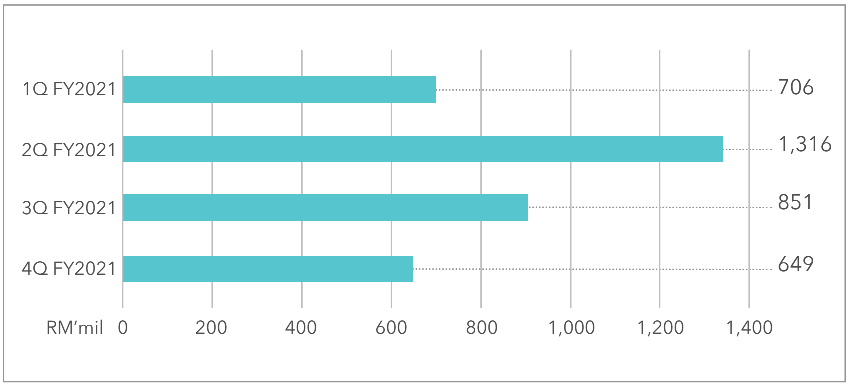


Eco Nest @ Eco Botanic

Demand for homes remained strong in 2021 with RM314 billion loans applied and RM109 billion worth of loans approved from January to November, despite the movement restriction period in June to August. Purchasers took advantage of the Home Ownership Campaign with stamp duty exemptions which was extended to 31 December 2021. The historic low Overnight Policy Rate of 1.75% also helped them secure lower interest rates for their mortgage financing.

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

SALES BREAKDOWN BY QUARTER



EcoWorld Malaysia's FY2021 sales result is evidence of the Group's success in reinventing our business model to suit the times by:

- Expanding the EcoWorld brand's product mix to offer a wide range of residential, commercial and industrial products that meet and anticipate the specific needs of each target market;
- Reaching out beyond our traditional customer base to gain a multi-generational and multi-ethnic following for the Group's landed and high-rise homes spread throughout the Klang Valley, Iskandar Malaysia and Penang; and
- Engaging closely with business owners, entrepreneurs and investors to understand their needs and develop innovative shops, offices, retail spaces and business parks that will support the growth of their businesses.

DIGITALISATION THE WAY TO GO

Underpinning the above efforts has been EcoWorld Malaysia's digital transformation journey. Our experience in 2020 during the first ever lockdown also taught us to further refine and integrate our sales process digitally to reduce turnaround time and provide a seamless home buying experience to customers.

We introduced the MyEcoWorld Property website, a platform that allows the purchaser to shop for their preferred EcoWorld property, view site plans and specifications, compare prices and select their preferred units.

The Group's efforts to go digital include the development of several apps for our residents and future customers, integrating sales as well as customer engagement with technology. Branding and marketing activities are carried out across a wide range of online and social media platforms, giving us better reach and improved engagement with all generations of consumers.

We introduced the MyEcoWorld Property website, a platform that allows the purchaser to shop for their preferred EcoWorld property, view site plans and specifications, compare prices and select their preferred units.

The EcoWorld Neighbourhood App was designed for the convenience of residents, helping them settle into community living and enabling them to access the various amenities available. We also established electronic bill payment systems, implemented eReceipts and ePayments for bank loans, and an online booking system for visits to our galleries and showrooms.

At the back end, robotic process automation is utilised to improve and increase efficiencies of work processes by reducing manual paperwork. For better planning and monitoring, a business intelligence app was developed to track real-time sales and help us project sales trends. End-financing loan applications and approvals are also tracked closely using digital tools – this enabled us to quickly replace prospective purchasers who were unable to meet the banks' strict criteria for loan approvals with ready buyers, thus improving the speed and effectiveness of the sales conversion cycle.

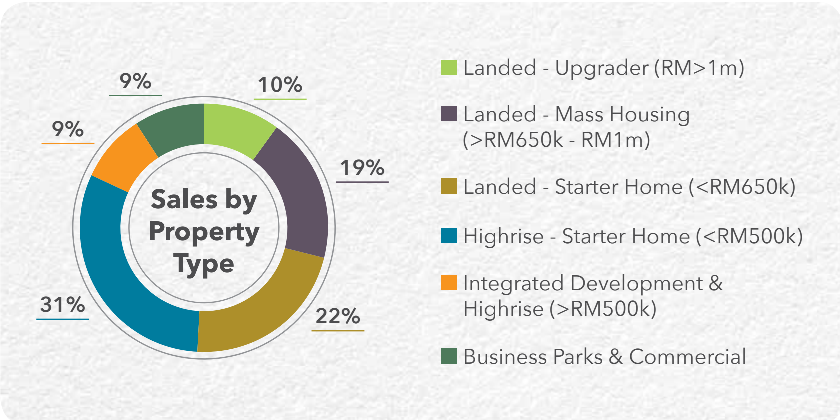
The Group's concerted push towards more comprehensive digitalisation over the years has therefore resulted in both time and resource cost savings, improving efficiency throughout our operations.

ECOWORLD BRAND PRODUCTS FOR EVERY SEGMENT

During the year under review, one new project, **Eco Botanic 2** situated at Iskandar Puteri was launched in March 2021. As at 31 October 2021, 698 units were sold with a total sales value of RM454 million.

Our new home designs at various ongoing projects have been well accepted with 236 units of ErgoHomes, Artisan Homes and Garden Homes sold in Eco Forest and 395 units of Co-Home sold at **Eco Grandeur** & **Eco Horizon** in FY2021. *duduk* apartments at **Eco Ardence** and **Eco Sanctuary** which were launched in September 2020, have attained almost 2,200 units in sales. More than 50% of products sold in FY2021 are priced below RM650,000, with strong take-ups by first time home buyers, young professionals and young families. This younger generation of homebuyers are attracted to our projects which offer them the type of lifestyles they seek complemented by well-developed infrastructure and comprehensive amenities.

SALES BY PROPERTY TYPE



Our efforts to widen the range of our product offerings to be able to offer a home at every price point has significantly increased the diversity of our customer base, which sustained our sales and overall economic performance. The growing multi-ethnic population of young upwardly mobile residents living in our townships also boosts commercial vibrancy thus helping accelerate value creation.

INDUSTRIAL PARKS

Not many are aware of the size of EcoWorld's industrial park operations in Iskandar Malaysia with 1,243 acres spread across three business parks. Along with another 519 acres in the Klang Valley, the Group's industrial portfolio spans 1,762 acres. As at October 2021, the remaining land bank dedicated to business parks is approx. 1,070 acres with a remaining GDV of RM6.8 billion.

Our industrial units are designed with a flexi-space concept which are customisable to cater to a wide range of businesses including manufacturing, warehousing, retail, logistics, IT & F&B where business owners can utilise the front of the unit as retail/showroom, have an office at the mezzanine floor and their production or warehouse at the back of the unit.

This is complemented by the one-stop business solution services offered by the Eco Business Park sales team which is especially helpful for foreign industrialists to assist them to get the necessary business licenses to operate in Malaysia. We also offer built-to-suit factories, ideal for larger or more specialised business operations, enabling the units to be fully customised to the purchaser's needs.

Active promotion of EcoWorld Malaysia's industrial products garnered strong take-ups from business owners and investors. At RM482 million, sales from industrial products in FY2021 is 119% higher than the previous year. Strong demand was experienced by all our business parks in Iskandar Malaysia and the Klang Valley driven by local business owners and industrialists.

The spurt in industrial demand was fueled by the big shift in consumer behaviour towards online purchasing in response to COVID-19 concerns and movement restrictions which accelerated the growth of e-retailing businesses. Accordingly, in both the warehousing and logistics sectors, business owners and investors were actively looking at this strong asset class as a sound investment.

Looking ahead to FY2022 we remain optimistic on the industrial product segment. The ongoing strength in domestic demand is expected to be bolstered by an increase in demand from foreign clients once international borders are reopened, which should result in continued good growth.

FINANCIAL REVIEW

EcoWorld Malaysia recorded revenue of RM2 billion, a slight increase from FY2020 despite various lockdown periods, mainly contributed by good work progress achieved on site. We also sold more completed and nearly completed properties in FY2021, hence we were able recognise a higher percentage of revenue upon sale.

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

Gross profit stood at RM423.3 million representing a year-on-year increase of 28% from FY2020. This came from higher gross profit margins of 21% recorded in FY2021 vs 17% in FY2020. The higher gross profit margin in FY2021 is mainly attributable to cost savings realised on completed phases whilst the lower gross profit margin in FY2020 was caused by a write down in inventories amounting to RM68 million in that year.

EcoWorld Malaysia's overall share of results from its joint ventures was approximately RM10 million lower, at RM145 million in FY2021 vs RM155 million in FY2020.

The Group's share of profits from its Malaysian joint ventures in FY2021 was 16.7% higher than in FY2020 as a result of strong sales and good progress on site notwithstanding several periods of restrictions imposed by the Government during the financial year to contain the spread of COVID-19. Collectively, the Malaysian joint ventures recorded a total of RM1,457.6 million in revenue in 4Q YTD 2021 of which the Group's effective share, based on its equity stakes in the respective joint ventures, amounted to RM749.8 million.

However, share of profits from EcoWorld International reduced from RM54 million to RM27 million in FY2021. The lower share of profits from EcoWorld International was due to losses recorded in its final quarter following:

- Additional incentives given to purchasers of properties developed by the EcoWorld Ballymore joint-venture and higher commissions paid to agents to accelerate sales.
- An impairment of £3.6m (approximately RM20.2 million) on inventories based on net selling prices reduced by the additional incentives and commissions mentioned above; and
- Write-off of £4.6m (approximately RM26.2 million) in abortive planning costs following a decision by EcoWorld International to not proceed with the acquisition of a development project under the EcoWorld London portfolio.

As a consequence of the above indicators of impairment, the Group reassessed the carrying value of its investment in EcoWorld International. Based on the reassessment, EcoWorld Malaysia recognised an impairment of RM57.3 million (which does not involve a cash outflow) on its investment in EcoWorld International.

Revenue
RM2
billion

Gross Profits
RM423.3
million

Share of Results from its Joint Ventures
RM145.0
million

PAT
RM182.7
million

EcoWorld International's Wardian London development next to Canary Wharf

LaLaport Bukit Bintang City Centre

Excluding the impact of the impairment of inventories last year and the impairment of the investment in EcoWorld International this year, the profit before tax from Malaysian operations in FY2021 is 28% higher than FY2020. This is reflective of substantially higher sales and margins achieved, continued financial discipline which contained selling and administrative costs, and lower finance costs following a reduction in borrowings during the financial year.

Balance sheet continues to strengthen further as cashflow generated from sales caused total borrowings to be reduced to RM2.9 billion from RM3.3 billion a year ago. Cash and bank balances also increased substantially to RM785 million. This has caused our net gearing to reduce significantly from 0.62 times as at 31 October 2020 to 0.44 times as at 31 October 2021.

Future Revenue remains high at RM3.5 billion as at 31 October 2021 which continues to provide both earnings visibility and cashflow certainty going forward.

BBCC – WHERE EXCITING THINGS AWAIT

One of the more exciting things coming up in the horizon is the opening of the Mitsui LaLaport retail mall at Bukit Bintang City Centre ("**BBCC**") followed by the handover of our first phase of residential apartments, strata offices as well as the completion of the Entertainment Block where the Sony Music Zepp Hall and Malaysia Grand Bazaar are located.

BBCC is shaping up to be a truly destinational hub for residents and visitors to Kuala Lumpur with the very best of retail, F&B, entertainment, arts and culture under one roof.

It is also hyper connected with road and rail infrastructure fully completed enabling great accessibility by both private and public transport. That all of this has been achieved in the midst of a worldwide pandemic speaks volumes of our team's execution capabilities, grit and resolve in staying focused on what they need to do come rain or shine. We look forward to welcoming everyone to this amazing development in early 2022.

BBCC is shaping up to be a truly destinational hub for residents and visitors to Kuala Lumpur with the very best of retail, F&B, entertainment, arts and culture under one roof.

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

Together We Create campaign visual

TOGETHER WE CREATE

While co-creating is not something new to us, the concept really began to take shape in 2019 when we explored the idea of homes for all generations, The Group's latest marketing campaign – **Together We Create**, will take this proposition to another level.

Our vision of *Creating Tomorrow & Beyond* is a collective effort. We are here to take every step of this journey with our customers – to co-create the lifestyle, business and community that match their aspirations. It's not just about building homes or spaces. It's about completing lifestyles and nurturing thriving and sustainable communities.

We see ourselves as our customers' co-creation partner. We provide design concepts and green innovations; our customers tell us their wants and needs. And together, we create a place that will serve them and their loved ones for generations.

Co-creating doesn't stop at just our purchasers. We have been engaging very actively not only with our customers but also good potential businesses that can add commercial life and economic vibrancy to our projects.

Our ***Bina Bersama*** Campaign in 2021 in collaboration with iMedia assisted aspiring entrepreneurs to get their businesses started at EcoWorld. We supported selected SMEs and start-ups who chose to come into our projects by giving out up to RM1 million worth of media value to help promote them. This is done via media partners that have a combined potential reach of 5.9 million users looking at digital advertisements online. It is one example of how we co-create value with our customers and broader community of tenants and business owners.

As a responsible business, we want our communities to be sustainable for a long time and to do so, we need to continually be there for our customers. From post purchase services that go the extra mile to make them feel right at home, we endeavour to take into account their every need so that at the end of the day, they walk away with more than just a building.

OUTLOOK AND PLANS FOR 2022

We are very encouraged by the strong sales achieved in all three key geographic regions that we are in as well as across market segments as it indicates the breadth and depth of fundamental demand for our projects and products.

We expect consumer and business confidence to be further boosted going forward in line with the full reopening of economic sectors based on the Government's National Recovery Plan. We are hopeful for an economic rebound in 2022 and have positioned ourselves well to be able to seize opportunities that may arise.

Based on the Group's performance since the EcoWorld brand first emerged and especially the rebound in sales momentum we experienced this year amidst an ongoing pandemic, it is clear that property demand is location, project and product specific.

The current demographics of the country with a large percentage of the population at the new family formation age is highly supportive of demand for new homes. The changing psychographic profile, where property purchasing decisions are largely informed by lifestyle needs and aspirations, also favour EcoWorld Malaysia's projects with our distinctive DNA, focus on sustainable living and commitment to excellence in execution and ongoing value creation.

These are some of the values that form the bedrock of our approach towards sustainability which goes beyond our stewardship of and care for the environment. The housing needs of the first-time home buyers, young professionals and young families will continue to be prioritised to ensure that they have access to liveable quality homes at affordable prices. Our success in meeting the lifestyle aspirations of this group has resulted in more than 70% of our customers being aged below 40 years. This sets a strong foundation for the long-term growth of our business as we can continue to serve their growing property needs as their investment capacity expands over time.

Backed by 19 ongoing projects, the Group has set a sales target of RM3.5 billion.

In FY2022, we also intend to further grow our share of the industrial park market. The attractive tax and other incentives offered by the Malaysian Government to increase foreign direct as well as local private investments in key industries and service sectors are expected to help attract more businesses to set up their operations in Malaysia once the international border for business travel relaxes.

Backed by 19 ongoing projects, a Group sales target of RM3.5 billion coupled with our high effective future revenue from locked-in sales as at 31 October 2021, EcoWorld Malaysia is therefore well positioned to be able to continue delivering sustainable growth to our shareholders in FY2022 and beyond.

Eco Business Park V

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

REVIEW OF OPERATIONS

FY2021 Sales Achieved
RM3.5 billion
53% above FY2020

Residential & Commercial
46%
higher VS FY2020

Eco Business Parks (Industrial)
119%
higher VS FY2020

FY2021 Revenue
RM2.04 billion
Achieved despite movement control order ("**MCO**") & full MCO

Malaysian JV FY2021 Results
RM118 million
Boosted by strong sales & good site progress

International JV FY2021 Results
RM27 million
Impacted by border closure affecting sales

FY2021 Profits
RM183 million
14% higher than FY2020

Net Borrowings
27% lower
Net Gearing **0.44**
as at 31 Oct 2021

Constant growth of Net Asset per Share
RM1.62
as at 31 Oct 2021

Future Revenue
RM3.5 billion
Strong Earning Visibility

EcoWorld Malaysia **RM3.2** billion + EcoWorld International **RM0.3** billion

FY2021 Dividend
2Q - 2 sen
4Q - 2 sen
Total - **4** sen per share

ECOWORLD MALAYSIA PROJECTS

ECO CENTRAL

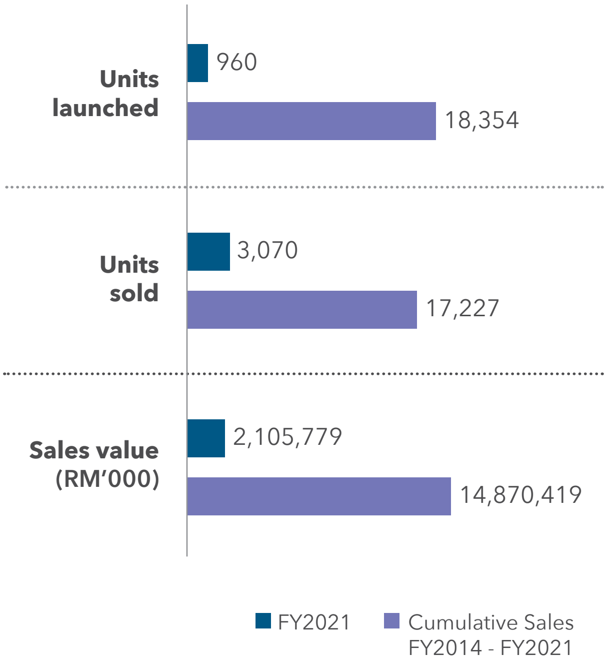
- Eco Sky
- Eco Majestic
- Eco Sanctuary
- Eco Grandeur
- Eco Ardence
- Bukit Bintang City Centre
- Eco Forest
- Eco Business Park V

Total Landbank

4,735.3 acres

Remaining Landbank

2,445.0 acres



Eco Majestic

PRESIDENT'S MANAGEMENT **DISCUSSION & ANALYSIS**

ECOWORLD MALAYSIA PROJECTS

ECO SOUTH

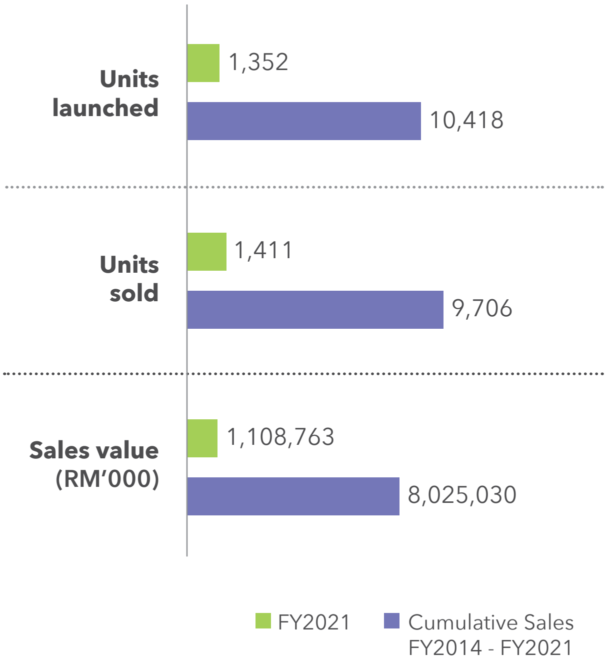
- Eco Botanic
- Eco Botanic 2
- Eco Tropics
- Eco Spring & Eco Summer
- Eco Business Park I
- Eco Business Park II
- Eco Business Park III

Total Landbank

3,119.1 acres

Remaining Landbank

1,553.3 acres

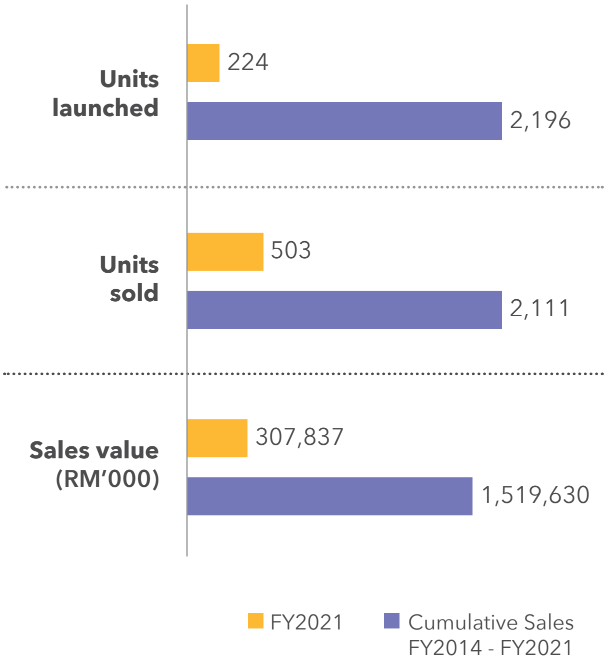


Eco Tropics

ECOWORLD MALAYSIA PROJECTS

ECO NORTH

- Eco Terraces
- Eco Meadows
- Eco Horizon



Total Landbank

463.9 acres

Remaining Landbank

297.8 acres

Eco Horizon

SUSTAINABILITY **STATEMENT**

2021 marks the 8th birthday of the EcoWorld brand and we present our fifth Sustainability Statement ("**Statement**") which sets out EcoWorld Malaysia's efforts over the years to embed elements of Environment, Social and Governance ("**ESG**") into our operations and in our engagement in and around our communities to promote a positive, sustainable future. This statement features key sustainability highlights for the reporting period from 1 November 2020 to 31 October 2021 and is to be read jointly with the standalone Sustainability Report which can be found on our corporate website www.ecoworld.my.

Our Sustainability Journey – At a Glance

FY2017

- Inaugural Sustainability Statement
- Adopted six United Nations Sustainable Development Goals ("**UNSDGs**")
- Identified 12 material matters

FY2018

- First standalone Sustainability Report
- Conducted a materiality re-assessment
- Established a Sustainability Policy as part of our Quality, Environment, Health Safety and Sustainability Policy and Guidelines
- Introduced the Green Realisation Plan

FY2019

- Introduced sustainability Key Performance Indicators ("**KPIs**")
- Engaged external and internal stakeholders to review and confirm the 12 material matters

FY2020

- Introduced the Integrated Reporting framework and the Value Creation Model which includes the Six Capitals
- Adopted two new UNSDGs

FY2021

- Formalised a standalone and overarching Sustainability Policy
- Enhanced the existing Sustainable Procurement Policy
- Adopted three new UNSDG bringing the total number of SDGs adopted to 11
- Identified 13 material matters and prioritised them through a materiality assessment involving both internal and external stakeholders
- Included additional elements of Integrated Reporting
- Introduced three new KPIs
- Collected and analysed fuel data for enhanced greenhouse gas reporting

SUSTAINABILITY GOVERNANCE

Our three-tier Sustainability Governance Framework is helmed by the Board of Directors, while the Sustainability Committee is the key driver of the Group's sustainability initiatives and reports progress half-yearly to the Board. The Committee is supported by the Economic & Governance Council, Green & Operations Council and Social Council. Members of the respective councils are appointed by the Sustainability Committee to assist in monitoring the implementation and achievement of key performance indicators set at the start of the financial year.

Eco Ardence

This year we introduced an enhancement to our Sustainability Governance Framework in the form of a new standalone Sustainability Policy, which has been endorsed by the Sustainability Committee and approved by the Board of Directors. The Sustainability Policy reflects our deep commitment to sustainability and aligns with the overall direction, vision, mission and core values of the Group.

SUSTAINABILITY **STATEMENT**

SUSTAINABILITY GOVERNANCE

Projects Under Review

The Sustainability Report scope this year covers the operations of EcoWorld Malaysia as a group, wherever indicated. We have also included special features focusing on:

- Bukit Bintang City Centre ("**BBCC**") as an urban regeneration case study a transit-oriented development seamlessly merging sustainable design and town planning to provide residential and entertainment offerings for urban dwellers;
- Eco Grandeur & Eco Business Park V – where environment and community combine to transform the Puncak Alam corridor, bringing economic and social development amid richly biodiverse surroundings;
- Eco Horizon's health and safety practices which garnered the Malaysian Occupational Safety and Health Practitioners (MOSHPA) Platinum Award for the Borealis precinct under the OSH Management on Property Development category; and
- Eco Spring's efforts to encourage biodiversity, preserve the natural topography and conserve resources.

Bukit Bintang City Centre, KL

Reporting Framework

Our standalone sustainability report has been prepared in accordance to Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements, with reference to the Sustainability Reporting Guide (2^{nd} Ed.).

As part of our incremental efforts to introduce elements of Integrated Reporting, this report has been structured around the International Integrated Reporting Council's Integrated Reporting framework. We have referred to the Global Reporting Initiative Standards – Core Option to define our ESG disclosures in this report.

Eco Horizon, Penang

Eco Spring, Iskandar Malaysia

We have adopted 11 of the 17 UNSDGs that are most relevant to our operations, where our efforts can have the greatest impact.

PARTNERSHIPS FOR THE GOALS

- Pursuing partnerships with NGOs and industry leaders to elevate our sustainability performance and accountability

PEACE, JUSTICE AND STRONG INSTITUTIONS

- Establishing clear, accessible policies and reporting mechanisms which outline our zero-tolerance for corruption, bribery, and discriminatory behaviour

LIFE ON LAND

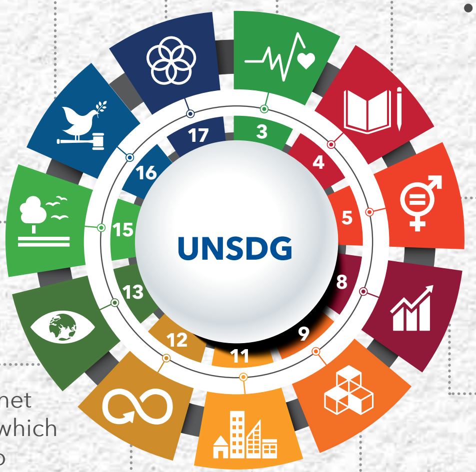
- Actively incorporating elements that will promote biodiversity and the preservation of local flora and fauna during the conceptualisation, masterplanning and project execution phases of each development

CLIMATE ACTION

- Embracing the needs of the planet through landscaping initiatives which protect mature trees and absorb carbon from the atmosphere

RESPONSIBLE CONSUMPTION AND PRODUCTION

- Utilising the Sustainable Procurement Policy to engage with suppliers who are like-minded with regards to promoting sustainability within the local economy and minimising adverse environmental impacts



GOOD HEALTH AND WELL-BEING

- Supporting the health and wellness of our staff through strong OHS policies and procedures, and health and safety training
- Supporting the health and well-being of our community through the implementation of stringent SOPs to control and mitigate the spread of COVID-19

QUALITY EDUCATION

- Prioritising the career development of our employees through training programmes
- Supporting underprivileged students to achieve their educational goals through the Eco World Foundation's Students Aid Programme

GENDER QUALITY

- Non-discriminatory hiring and remuneration practices promote fair and equal opportunity for all

DECENT WORK AND ECONOMIC GROWTH

- Providing a safe and conducive work environment for our employees, and supporting the local economy through our operations

INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Embedding innovative design features and green infrastructure into all our properties and projects

SUSTAINABLE CITIES AND COMMUNITIES

- Focusing on interconnectedness of our townships and developments, and building to fit the existing lay of the land

The three new SDGs adopted in FY2021 are SDG12: Responsible Consumption and Production, SDG15: Life on Land and SDG17: Partnerships for the Goals.

SUSTAINABILITY **STATEMENT**

MATERIAL SUSTAINABILITY MATTERS

As the pandemic has forced the business landscape to evolve, we felt that it was timely for us to conduct a reassessment of our material sustainability matters since the last assessment was conducted in 2018. The list of 12 material matters identified in FY2018 to represent our ESG risks and opportunities was reviewed and adjusted to reflect our current priorities. The resulting 13 material sustainability matters were then assessed using a weighted ranking method to determine their relative significance. This year, we extended the materiality assessment process to include representatives from key stakeholder groups, namely customers, employees, investors, suppliers/contractors, regulators, media and non-governmental organisations.

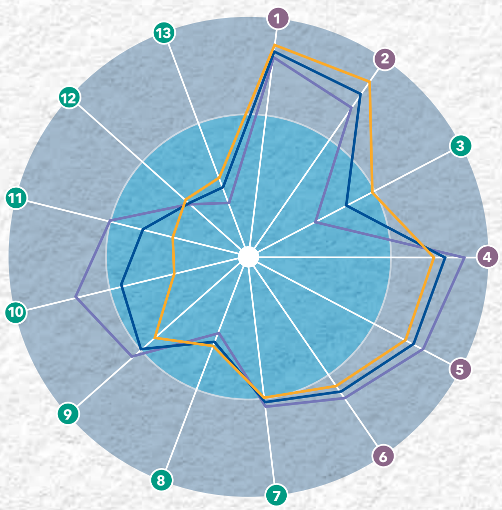
REVIEW
The list of material sustainability matters from FY2020 were reviewed for relevance to the Group's areas of risk and opportunity. The list of material matters was then adjusted to better represent the Group's current priorities and focus areas.

PRIORITISATION
A materiality re-assessment was conducted through an online workshop with members of the Sustainability Committee to prioritise the matters based on importance to the business. Key representatitves from our stakeholder groups were also engaged to provide their prioritisation of the material matters.

VALIDATION
Results were plotted on the materiality matrix and distributed to the Sustainability Committee for confirmation and Board approval.

The materiality assessment process yielded the following materiality matrix:

EcoWorld Malaysia Materiality Matrix FY2021



Average Importance
Importance to Stakeholders
Importance to Business

EcoWorld Malaysia's Material Sustainability Matters
Top 5 Material Sustainability Matters
Very High Importance
Moderate Importance

1. Customer Experience and Brand Reputation
2. Economic Performance
3. Supply Chain Management
4. Corporate Governance and Transparency
5. Occupational Safety and Health
6. Talent Management
7. Labour Practices and Decent Work
8. Community Development
9. Sustainable Design
10. Climate Change
11. Material and Waste Management
12. Water Stewardship
13. Biodiversity

To demonstrate the interconnectedness of our sustainability efforts, the 13 material sustainability matters as listed below have been categorised against the Six Capitals of Integrated Reporting, and mapped to the relevant stakeholder groups and the adopted SDGs.

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
FINANCIAL CAPITAL			
Economic Performance	• Investors • Employees	8 DECENT WORK AND ECONOMIC GROWTH	• Diversified product offerings that appeal to a multi-generational customer base • Practising strict financial discipline in the management of our operations, to ensure stability and sustainability of our business • Total economic value generated in FY2021 was RM535.9 million
MANUFACTURED CAPITAL			
Supply Chain Management	• Contractors/ Vendors/Suppliers • Customers	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Updated and disclosed our Sustainable Procurement Policy to serve as a guide to our supply chain partners • Preference for local suppliers and contractors to benefit local economy and reduce carbon footprint • Pre-qualification process for building material suppliers to assess financial strength and track record • Annual supplier evaluations to monitor performance
HUMAN CAPITAL			
Corporate Governance and Transparency	• Regulators • Employees	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Established Code of Conduct & Business Ethics, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy • Anti-Corruption compliance programme led by Integrity Team headed by the Chief Financial Officer and reporting to the Audit Committee • Robust risk management and compliance framework in place
Occupational Health and Safety	• Employees • Regulators	3 GOOD HEALTH AND WELL-BEING	• Vaccinations secured under the EcoWorld Corporate Vaccination Programme for 8,398 individuals including staff and their family members, contractors and their workers (local and foreign) and other business associates • COVID-19 safety protocols put in place including the COVID-19 e-Guidebook, and provision of personal protective equipment and self-test kits for all staff • 85% of sites have obtained ISO 14001 (Environmental Management Systems) certification

SUSTAINABILITY **STATEMENT**

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
Talent Management	• Employees	8 DECENT WORK AND ECONOMIC GROWTH	• Commitment to diversity and inclusion in the workforce • Employees hired and promoted based on performance and individual merit • Zero tolerance for discrimination, bullying and harrassment based on age, gender, ethnicity, religion, sexual orientation, nationality, or disability • Training offered to all staff, customised to the skill requirements of their role and employment category within the Group • Staff engagement initiatives including health and wellness programmes and festive celebrations
Labour Practices and Decent Work	• Employees • Regulators • Contractors/ Vendors/Suppliers	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• Strict adherence to the Malaysian Employment Act 1955 which prohibits child labour and forced labour, and compliance with all requirements of the Minimum Wages Order 2020 • Adopted centralised labour quarters concept for workers' accommodation at site and limit the number of workers for each allocated quarter to ensure they have conducive living spaces

INTELLECTUAL CAPITAL

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
Sustainable Design	• Customers • Non-Governmental Organisations • Investors	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	• Integration of sustainability concepts into project masterplans • Universal design features incorporated in galleries, clubhouses and show houses to provide easy access to all visitors, including elderly and differently abled • Installation of smart meters in phases • Shift towards digitalisation of sales and operational processes

NATURAL CAPITAL

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
Climate Change	• Non-Governmental Organisations • Customers • Media • Regulators	13 CLIMATE ACTION 15 LIFE ON LAND	• Launched Low Carbon City initiative which will measure the carbon footprint of our developments and enable determination of carbon offsets through landscaping initiatives • Successful completion of the carbon sequestration pilot study to estimate the overall biomass carbon (C) and CO_2 captured by urban greenscapes at Eco Ardence. Results indicate that as at 2021 the total carbon capture of Eco Ardence can be estimated at 1,008 tonnes of CO_2. Plan to expand this pilot study to unlock the carbon sink potential at our other development sites in the coming years • Monitoring of energy consumption by all EcoWorld premises and fuel consumption of EcoWorld's fleet of vehicles to enable full disclosure of scope 1 and scope 2 greenhouse gas emissions

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
Biodiversity	• Non-Governmental Organisations • Customers	11, 15	• Ongoing efforts to salvage and replant native trees at project sites (3,226 trees saved across all developments to date) • Creating balanced ecosystems and habitats for wildlife through landscape design • To date, we have planted over 75,000 trees and 8.5 million shrubs
Material and Waste Management	• Regulators Non-Governmental • Organisations	11, 12	• Practise good procurement planning and continued innovation to ensure resource consumption is optimised • Reusing and recycling waste material to reduce diversion of waste to landfills • Diligent tracking and monitoring of scheduled waste
Water Stewardship	• Regulators Non-Governmental • Organisations	11	• Use of alternative water sources for landscape maintenance • Monitoring of water consumption at all EcoWorld premises for improved accountability on the stewardship of water resources

SOCIAL AND RELATIONSHIP CAPITAL

Material Sustainability Matters	Key Stakeholder Groups	UNSDGs	Management Approach and Highlights
Customer Experience and Brand Recognition	• Customers • Media • Investors	9	• Digital marketing campaigns conducted via social and digital media to resonate with customers of all ages, ethnicities and backgrounds • Customer feedback is actively sought via the Customer Satisfaction Surveys
Community Development	• Non-Governmental Organisations • Regulators	3, 4, 17	• COVID-19 support programmes conducted to provide financial assistance to those hard hit by the pandemic • Continuation of Students Aid Programme, including mental health check-ins with students who may have experienced isolation during lockdowns • Reinstated community engagement programmes (such as blood donation drives) once permitted by the authorities, with proper COVID-19 safety protocols in place • Joined the United Nations Global Compact as a member in view of collaborating and contributing towards achievement of the SDGs • Organised flood relief efforts and provided financial aid to victims in the aftermath of the December 2021 floods

SUSTAINABILITY **STATEMENT**

IDENTIFYING & MANAGING RISKS AND OPPORTUNITIES

The Group adopts a holistic and integrated view on managing its risks and opportunities, beyond the traditional, functional, or departmental parameters. The Group's Enterprise Risk Management ("**ERM**") Framework is benchmarked against ISO 31000:2018 and it considers the full spectrum of Group's risks (both financial and non-financial) which are linked to our ESG practices and priorities. The table below summarises the Group's key risks which are mapped against our identified material sustainability matters:

Key Risks	Description	Key Mitigation Measures	Material Sustainability Matters	Risk Trend
Acquisition of unsuitable land	Risk of acquiring land with hidden adverse topography or encumbrances, or land which could not be developed feasibly to achieve the desired return	• Conduct thorough feasibility studies and market surveys prior to each acquisition • Avoid over-concentration of investment in one project • Commit to only source from deforestation-free and non-peat lands for its future development needs	• Supply chain management • Community development • Biodiversity	⇔
Liquidity	Risk of the Group being unable to generate sufficient cash flow to meet its financial obligations	• Close monitoring of cash flow requirements and continuous financial planning • Regularly explores new funding opportunities in capital market • Continuously be aware of banks' lending appetite and preferred loan profile • Prioritise selling of unsold completed stocks to enhance liquidity • Group-wide cost rationalisation	• Economic performance	⇔
Weak market sentiment	The Group's sales performance is dependent on the performance of the property market	• Providing value-added products and quality services, with more innovative and aggressive marketing strategies • Enter into joint ventures with suitable partners to gain accelerated and more extensive access to target markets • Embark on digitalisation journey to enhance customers experience via online sales booking • Continue to focus on landed properties and affordable homes where demand is still resilient	• Economic performance • Customer experience and brand recognition	⇧
Increasing cost of construction	The ability of the Group to achieve the desired profitability is directly affected by the cost of construction	• Through the Group's trading arm, source for alternative supplies and increase the pool of suppliers to provide eco-friendly building materials and goods at competitive prices by consolidating the materials purchase requirements of all on-going projects • Effective and transparent open tenders for award of construction contract • In-depth cost estimates for each project prior to tender to ensure that the Group gets the best pricing • Variation order management • Value management and re-engineering to bring down overall cost in the event of cost overruns	• Material and waste management • Supply chain management • Sustainable design	⇧

Key Risks	Description	Key Mitigation Measures	Material Sustainability Matters	Risk Trend
Non-performing contractors	Risk associated with product quality, health and safety practices and project delays	• Robust contractor selection and evaluation process. Contractors are assessed in terms of quality, on-time delivery, financial capability and environmental consciousness • Close monitoring of contractors' performance during construction, in terms of timelines, quality of work and health and safety practice at site	• Supply chain management • Labour practices and decent work	⇔
Lack of interest from investors	Risk of inability to secure investors for the Group's projects with large commercial content	• Design project master plans with right product mix, supported with market research and intelligence on the surrounding area • Experienced leasing team to actively source for tenants through a match-making service. This value-added service also helps the Group to determine the quality of tenants occupying the commercial area	• Economic performance • Customer experience and brand recognition	⇔

For more information on the Group's risk management practices and key risks, refer to the Statement on Risk Management and Internal Control.

Eco Majestic

SUSTAINABILITY **STATEMENT**

KEY PERFORMANCE INDICATORS

We present below a quick snapshot of the Sustainability KPI results for 2021. In addition to the eight KPIs established in 2019, we introduced three new KPIs this year, covering areas related to climate change, workplace safety, and building partnerships for sustainable development. Out of the 11 KPIs established, seven were achieved, three not achieved while one remained frozen.

KPI	Target	Progress from Previous Years	FY2021 Achievement
GREEN DESIGN, ENERGY AND HABITAT CONSERVATION			
Green Building Certification	Obtain a minimum "certified" rating from a Green Building Certification body for all new and existing projects.	FY2019 – Provisional Building and Construction Authority Green Mark certification for **Eco Grandeur**. FY2020 – No new projects.	**Eco Forest** received provisional Green Building Index ("**GBI**") certification in June 2021. Approximately **70%** of EcoWorld projects are now certified under GBI, Green Mark, or Leadership in Energy & Environmental Design ("**LEED**"). Refer to Sustainability Report for additional detail.
Accessibility for electric vehicles	Install at least one electric vehicle charging station at each EcoWorld Malaysia premise.	FY2019 – **72%** of EcoWorld premises have installed at least one electric vehicle charging station. FY2020 – **80%** of EcoWorld premises have installed at least one electric vehicle charging station.	**87%** of EcoWorld premises have installed at least one electric vehicle charging station, with the installation of EV charging stations at LaLaport BBCC, Eco Business Park II sales gallery and Eco Tropics & Eco Business Park III sales gallery.
Providing open spaces and natural environment	Dedicate at least 15% of development area to open green spaces.	FY2019 – open green spaces comprised **24%** of development area. FY2020 – open green spaces comprised **27%** of development area.	Open green spaces currently comprise **22%** of development area. Refer to Sustainability Report for additional detail.
Growing valuable and quality foliage	Plant at least 10% edible fruit trees and 10% edible shrubs across all developments (of the overall tree coverage and shrubbery coverage planned).	FY2019 – **23.2%** edible fruit trees and **30.5%** edible shrubs. FY2020 – **23%** edible fruit trees and **30%** edible shrubs.	**23%** of edible fruit trees and **30%** edible shrubs planted.
Climate change	To measure how the landscaping at EcoWorld Malaysia developments can be applied as carbon sinks.	New KPI for FY2021.	Preliminary results of the carbon study pilot project show that 77 tonnes of CO_2 are captured for every 1km of streetscape at Eco Ardence, totalling 1,008 tonnes across the development, since the planting of its greenery in 2017. Refer to Sustainability Report for additional detail.

KPI	Target	Progress from Previous Years		FY2021 Achievement
TALENT ATTRACTION AND RETENTION				
Employee turnover	To record a staff attrition rate below 12%.	FY2019 – **10.8%** attrition rate. FY2020 – **8.7%** attrition rate.	KPI Not Achieved	**16.9%** attrition rate. Refer to Sustainability Report for additional detail.
Employee satisfaction	To achieve a Peoples Heartbeat Survey overall engagement score of 85% or higher.	FY2019 – Score of **89%**. FY2020 – Score of **88.6%**.	KPI Not Achieved	The Peoples Heartbeat Survey has not been conducted in FY2021. Refer to Sustainability Report for additional detail.
TRAINING AND DEVELOPMENT				
Opportunities for employee training	For 81.6% of staff to attend training.	FY2019 – **99.3%** of staff attended training. FY2020 – **99.3%** of staff attended training.	KPI Achieved	**82.1%** of staff attended training. The drop in training can be attributed to a focus on meeting business objectives for the year.
Workplace Safety	Zero workplace fatalities, including contractors, across all project sites.	New KPI for FY2021.	KPI Not Achieved	One workplace fatality occurred in FY2021. Refer to Sustainability Report for additional detail.
COMMUNITY DEVELOPMENT				
Contributing to the local community	To record six hours of corporate social responsibility ("**CSR**") activity time per employee.	FY2019 – **Nine** hours of CSR activity time per employee. Target frozen in FY2020 due to the COVID-19 pandemic.	KPI On Hold	Target has remained frozen for FY2021 due to the COVID-19 pandemic, which prevents us from recording in-person CSR hours for employees. However, extensive efforts have been made for community engagement despite the restrictions. Refer to Sustainability Report for additional detail.
Partnerships for Sustainable Development	To actively engage with organisations that share common sustainability goals.	New KPI for FY2021.	Ongoing Progress	Became a member of The United Nations Global Compact, Malaysia Chapter in April 2021. Industry Collaboration between Taylor's University and EcoWorld Malaysia to provide constructive feedback on micro-credentials on Sustainable Construction soon to be offered under its School of Architecture, Building and Design.

KPI Achieved **KPI Not Achieved** **Ongoing Progress** **KPI On Hold**

CONCLUSION

Team EcoWorld's resilience and collaborative spirit has enabled us to overcome the challenges presented by the post-pandemic business environment and emerge stronger, demonstrating EcoWorld's commitment to being a sustainable business. We remain committed to advancing our sustainability targets and initiatives and contributing actively towards the achievement of the global sustainability goals.

PROFILE OF **DIRECTORS**

TAN SRI ABDUL RASHID BIN ABDUL MANAF

Founder & Non-Independent Non-Executive Director

Malaysian | Male | 75

Date of Appointment/Redesignation
- 29 November 2013 - Non-Independent Non-Executive Chairman
- 20 March 2015 - Re-designated as Founder & Non-Independent Non-Executive Director

Membership of Board Committee(s)
Nil

Academic/Professional Qualification/Membership(s)
Barrister-at-Law (Middle Temple London)

Other Present Directorship(s)
Listed Companies
- Chairman of Salcon Berhad
- Chairman of Perak Corporation Berhad

Public Company
Nil

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

TAN SRI DATO' SRI LIEW KEE SIN

Executive Chairman

Malaysian | Male | 63

Date of Appointment/Redesignation
- 5 May 2014 - Non-Independent Non-Executive Director
- 20 March 2015 - Re-designated as Non-Independent Non-Executive Chairman
- 1 April 2020 - Re-designated as Executive Chairman

Membership of Board Committee(s)
Nil

Academic/Professional Qualification/Membership(s)
- Bachelor of Economics Degree (Business Administration), University of Malaya
- Honorary Doctorate of Entrepreneurship, INTI International University
- Honorary Doctorate of Philosophy in Entrepreneurship, MAHSA University
- Honorary Doctor of University, Heriot-Watt University Malaysia

Other Present Directorship(s)
Listed Company
- Executive Vice Chairman of Eco World International Berhad

Public Company
Nil

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

Awards
- UK-Malaysia Business Personality of the Year by the British Malaysian Chamber of Commerce - Business Excellence Awards 2018
- Malaysia Country Winner (2011) and Judge (2014 & 2015) at the Ernst & Young World Entrepreneur of the Year Awards
- Numerous corporate and industry awards for entrepreneurship, philanthropy and for showing exemplary leadership in building businesses and creating value

DATO' LEONG KOK WAH

Non-Independent Non-Executive Deputy Chairman

Malaysian | Male | 68

Date of Appointment
- 29 November 2013

Membership of Board Committee(s)
Nil

Academic/Professional Qualification/Membership(s)
- Master of Business Administration (MBA), University of Hull, United Kingdom
- Member of Institute of Bankers, United Kingdom
- Member of Asian Institute of Chartered Bankers
- Member of Institute of Credit Management, United Kingdom
- Member of Institute of Marketing, United Kingdom

Other Present Directorship(s)
Listed Company
- Salcon Berhad

Public Company
Nil

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

DATO' CHANG KHIM WAH

Executive Director, President & Chief Executive Officer

Malaysian | Male | 57

Date of Appointment/Redesignation
- 7 October 2013 - Executive Director
- 12 December 2013 - Re-designated as Executive Director, President & Chief Executive Officer

Membership of Board Committee(s)
Nil

Academic/Professional Qualification/Membership(s)
- Bachelor of Engineering, University of New South Wales, Australia
- Professional Engineer registered with the Board of Engineers, Malaysia
- Member of the Institute of Engineers, Malaysia
- Member of the Institute of Engineers, Australia

Other Present Directorship(s)
Listed Company
- Eco World International Berhad

Public Companies
- Eco World Capital Assets Berhad
- Eco World Capital Services Berhad

Skills and Experience
- Over 30 years of experience in the property development industry
- Director and Executive Vice President of S P Setia group of companies (southern and northern property divisions including its offices in Singapore and Indonesia) (2007-2013)
- Joined S P Setia in 1994 and promoted to be the General Manager of Property South in 2000
- Joined KTA-Tenaga Sdn. Bhd. as Civil Engineer, one of the biggest consultancy firms in Malaysia, specialising in dam designs and water supply systems (1991-1994)
- Consultant Engineer of Lyall & Macoun Consulting Engineers, in Australia (1989-1991)

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

PROFILE OF **DIRECTORS**

LIEW TIAN XIONG

Executive Director, Deputy President & Deputy Chief Executive Officer

Malaysian | Male | 30

Date of Appointment
- 29 November 2013 - Executive Director
- 1 January 2022 - Deputy President & Deputy Chief Executive Officer

Membership of Board Committee(s)
Nil

Academic/Professional Qualification/Membership(s)
- Bachelor of Commerce, University of Melbourne, Australia

Other Present Directorship(s)
Listed Company
Nil

Public Company
Nil

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

DATUK HEAH KOK BOON

Executive Director & Chief Financial Officer

Malaysian | Male | 54

Date of Appointment
- 28 November 2013

Membership of Board Committee(s)
- Chairman of Whistleblowing Committee

Academic/Professional Qualification/Membership(s)
- Bachelor of Commerce (majoring in Accounting and Commercial Law), University of Melbourne, Australia
- Chartered Accountant of Malaysian Institute of Accountants

Other Present Directorship(s)
Listed Company
Nil

Public Companies
- Eco World Capital Assets Berhad
- Eco World Capital Services Berhad

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

TANG KIN KHEONG

Senior Independent Non-Executive Director

Malaysian | Male | 66

Date of Appointment
- 29 November 2013

Membership of Board Committee(s)
- Chairman of Audit Committee
- Member of Remuneration Committee
- Member of Nomination Committee

Academic/Professional Qualification/Membership(s)
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Other Present Directorship(s)

Listed Company
Nil

Public Company
Nil

Skills and Experience
- Practicing accountant for 28 years and a licensed auditor until 2019
- Worked with public listed companies and owner managed businesses, in the areas of auditing, accounting, litigation support and business advisory services
- Provide litigation support and business advisory services (2019-present)
- Sole practitioner (2014-2019)
- Malaysian Managing Partner of Mazars (2008-2013)
- Led the merger of the Kuala Lumpur office of Moores Rowland with Mazars (2008)
- Practicing accountant at Moores Rowland (1989-2008)
- Head of internal audit at Cold Storage (Malaysia) Berhad (1986-1989)
- Seconded to Turquand Youngs & Co's office in New Haven, Connecticut, USA (1983-1984)
- Completed 4-year articleship at Turquand Youngs & Co (an antecedent firm of Ernst & Young), followed by positions in audit. Left as Audit Manager (1976-1986)

DATO' IDROSE BIN MOHAMED

Independent Non-Executive Director

Malaysian | Male | 65

Date of Appointment
- 29 November 2013

Membership of Board Committee(s)
- Chairman of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee
- Member of Whistleblowing Committee

Academic/Professional Qualification/Membership(s)
- Bachelor's Degree in Civil Engineering (UiTM)

Other Present Directorship(s)

Listed Company
Nil

Public Company
Nil

Skills and Experience
- Over 40 years of extensive experience in planning, engineering, construction, project and infrastructure implementation as well as services and operations management
- Currently sits on the Board of several private limited companies
- Held the reins of several public listed and government linked companies as their Managing Director or CEO before his retirement (1996-2010) such as:
  - PLUS Expressways Berhad
  - Pos Malaysia Berhad
  - Prasarana Malaysia Berhad
- As Head of Engineering and Operations, thereafter the Managing Director of a private concession company, involved in the construction of a multi-billion ringgit expressway (1994-1996)
- Was in the government service and from 1983 onwards, was part of a team involved in the planning and implementation of the multi-billion ringgit North-South Expressway (1978-1994)

PROFILE OF **DIRECTORS**

DATO' HAJI OBET BIN TAWIL

Independent Non-Executive Director

Malaysian | Male | 67

Date of Appointment
- 21 August 2014

Membership of Board Committee(s)
- Member of Nomination Committee

Academic/Professional Qualification/Membership(s)
- Bachelor of Economics Degree (Analytical Economics), Universiti Kebangsaan Malaysia

Other Present Directorship(s)

Listed Company
- SHH Resources Holdings Berhad

Public Company

Nil

Skills and Experience
- Was The State Secretary of Johor until his retirement (2011-2014)
- Former member of the Iskandar Regional Development Authority
- Held the directorships in the following companies (2011-2014):
  - Johor Corporation
  - Universiti Teknologi Malaysia
- Director of Johor Land and Mines Department (2006-2011)
- Served in the public sector in various government agencies (1979-2014) including Land offices of Mersing, Kluang and Muar

DATO' NOOR FARIDA BINTI MOHD ARIFFIN

Independent Non-Executive Director

Malaysian | Female | 75

Date of Appointment
- 20 March 2015

Membership of Board Committee(s)
- Chairperson of Remuneration Committee
- Member of Audit Committee
- Member of Nomination Committee

Academic/Professional Qualification/Membership(s)
- Barrister-at-Law (Gray's Inn), United Kingdom

Other Present Directorship(s)

Listed Company

Nil

Public Company

Nil

Skills and Experience
- Chairman of Pembangunan Sumber Manusia Berhad (2018-2020)
- Director of S P Setia (2009-2015)
- Held the following roles (2000-2008):
  - Member of the Permanent Court of Arbitration, based at The Peace Palace in The Hague, The Netherlands
  - Ambassador of Malaysia to the Kingdom of the Netherlands
  - The Malaysian Co-Agent to the International Court of Justice for Pulau Ligitan and Pulau Sipadan Case against Indonesia; and Pulau Batu Puteh dispute between Malaysia and Singapore
  - The Malaysian Permanent Representative to the Organisation for the Prohibition of Chemical Weapons (OPCW), in The Hague
  - Chair of the 8th Conference of States Parties of the Chemical Weapons Convention ("**Convention**") and the Drafting Group on the Political Declaration at its First Review Conference of the Convention
- Held the following key positions in the public service spanning over 40 years (1971-2011) before her retirement:
  - Special Adviser on Maritime Issues to the Minister of Foreign Affairs Malaysia
  - Alternate Director at the Maritime Institute of Malaysia (MIMA)
  - Director-General of the Research, Treaties and International Law Department of the Ministry of Foreign Affairs
  - Ambassador-At-Large for the High-Level Group on Follow-up to the ASEAN Charter (HLEG)
  - Director of the Women and Development Programme, Human Resource and Development Group at the Commonwealth Secretariat in London
  - The Under-Secretary of the newly formed Territorial and Maritime Division of the Foreign Ministry
  - Head of the Legal Division of the Ministry (1993)
- Served in various capacities in the Malaysian judicial and legal service:
  - Magistrate, Senior Assistant Registrar in High Courts of Kuala Lumpur and Penang
  - Sessions Court judge
  - Legal Officer with the Economic Planning Unit of the Prime Minister's Department
  - Director of the Legal Aid Bureau

LOW MEI LING

Independent Non-Executive Director

Malaysian | Female | 60

Date of Appointment
- 29 March 2018

Membership of Board Committee(s)
- Member of Audit Committee
- Member of Whistleblowing Committee

Academic/Professional Qualification/Membership(s)
- Master of Business Administration (MBA) in Finance (CASS Business School, City, University of London)
- Bachelor of Science (Hons) in Banking & International Finance (CASS Business School, City, University of London)

Other Present Directorship(s)

Listed Company

Nil

Public Company

Nil

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

MRS LUCY CHONG

Independent Non-Executive Director

Malaysian | Female | 65

Date of Appointment
- 20 May 2020

Membership of Board Committee(s)

Nil

Academic/Professional Qualification/Membership(s)
- Bachelor Degree (Economics), First Class Honours, University of Malaya

Other Present Directorship(s)

Listed Company

Nil

Public Company
- Good Shepherd Services

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

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

PROFILE OF **DIRECTORS**

SAR SAU YEE

Independent Non-Executive Director

Malaysian | Female | 65

Date of Appointment
- 1 October 2021

Membership of Board Committee(s)
Nil

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

Other Present Directorship(s)
Listed Company
Nil

Public Company
Nil

Skills and Experience
- Over 40 years of experience as an Advocate & Solicitor, dealing mainly with real estate transactions
- Consultant with Shearn Delamore & Co (1 January 2022-present)
- Commenced pupillage with Shearn Delamore & Co in 1978 with her last position held as Partner and Head of the Real Estate Practice Group prior to her retirement as a Partner on 31 December 2021. She had a short stint as a legal officer with an international petroleum company from September 1987 to February 1988 (1978-2021)

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

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

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

(iii) None of the Directors have been convicted of any offence within the past 5 years (other than traffic offences, if any), nor public sanction or penalties imposed by the regulatory bodies during the financial year ended 31 October 2021.

(iv) The attendance of the Directors at Board Meetings held during the financial year ended 31 October 2021 is disclosed in the Corporate Governance Overview Statement.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' SERI SUNDARAJOO A/L SOMU

Deputy President and Deputy Chief Executive Officer

Malaysian | Male | 59

Date of Appointment(s)
- 6 February 2015 - Chief Operating Officer ("**COO**")
- 1 January 2019 - Deputy President and Deputy Chief Executive Officer

Academic/Professional Qualification/ Membership(s)
- Master of Business Administration from Nottingham Trent University, United Kingdom

Skills and Experience
- Involved in the Malaysian property industry for over 33 years
- COO of Eco World Development Sdn. Bhd. ("**EWD**") (2012-2015), a position held prior to the completion of a corporate exercise undertaken between EWD and EcoWorld Malaysia
- Divisional General Manager of S P Setia Group's Property Division (North), pioneered S P Setia's business in Penang and spearheaded numerous projects, beginning with the launch of its maiden project - the 112.6 acre Setia Pearl Island in Bayan Lepas (1990-2012)

LOW THIAM CHIN

Chief Executive Officer, Bukit Bintang City Centre

Malaysian | Male | 53

Date of Appointment(s)
- 1 August 2017

Academic/Professional Qualification/ Membership(s)
- Chartered Accountant of Malaysian Institute of Accountants
- Chartered Management Accountant of Chartered Institute of Management Accountants, United Kingdom

Skills and Experience
- 25 years of experience in accounting and finance within the property development industry
- Held various positions under EcoWorld Malaysia:
  - Deputy CEO of Bukit Bintang City Centre (2016-2017)
  - General Manager in charge of one of the Group's projects in the Klang Valley (2015-2016)
- Head of Finance, Business Development and Management Information System of EWD (2012-2015)
- Held several positions under S P Setia:
  - General Manager in charge of business development (2010-2012)
  - Group Accountant involved in numerous prominent projects namely Setia Alam (Shah Alam), Setia Eco Lakes (Vietnam), SetiaWalk (Puchong) and KL Eco City (next to Mid Valley) (2000-2010)
- Attached to property division of IJM Corporation Berhad (1991-2000)

PROFILE OF **KEY SENIOR MANAGEMENT**

HO KWEE HONG

Divisional General Manager,
Eco Central

Malaysian | Female | 46

Date of Appointment(s)
- 1 July 2016

Academic/Professional Qualification/ Membership(s)
- Master of Science in Water Resources Engineering from University Putra Malaysia
- Bachelor of Civil Engineering from University Putra Malaysia

Skills and Experience
- A qualified engineer with more than 21 years of experience in consultancy, construction and property development industries
- Setting the strategic direction of the projects and overseeing the development of Eco Sanctuary, Eco Grandeur, Eco Business Park V, Eco Ardence and Eco North projects of EcoWorld Malaysia (2016-present)
- In charged of the following in S P Setia (2003-2016):
  - Spearheaded the team in formulation of strategic direction of group-wide product & service quality programme
  - Led the award-winning property division in overall master planning, product development, sales & marketing, credit control, programming, budgeting and implementation of developments
- Design Engineer in various mega infrastructure projects in Malaysia such as Kelantan River Flood Forecasting, Electrified Double Track and SMART Tunnel (2000-2003)

PHAN YAN CHAN

Divisional General Manager,
Eco South

Malaysian | Male | 52

Date of Appointment(s)
- 1 May 2013

Academic/Professional Qualification/ Membership(s)
- Chartered Accountant of Malaysian Institute of Accountants
- Fellow of the Association of Chartered Certified Accountants, United Kingdom

Skills and Experience
- More than 30 years of experience in property development industry
- Overseeing the following in Eco South (2013-present):
  - Development of Eco Spring, Eco Summer and Eco Tropics projects
  - Development of Eco Botanic and Eco Business Park projects in Iskandar Malaysia
  - Formulation of sales and marketing strategies, overall project coordination, quality control and every aspect of property development in Johor Bahru
- Divisional General Manager of S P Setia in charge of projects in Johor Bahru, namely Setia Indah, Setia Tropika and Setia Eco Cascadia with a combined GDV of approximately RM10 billion (2007-2013)

YAP YOKE CHING

Divisional General Manager,
Eco Central

Malaysian | Female | 48

Date of Appointment(s)
- 1 July 2016

Academic/Professional Qualification/ Membership(s)
- Bachelor Degree in Business Administration from RMIT University, Melbourne, Australia

Skills and Experience
- Overseeing the development of Eco Majestic, Eco Sky and Eco Forest projects (2016-present)
- Held the following positions in S P Setia (2004-2012):
  - Deputy General Manager in charge of the Setia Alam project, an award winning township in the Klang Valley
  - Head of Sales and Marketing of numerous development projects, namely Pusat Bandar Puchong, Bukit Indah Johor, Setia Putrajaya, Setia Alam and Eco Lakes (Vietnam), which involved launching and managing of turnkey projects, opening of new markets, formulating sales strategy as well as marketing and branding of products

DATO' CHAN SOO HOW

Divisional General Manager,
Eco North

Malaysian | Male | 54

Date of Appointment(s)
- 1 July 2018

Academic/Professional Qualification/ Membership(s)
- Bachelor Degree in Engineering from University of Leeds, United Kingdom
- Professional Engineer registered with the Board of Engineers, Malaysia
- Member of the Institution of Engineers, Malaysia

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

Notes:
(i) Dato' Seri Sundarajoo A/L Somu, a chief executive who is not a director of the Company, holds 700,000 ordinary shares in the share capital of the Company as at 17 January 2022. Save as disclosed herein, he does not have any interest in the securities of the Company and/or its subsidiaries.
(ii) None of the Senior Management holds any directorship in any listed companies and public companies.
(iii) None of the Senior Management has any family relationship with any Director and/or major shareholder of the Company.
(iv) None of the Senior Management has any conflict of interest with the Company.
(v) None of the Senior Management has been convicted of any offence within the past 5 years (other than traffic offences, if any), nor public sanction or penalties imposed by the regulatory bodies during the financial year ended 31 October 2021.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("**the Board**") of Eco World Development Group Berhad ("**the Company**") is committed to conducting business responsibly and achieving a high standard of corporate governance. This is essential to our reputation and for the continuing support of our shareholders, customers, employees and other stakeholders. The Board has a governance framework in place which is guided by the Malaysian Code on Corporate Governance published in 2017 ("**the MCCG**"), the Main Market Listing Requirements ("**the MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and the Corporate Governance Guide (3rd Edition).

This Corporate Governance Overview Statement ("**CG Statement**") provides shareholders and investors with an overview of how the Company and its subsidiaries ("**the Group**") has applied the 3 key Principles set out in the MCCG during the financial year ended 31 October 2021 ("**FY2021**") as well as key focus areas and future priorities in relation to corporate governance:

i. Board leadership and effectiveness;
ii. Effective audit and risk management; and
iii. Integrity in corporate reporting and meaningful relationship with stakeholders.

In general, the Group has complied with all material aspects of the principles set out in the MCCG throughout FY2021 to achieve the intended outcome. Details of the application are summarised as below:

	Total	Applied	Departure	Not Applicable	Not Adopted
Recommended practices	32	29	2	1	0
Step-up practices	4	1	0	0	3

The following are the 2 recommended practices which the Company has departed from:

- Practice 7.2 – The Board discloses on a named basis the top five Senior Management's remuneration in bands of RM50,000.
- Practice 11.2 – Adoption of integrated reporting based on a globally recognised framework.

This CG Statement is supported by the Corporate Governance Report ("**the CG Report**"), set out in the format prescribed by Paragraph 15.25(2) of the MMLR, which is available on the Company's website at www.ecoworld.my, as well as the website of Bursa Malaysia Securities. The CG Report provides the details on how the Group has applied each of the Practices set out in the MCCG during FY2021 as well as explanations for the departures from the abovementioned practices.

This CG Overview Statement incorporating the AC Report, NC Report and RC Report, together with the CG Report, was approved by the Board of Directors on 10 February 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Clear Roles and Responsibilities

The Board is collectively responsible for the proper stewardship and overall performance of the Group's business, and for ensuring the long-term success of the Group and the delivery of sustainable value to stakeholders. To this end, the Board sets goals, policies and targets within a framework of prudent and effective controls which enables risk to be assessed and managed. Apart from this, the Board also ensures the necessary resources and capabilities are in place to deliver its strategic aims and objectives.

The following are the Board's principal roles and responsibilities in discharging its leadership function and fiduciary duties towards meeting the goals and objectives of the Group:

- Reviewing and adopting a strategic plan;
- Monitoring the conduct of business;
- Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- Reviewing and adopting a strategic plan which supports long-term value creation and business sustainability;
- Succession planning; and
- Ensuring effective communication with stakeholders.

Key Focus Areas during FY2021

During FY2021, in addition to routine matters, the Board looked into the following areas:

- The impact of the COVID-19 pandemic on the Group's business, in particular during the Movement Control Orders, and the actions taken by Management to lessen such impact.
- Measures taken to optimise costs under the cost rationalisation exercise.
- Enhancement of the Group's COVID-19 standard operating procedures.
- Enhancement of the digital platform to engage with prospective customers and to expedite sales conversion amid the COVID-19 outbreak.
- Declaration of dividends.
- The development of more affordable homes targeted at the housing needs of the M40 group.
- The EcoWorld Corporate Vaccination Programme for all employees (including their immediate family members) and business associates.
- Enhancement of the Group's ESG commitment by engaging with the United Nations Global Compact (UNGC) Malaysia to share common sustainability goals.
- The expanded Performance Incentive Scheme for eligible employees to ensure long-term sustainability and to reward, motivate and retain staff with excellent performance.
- The gap analysis on the revised MCCG issued by the Securities Commission Malaysia on 28 April 2021 ("**MCCG 2021**").

Future Priorities

Looking ahead to financial year ending 31 October 2022 ("**FY2022**"), the priorities of the Board will be in the following areas:

- Continuing the digital transformation journey.
- Improving profit margins via product management.
- Increasing engagement with stakeholders on ESG - related matters.

In discharging its duties, the Board is guided by its Board Charter ("**Board Charter**") which outlines the duties and responsibilities of the Board, board committees, individual Directors, the President/Chief Executive Officer ("**President & CEO**") and Management.

The Chairman provides leadership to the Board while the President & CEO is responsible for the overall day-to-day business operations of the Group and for overseeing the implementation of strategies directed by the Board.

The roles of Chairman and President & CEO are held by separate persons and this facilitates a clear segregation of roles and responsibilities between them and a balance of power and authority as intended by the Board Charter. Management is responsible for managing the day-to-day running of the Group's business activities as delegated by the Board. Management meets regularly to discuss and resolve operational issues. The President & CEO and Management remain accountable to the Board for the authority that is delegated and for the performance of the Group.

The Board Charter which is available on the Company's website at www.ecoworld.my serves as a structured guide for the Board on matters relating to the Board and sets out the processes and procedures for convening Board meetings. Matters specifically reserved for the Board and those delegated to board committees are clearly defined in the Board Charter. The Board Charter is reviewed as and when required to be aligned with the practices recommended in the MCCG, provisions in the MMLR, the relevant laws, regulations as well as current practices. The Board Charter was last reviewed and updated in February 2020 to incorporate the elements of the Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**").

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board is assisted by 4 board committees, namely the Audit Committee ("**the AC**"), the Nomination Committee ("**the NC**"), the Remuneration Committee ("**the RC**") and the Whistleblowing Committee ("**the WC**") (collectively referred to as "**the Board Committees**"), which operate within their own Board-approved terms of reference ("**TOR**").

The TOR of the Board Committees are reviewed and updated regularly to ensure that the latest requirements of the MCCG and the MMLR are incorporated. The Board Committees are tasked with assisting the Board to oversee and manage different aspects of the Group's governance and compliance. The Board is briefed at its meetings on matters deliberated by the Board Committees.

The Board has appointed Mr Tang Kin Kheong as the Senior Independent Director to coordinate the activities of the Independent Directors. Any queries or concerns relating to the Group may also be conveyed and directed to him via email at kin-kheong.tang@ecoworld.my.

The Board is supported by suitably qualified and competent Company Secretaries. Every Director has ready and unrestricted access at all times to the advice and services of the Company Secretaries to ensure effective functioning of the Board and its Board Committees, adherence to Board policies and procedures as well as compliance with regulations and governance practices.

In June 2021, the Company Secretaries presented to the Board a gap analysis on the MCCG 2021 and the steps identified by Management to implement the new and updated practices, as well as the necessary changes to be made to the current board structure and policies.

Board Meetings

The Board meets at least 5 times a year, with additional meetings convened as and when necessary for special matters. Board meetings for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

A total of 9 Board meetings were held during FY2021. The Directors' attendance was as follows:

Directors	Attendance
Tan Sri Abdul Rashid Bin Abdul Manaf	9/9
Tan Sri Dato' Sri Liew Kee Sin	9/9
Dato' Leong Kok Wah	9/9
Dato' Chang Khim Wah	9/9
Liew Tian Xiong	9/9
Datuk Heah Kok Boon	9/9
Tang Kin Kheong	9/9
Dato' Idrose Bin Mohamed	9/9
Dato' Haji Obet Bin Tawil	9/9
Dato' Noor Farida Binti Mohd Ariffin	9/9
Low Mei Ling	9/9
Mrs Lucy Chong	9/9
Sar Sau Yee[1]	1/1

Note:
[1] Appointed on 1 October 2021

All Board members are supplied with meeting materials on a timely manner in advance of Board meetings. The meeting agenda is set and board papers are circulated prior to scheduled Board meetings. A paperless board portal enables Directors to access meeting materials on the go.

Minutes of Board meetings are circulated on a timely manner for comments. Action items are highlighted for follow-up by Management.

Time Commitment

Directors are expected to give sufficient time and attention to carry out their responsibilities. In FY2021, all the Directors attended more than the minimum of 50% of Board meetings held as stipulated under Paragraph 15.05 of the MMLR. Additionally, in between Board meetings, the Directors also approve various matters requiring the sanction of the Board by way of circular resolutions.

Directors' Training and Development

Arrangements are made for Senior Management to meet with newly appointed Directors, if any, to provide them with an understanding of the Group's history, culture, business, strategies and financial position. All the Directors have successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities.

The Directors undergo training programmes and seminars from time to time and as and when necessary to update themselves with the relevant knowledge and skills to discharge their duties effectively. During FY2021, the Directors attended training programmes and seminars to keep abreast of changes in law, regulations, the business environment, risk management practices, general economic and industry developments. The training programmes and seminars attended by each Director during FY2021 are set out in the CG Report which is available on the Company's website at www.ecoworld.my.

Code of Conduct and Ethics

The Board has established and implemented policies to guide Directors, employees and stakeholders that engenders integrity, transparency and fairness. This is to actively nurture a strong corporate culture throughout the Group which promotes commitment to performance with integrity.

The Directors' Code of Conduct and Ethics, Code of Conduct and Business Ethics for employees and the ABC Policy are available on the Company's website at www.ecoworld.my. These codes as well as the ABC Policy are reviewed as and when required. The ABC Policy was approved by the Board in 2019 and the codes were last updated and amended in 2020 to incorporate the elements of the ABC Policy.

Whistleblowing

The Board has implemented a Whistleblowing Policy to enable employees and members of the public to bring to the attention of the WC any alleged improper conduct committed or about to be committed within the Group. The Whistleblowing Policy sets out the procedures for dealing with any complaints lodged by whistleblowers. The Whistleblowing Policy was last revised by the Board in 2020 to reflect the changes required to align with the ABC Policy as well as changes in the composition of the WC.

The WC is responsible for assisting the Board to protect the interests of the Company and stakeholders by investigating complaints of alleged misconduct received on an independent and confidential basis, and to take any other necessary actions.

The WC comprises 2 Independent Directors and 1 Executive Director.

Composition of the WC
Datuk Heah Kok Boon Chairman, Executive Director & Chief Financial Officer
Dato' Idrose Bin Mohamed Member, Independent Director
Low Mei Ling Member, Independent Director

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

II. BOARD COMPOSITION

The NC assists the Board in the assessment of the performance of the Board, Board Committees and individual Directors and in the selection of candidates for proposed appointment to the Board. The NC consists exclusively of Independent Directors.

Following the appointment of Madam Sar Sau Yee as Independent Director on 1 October 2021, the Board now comprises 13 directors with a majority of Independent Directors and 31% of women directors.

The composition, authority, duties and responsibilities of the NC and the work carried out to discharge its duties for FY2021 are set out in the NC Report on pages 58 to 59 of this Annual Report.

III. REMUNERATION

The RC, which consists exclusively of Independent Directors, assists the Board on matters relating to the development, establishment, review and revision, and implementation of policies and procedures on the remuneration of Directors and Senior Management personnel in the C-Suite Category.

From FY2020 onwards, the Company has departed from Practice 7.2 of the MCCG which requires disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000 as the Board is of the view that such information, if disclosed, raises personal security concerns on the part of the Senior Management personnel and could result in employee poaching by competitors.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The alternative form of disclosure is set out in the CG Report which is available on the Company's website at www.ecoworld.my.

The composition, authority, duties and responsibilities of the RC and the work carried out to discharge its duties for FY2021 are set out in the RC Report on page 60 of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC consists exclusively of Independent Directors. The authority, duties and responsibilities of the AC and the summary of the work carried out to discharge its duties for FY2021 are set out in the AC Report on pages 54 to 57 of this Annual Report.

Assessment of Suitability, Objectivity and Independence of the External Auditors

The AC annually assesses the audit quality, suitability, objectivity, effectiveness and independence of the external auditors. The AC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

The Board adopted an External Auditors Assessment Policy in 2019 which sets out the guidelines and procedures to be observed by the AC when performing its annual assessment of the external auditors. This policy is available on the Company's website at www.ecoworld.my.

The Company also has a policy requiring any former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the AC. This policy is included in the TOR of the AC.

During its meeting held on 17 November 2021, the AC assessed the performance, competency, independence, technical capabilities and resource sufficiency of the external auditors. In assessing the performance and suitability of external auditors, the AC referred to the Annual Transparency Report issued by the audit firm. Based on the assessment, the AC was satisfied with the independence and performance of the external auditors and recommended to the Board to put forth a proposal for the re-appointment of the external auditors at the forthcoming 48th annual general meeting of the Company ("**AGM**").

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established a risk management framework that outlines the Group's risk management system and defines Management's responsibilities. The Group's risk appetite and risk tolerance are managed via limits to approving authority incorporated into the Group's policy and procedures manuals. Details of the framework are set out in the Statement of Risk Management and Internal Control on pages 63 to 70 of this Annual Report.

The Board has delegated the overall responsibility for reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework to the AC. The AC is supported by the Risk Management Committee ("**the RMC**"), Group Corporate Governance ("**GCG**") and the Integrity Team.

The RMC assists the AC to identify, assess, mitigate and monitor critical risks highlighted by business units and implements risk management policies and strategies approved by the Board. GCG, which undertakes the internal audit function, assists the AC to review, evaluate and monitor the effectiveness of the Group's governance, risk management and internal control processes. The Integrity Team is responsible for the effective operation of the anti-corruption compliance programme.

The RMC comprises the following members:

Members	Executive Position
Datuk Heah Kok Boon (Chairman)	Executive Director & Chief Financial Officer
Dato' Seri Sundarajoo A/L Somu	Deputy President & Deputy Chief Executive Officer
Dato' Soo Chan Fai	Group Financial Controller
Ho Kwee Hong	Divisional General Manager, Central Region
Lim Eng Tiong	Divisional General Manager, Group Contracts Division
Ong Yew Leng	General Manager, Digital Technology Services

The Board via the AC performs quarterly reviews to assess the adequacy and effectiveness of the Group's risk management and internal control system based on quarterly reporting by GCG and half yearly reporting by RMC.

The risk management framework adopted by the Group is based on ISO 31000: 2018 Risk Management Guidelines. The elements of ISO 31000: 2018 have been incorporated into the Group's Risk Management Policy and Guidelines which was approved by the Board in June 2018. The on-going process for identifying, evaluating, managing, monitoring and communicating risks faced by the Group has been established and set out in the Risk Management Policy and Guidelines.

The Statement on Risk Management and Internal Control as set out in pages 63 to 70 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

The function of the internal auditors and the work carried out to discharge its duties for FY2021 are set out in the AC Report on page 57 of this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Company recognises the value of transparent and effective communication with the investment community and aims to build long-term relationships with shareholders and investors through appropriate channels for the disclosure of information.

The Board is committed to ensure that the shareholders and other stakeholders are well informed of major developments within the Group. Clear, relevant, comprehensive business, operational and financial information is disseminated to them on a timely basis and is readily accessible by all stakeholders.

The Company communicates with shareholders, other stakeholders and the public through various channels including annual reports, press releases, press conferences, timely announcements and disclosures made to Bursa Malaysia Securities and in the Company's website at www.ecoworld.my, at shareholders' general meetings, analysts and media briefings, roadshows and investor conferences.

The Company will continue to leverage on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with shareholders.

The Company aims to adopt integrated reporting based on the globally recognised framework in future in stages. In an effort to gradually adopt integrated reporting, the Board endorsed a Sustainability Report in 2020 which includes preliminary integrated concepts. At its meeting held on 16 December 2021 the Board endorsed further enhancements to be made in the Sustainability Report 2021 by introducing additional integrated reporting elements.

II. CONDUCT OF GENERAL MEETINGS

The Board views shareholders' general meetings as an ideal opportunity to communicate with shareholders.

Since the 44th AGM, the Company has been giving at least 28 days notice for its AGMs. The Board had embedded the 28-day notice period into its Board Charter.

All Directors and the external auditors are expected to attend all shareholders' meetings to take questions raised by shareholders.

In part due to the COVID-19 pandemic, the Company has held its AGMs virtually since 2020. Shareholders have been able to participate remotely via live streaming webcast and vote in absentia using remote participation and voting facilities.

The Company will continue to monitor developments in the market for more cost effective technology to enable shareholders to participate and vote at AGMs remotely.

AUDIT COMMITTEE **REPORT**

The Audit Committee ("**the AC**") comprises 4 Independent Directors.

Composition of the AC
Tang Kin Kheong Chairman, Senior Independent Director
Dato' Idrose Bin Mohamed Member, Independent Director
Dato' Noor Farida Binti Mohd Ariffin Member, Independent Director
Madam Low Mei Ling Member, Independent Director

Meetings

The AC held 6 meetings during financial year ended 31 October 2021 ("**FY2021**"). The attendance of each AC member was as follows:

Name of Members	Attendance
Tang Kin Kheong	6/6
Dato' Idrose Bin Mohamed	6/6
Dato' Noor Farida Binti Mohd Ariffin	6/6
Madam Low Mei Ling	6/6

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

The external auditors are invited to attend AC meetings to present their audit plan and audit findings, and to assist the AC in its review of the unaudited quarterly financial reports and year-end financial statements. For avoidance of doubt, the assistance provided by the external auditors do not constitute a review of the unaudited quarterly financial reports by the external auditors.

The AC Chairman engages on a continuous basis with Senior Management, the external and internal auditors to keep abreast of matters affecting the Company and its subsidiaries ("**the Group**"). Where significant issues are noted, the AC Chairman communicates and confers with the other AC members, either through emails or in meetings.

Authority, duties and responsibilities of the AC

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

Summary of work

The AC carried out the following work in discharging its functions and duties for FY2021, which are in line with its responsibilities as set out in its TOR:

1. Financial statements

(a) Reviewed the unaudited quarterly financial reports and year-end financial statements before they were presented to the Board of Directors ("**the Board**") for approval.

(b) In its review of the quarterly financial reports and year-end financial statements, discussed with Management and the external auditors on the financial reporting standards applied, including the judgments exercised in the application of those standards and the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and year-end financial statements.

In respect of the above, matters discussed included:

- the impact on the Group's financial statements of the application of International Financial Reporting Interpretations Committee's (IFRIC) Agenda Decision on Malaysian Financial Reporting Standard 123 in FY2021;
- the impact on the Group's operations of the COVID-19 outbreak and the consequential Movement Control Orders and standard operating procedures imposed in Malaysia and international border closures in the United Kingdom and Australia, being markets in which a major joint venture, Eco World International Berhad, operates, and the actions taken by Management to mitigate such impact; and
- impairment assessment of the Group's investment in Eco World International Berhad.

2. **Matters relating to external audit**

(a) Reviewed the external auditors' audit plan for FY2021.

(b) Reviewed the external auditors' audit report and the significant auditing and financial reporting matters, audit differences, material fluctuations in balances, significant judgments and estimates made by Management.

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

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

(d) Met with the external auditors without the presence of Management twice, on 16 December 2020 and 15 September 2021, in order to provide the external auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

(e) Obtained from the external auditors written representation of their professional independence as auditors.

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

(g) After carrying out the evaluation of the performance and independence of the external auditors, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the Annual General Meeting of the Company.

3. **Matters relating to internal audit**

(a) Reviewed and approved the internal audit annual plan for FY2021 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas. Also approved the advisory assignments involving a thorough update and enhancement of the Group's existing Standard Operating Procedures.

(b) Reviewed all internal audit reports issued by the internal auditors and took note of their observations, recommendations and Management's responses thereto.

During the AC meetings, discussed significant reported matters with Management together with the internal auditors to reaffirm a common understanding of the issues and Management's commitment to improve the current system of internal control to address the issues.

Reported significant matters to the Board.

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

(d) Met with GCG without the presence of Management twice, on 16 December 2020 and 15 September 2021, in order to provide GCG with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

(e) Evaluated the performance of the internal audit department during FY2021 as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.

(f) Reviewed the practices adopted by GCG vis-a-vis the observations under the Thematic Review conducted by Bursa Malaysia Securities Berhad together with the Institute of Internal Auditors ("**IIA**") Malaysia on the internal audit function of 40 selected listed issuers.

(g) Reviewed the existing internal audit charter against the International Professional Practices Framework ("**IPPF**").

AUDIT COMMITTEE **REPORT**

4. Matters relating to risk management and internal control

(a) Reviewed and discussed the following with the Chairman of the Risk Management Committee ("**RMC**"):

- The factors that resulted in changes to residual risk ratings.
- Reports on the Group's risk profile and the mitigation controls implemented to manage identified risks at the second and fourth quarterly AC meetings.

Matters reviewed and discussed include:

- the initiatives undertaken to mitigate the impact arising from the implementation of the Group's cost optimisation and rationalisation exercise;
- the impact of the increase in construction cost; and
- the Group's risk parameters to ensure that changes in circumstances or risk appetite are fairly reflected.

(b) Noted the yearly updates to the Anti-Corruption Compliance Programme ("**ACCP**") for FY2021 in accordance with the Guidelines on the Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amended 2018) ("**MACC ACT**") and as implemented by the Integrity Team.

(c) At the third quarterly AC meeting, reviewed and discussed with the General Manager of Digital Technology Services the results of the Cyber Security Assessment carried out on the Group's IT infrastructure by an external cyber security firm in FY2021.

5. Matters relating to related party transactions

(a) On a quarterly basis, took note of all related party transactions ("**RPTs**") reported by the internal auditors following their review to satisfy themselves whether those transactions were:

- on terms not more favourable than those generally available to the public; and
- in respect of RPTs of a recurring and trading nature, in accordance with the mandate approved by shareholders.

(b) Reviewed and deliberated on all proposed RPTs to be entered into by the Group to ensure that the proposed transactions to be entered into were in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.

6. Other matters

(a) Reviewed the appointment of the external auditors to provide any non-audit services to the Group to ensure that their independence and objectivity as external auditors would not be impaired by the performance of such non-audit services.

(b) Issued this AC Report for inclusion into the Annual Report 2021.

(c) Reviewed and recommended the Statement on Risk Management and Internal Control, Corporate Governance Report, Corporate Governance Overview Statement incorporating the AC Report, the Nomination Committee Report and the Remuneration Committee Report as well as Additional Compliance Information to the Board for approval and inclusion in the 2021 Annual Report.

Evaluation of the AC

For the financial year under review, an evaluation was carried out on the term of office, competency and performance of the AC. The assessment was carried out by all the Directors instead of by the Nomination Committee ("**NC**") as, at the time of the assessment, 3 out of the 4 members of the NC were also members of the AC.

AC members' training

The details of training programmes and seminars attended by each AC member during FY2021 are set out in the Corporate Governance Report ("**CG Report**") which is available on the Company's website.

Internal audit function

The internal audit function is performed in-house by GCG. GCG reports directly to the AC on the adequacy and effectiveness of the risk management and internal control systems. Every GCG team member has confirmed that they are free from any relationship or conflict of interest that could impair their objectivity and independence as internal auditors.

The AC reviews annually the adequacy of the scope, function, competency and resources of GCG to ensure that it is able to fully discharge its responsibilities. Details of the resources and the qualifications of the Senior Manager of GCG are set out in the CG Report which is available on the Company's website.

GCG adopts the IIA's International Standards for the Professional Practice of Internal Auditing laid down in its IPPF. GCG conducts its internal audits in accordance with the approved annual internal audit plan which was developed based on a risk-based approach.

The AC carried out its annual evaluation of the work of GCG and was satisfied with the overall performance of GCG.

The work carried out by GCG for FY2021 included the following:

- Reviewed and tested the system of internal control on key operating processes based on the approved internal audit annual plan using a risk-based approach, and progressively issuing detailed internal audit reports to the AC.
- Conducted follow-up audits to ascertain the implementation status of previously issued audit recommendations.
- Reviewed the risk management process and practices with proposed recommendation based on good practices and recommended guidelines.
- Recalibrated the Group's Standard Operating Procedures to enhance processes and practices to be more efficient, user-friendly and relevant.
- Reviewed the adequacy of the Group's controls against the conformance requirement under Section 17A of the MACC ACT.
- Reviewed and assessed the Group's existing cybersecurity controls and processes against potential cyber attacks.
- During FY2021, 11 reports arising from assurance assignments and 6 reports from advisory assignment were issued. These reports covered 4 support units and 12 business units across the Northern, Southern and Central regions.

  These reports together with follow-up reports were tabled at the quarterly AC meetings for deliberation.
- Reviewed recurring RPTs on a quarterly basis in accordance with the guidelines set out in the Circular to Shareholders for recurrent RPTs of a revenue or trading nature.

The total cost incurred in maintaining the internal audit function for FY2021 was RM0.75 million (FY2020: RM0.88 million).

NOMINATION COMMITTEE **REPORT**

The Nomination Committee ("**the NC**") comprises 4 Independent Directors.

Composition of the NC
Dato' Idrose Bin Mohamed Chairman, Independent Director
Tang Kin Kheong Member, Senior Independent Director
Dato' Noor Farida Binti Mohd Ariffin Member, Independent Director
Dato' Haji Obet Bin Tawil Member, Independent Director

Meeting

The NC held 2 meetings during the financial year ended 31 October 2021 ("**FY2021**"). The attendance of each NC member was as follows:

Name of Members	Attendance
Dato' Idrose Bin Mohamed	2/2
Tang Kin Kheong	2/2
Dato' Noor Farida Binti Mohd Ariffin	2/2
Dato' Haji Obet Bin Tawil	2/2

Authority, Duties and Responsibilities of the NC

The NC assists the Board of Directors ("**the Board**") to ensure that the Board comprises Directors with the appropriate mix of skills and experience, and a proper balance between Independent Directors and Non-Independent Directors exists.

The NC is governed by its terms of reference which is available on the Company's website at www.ecoworld.my.

Summary of Work

The NC carried out the following work in discharging its duties for FY2021:

1. Composition of Board and Board Committees

- Reviewed the changes in the composition of women directors and independent directors.
- Reviewed the profile of Madam Sar Sau Yee prior to her appointment as an Independent Director.

2. Retirement and Re-election

- Reviewed and assessed the performance and contribution of Directors who will be retiring at the forthcoming Annual General Meeting ("**AGM**") and nominated them for re-election and thereafter recommended to the Board that resolutions for their re-election be tabled at the forthcoming AGM.

3. Annual Performance Assessment

- Reviewed and updated the evaluation forms to ensure the said forms are in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") ("**the MMLR**") and the Malaysian Code on Corporate Governance published in 2017 ("**the MCCG**") prior to undertaking the evaluation process.
- Reviewed and assessed the mix of skills, expertise, composition, size and experience required by the Board.
- Reviewed and assessed the effectiveness of each individual Director by undertaking an evaluation process involving self-assessment by individual Directors.
- Reviewed and assessed the effectiveness of the Board and board committees.
- Reviewed and assessed the independence of the Independent Directors based on the criteria set out in the MMLR.
- Reviewed and assessed the term of office, competency and performance of the Audit Committee and its members as a whole.
- Reviewed and assessed the competency and performance of the Company Secretaries.

4. Other Matters

- Reviewed the extension of Employment Contract for Tan Sri Dato' Sri Liew Kee Sin, the Executive Chairman of the Company, and recommended to the Board for approval.
- Reviewed and issued this NC Report for inclusion into the Annual Report 2021.

Board composition

The Board

During FY2021, the Board appointed Madam Sar Sau Yee as an Independent Director of the Company. As a result, the Board currently comprises 13 Directors with a majority of Independent Directors and 31% women directors.

The Board through the NC, will review annually the structure, size and composition of the Board to ensure its effectiveness.

Independent Directors

Ordinarily, the tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, if the Board wishes to retain an Independent Director who has served beyond the 9-year tenure, shareholders' approval is required subject to prior assessment by the NC and valid justification.

If the Board wishes to retain an Independent Director after the 12^{th} year, the Board must justify and seek annual shareholders' approval through a two-tier voting process.

An Independent Director may continue to serve on the Board subject to him/her being re-designated as Non-Independent Director.

As at the date of this NC Report, none of the Independent Directors have served more than 9 years.

Board Diversity

The Board recognises diversity as an essential element to strengthen the composition of the Board as well as Senior Management. Further details on the application of Practice 4.4 of the MCCG is set out in the CG Report which is available on the Company's website at www.ecoworld.my.

The Board has adopted a Board Diversity Policy which sets out the approach to maintain a Board comprising talented and dedicated Directors with a diverse mix of skills, expertise, experience, gender and age as well as the requisite independence, as required, for the effective functioning of the Board. Further details on the Board Diversity Policy is available on the Company's website at www.ecoworld.my.

Criteria for Assessment and Recruitment

Selection of candidates for appointment as Directors may be recommended by Directors, Senior Management, major shareholders or independent sources. The NC assesses the suitability of the candidates before recommending the candidates to the Board for appointment.

In evaluating the suitability of candidates, the NC considers, inter-alia, their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Company and its subsidiaries ("**the Group**"), and additionally in the case of candidates proposed for appointment as Independent Directors, the candidates' independence. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

Madam Sar Sau Yee who was appointed as an Independent Director on 1 October 2021 has strengthened the profile of the Board and improved the Board's gender diversity and independence.

Board evaluation

The NC carries out an annual assessment and evaluation of the Board, board committees, Independent Directors and individual Directors. The Board and board committees were assessed as a whole, while Directors were assessed individually. In respect of Independent Directors, their independence was also assessed.

During the NC meeting held on 17 November 2021, the NC included the preliminary ESG elements in the performance evaluation for individual Directors.

The Board reviewed the evaluation results during its meeting held on 10 February 2022 and concluded that it was generally satisfied with the overall effectiveness of the Board and board committees, the contribution and performance of each Director, the current size, composition as well as the mix of skill sets of the Board and the independence of its Independent Directors.

The details of the processes and criteria used in the evaluation as well as the results from the evaluation are set out in the CG Report which is available on the Company's website at www.ecoworld.my.

The Board has deferred the engagement of independent experts to perform board evaluations to FY2022 to allow the Group to focus on its operations amid the COVID-19 pandemic and after considering the cost associated with such engagement.

REMUNERATION COMMITTEE **REPORT**

The Remuneration Committee ("**the RC**") comprises 3 Independent Directors.

Composition of the RC
Dato' Noor Farida Binti Mohd Ariffin Chairperson, Independent Director
Dato' Idrose Bin Mohamed Member, Independent Director
Tang Kin Kheong Member, Senior Independent Director

Meeting

The were no meeting held by the RC during the financial year ended 31 October 2021 ("**FY2021**"). The RC approved various matters requiring the sanction of the RC by way of circular resolutions.

Authority, Duties and Responsibilities of the RC

The role of the RC is to evaluate, deliberate and recommend to the Board of Directors ("**the Board**") a remuneration policy for Directors and Senior Management personnel in the C-Suite Category ("**C-Suite Management Personnel**") that is fairly guided by market norms and industry practice which allows the Company and its subsidiaries ("**the Group**") to attract and retain talented individuals to steer the Group to achieve its long-term goals and enhance shareholders' value.

The RC is governed by its terms of reference, which is available on the Company's website at www.ecoworld.my.

Summary of Work

The RC performed the following work in discharging its duties for FY2021:

- Reviewed the proposed payment of Directors' fees and remuneration of the Non-Executive Directors and recommended to the Board to propose to the shareholders for approval.
- Reviewed and issued this RC Report for inclusion into the Annual Report 2021.

Note:
There was no review on the remuneration of Executive Directors and C-Suite Management Personnel for increment and bonus during the FY2021 due to cost rationalisation exercise

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

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

The remuneration packages for both Executive Directors and C-Suite Management Personnel have been fixed to reflect the demands of the Group's operations as well as the talent pool. The remuneration packages are structured to link rewards to corporate and individual achievements comprising both fixed and variable elements. The remuneration packages reflect the scale and complexity of both the business and the role, and have to be competitive with the market. Executive Directors are not involved in deciding their own remuneration.

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

The Group implemented a cost rationalisation exercise in FY2020 amid the COVID-19 pandemic. In solidarity with all employees, the non-executive Directors agreed to reduce their Directors' fees by 20% effective 1 May 2020.

Remuneration of Directors and Top 5 Senior Management Personnel

The remuneration of Directors on a named basis for FY2021 are disclosed in the Corporate Governance Report ("**CG Report**") which is available on the Company's website at www.ecoworld.my.

As explained in the Corporate Governance Overview Statement, the Board has decided not to apply Practice 7.2 of the MCCG which requires the disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000.

The alternative form of disclosure is set out in the CG Report which is available on the Company's website at www.ecoworld.my.

STATEMENT OF **DIRECTORS' RESPONSIBILITIES**

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:

- The Group and the Company have used appropriate accounting policies that are consistently applied;
- Reasonable and prudent judgments and estimates have been made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with regulatory requirements.

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

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 October 2021.

Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 October 2021 are as follows:

	Group (RM)	Company (RM)
Audit Fees	552,800	150,000
Non-audit Fees	104,900	65,000*
Total	**657,700**	**215,000**

Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the recurrent related party transactions are disclosed under Note 37 of the financial statements in this Annual Report.

Material Contracts

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

* *Mainly consists of agreed-upon procedures engagement in relation to the impact assessment from the implementation of IFRS Interpretations Committee ("**IFRIC**") Agenda Decision on IAS 23 Borrowing Costs of the Group.*

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 2021, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, in addition to setting the tone at the top and a culture towards effective risk management and internal control. The Board performs quarterly reviews to assess the adequacy and effectiveness of the risk management and internal control systems.

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 within the Group at all levels. It is assisted by the **Audit Committee**, which is empowered by its terms of reference to ensure independent oversight of internal control and risk management.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that 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 delegated oversight responsibilities.

MANAGEMENT RESPONSIBILITY

Management is responsible for implementing the Group's policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls, and for taking appropriate and timely remedial actions as required. Its roles include:

- Implementing the policies approved by the Board;
- Designing, implementing and monitoring the effective implementation of risk management and internal control systems;
- Identifying and evaluating the risks relevant to the achievement of the business objectives and strategies of the Group;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Implementing the remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to risks and the corrective actions taken.

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 the on-going process for identifying, evaluating, managing, monitoring and communicating such risks. The framework also categorises the risks according to strategic, operational, financial and compliance matters based on the Group's 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 ISO31000:2018 Risk Management – 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 Element	Description
Risk governance	Establish an approach in developing, supporting and embedding the risk strategy and accountabilities.
Risk assessment	Identify, assess and categorise risks across our Group.
Risk quantification 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 the Group faces as it seeks to create value.

The risk organisational structure of the Group is illustrated in Diagram 1 below.

Diagram 1

Risk Management Oversight

The Risk Management Committee oversees risk management matters within the Group. The Risk Management Committee comprises senior management from all business units and the relevant Head Office support units. It is chaired by the Executive Director cum Chief Financial Officer who reports to the Audit Committee on behalf of the Risk Management Committee. The Risk Management Committee meets on a quarterly basis and the Group's aggregated risk position and specific significant risk issues are reported to the Audit Committee on a half-yearly basis. Starting from FY2021, the quarterly Risk Management Committee meeting minutes are presented to the Audit Committee at its quarterly meetings. The Risk Management Committee is assisted by the Risk Coordinator, who acts as the focal point for all risk management activities within the Group.

The day-to-day risk management resides with the respective business units and support units, where action plans are developed and implemented to manage risks.

Risk Management Process

The Group's Risk Management 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 heads of business units and support units. 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.

All risks are consolidated and presented for deliberation during the quarterly Risk Management Committee meetings. The activities of the Risk Management Committee and all its key findings are then presented to the Audit Committee at least twice a year for update and to ensure its continued application and relevance. The significant risk management matters discussed and minuted during quarterly risk management committee meetings are shared with the Audit Committee every quarter, where members of Audit Committee could seek clarification on risk management matters on a timely basis.

Risk Appetite and Tolerance

The Board, through the Risk Management Committee, establishes the risk appetite and risk parameters for the Group and its joint ventures. The Group's risk appetite forms an integral part of the Group's ERM Framework as it sets the tone for risk taking in general as well as serves to provide direction in assessing whether the Group is operating within the acceptable limits in achieving its strategic objectives. The risk parameters are aligned to the Group's risk appetite, providing a guide for consistent evaluation of risks and prioritisation of risk mitigation actions to address the risks. The defined risk parameters, both financial and non-financial, are reviewed by Management and the Risk Management Committee at least once a year to ensure changes in circumstances or risk appetite are reflected fairly and in a timely manner in the risk parameters.

KEY RISKS

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

1) Acquisition of unsuitable land

Currently, the Group has land banks for residential, commercial and industrial development in the Klang Valley, Penang and Johor and will continue to acquire strategic land, if any, for future project development. As land acquisitions are capital intensive, acquisition of unsuitable land, for example, land with hidden adverse topography or encumbrances, or land which are over-priced due to over-optimistic commercial projections, may lead to erosion of profit margin and eventual losses for the projects or even cash being tied up for a considerable period of time.

To manage this risk, the Group conducts thorough feasibility studies and market surveys prior to each acquisition to ensure it is acquiring the right land at the right price at the right time, which cover matters such as site accessibility, land condition, topography of the area and statutory requirements (e.g. conditions of land use) as well as business projections (e.g. cash flow projections, payback period and internal rate of return). The feasibility studies are complemented by analysis of property trends, historical cost data and screened information from local agencies and neighbouring residents. Apart from that, experienced consultants are engaged at the inception stage to perform due diligence including land searches to reduce the risk and safeguard the interest of the Group.

On top of that, the Group commits to only source deforestation-free and non-peat lands for it future development needs, as a commitment towards Environment, Social and Corporate Governance ("**ESG**") principles.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

2) Liquidity

Apart from cash generated from sales, the Group is dependent on a combination of equity and borrowings, both short and long term, to fund its operations. The funding is required to meet land acquisition costs, development costs, administrative costs, overhead costs and financing costs incurred at the Group's various projects. Funding is also required for the Group's investments in its joint venture companies.

The Group proactively manages these risks by strengthening its treasury function to closely monitor its cash flow requirements and to ensure the Group has adequate financial facilities to support its current and future needs. The Group maintains a close relationship with key bankers on a continuous basis to be aware of their lending appetite and priorities as well as their preferred loan purpose profile, and regularly explores new funding opportunities in the capital market. The Group also carries out continuous financial planning taking into consideration the contractual obligations, financial impact and liquidity requirements as well as optimising assets, to ensure healthy cash flow whilst all financial covenants are complied with.

The Group constantly monitors its gearing ratio through effective credit utilisation to ensure that the leverage is within an acceptable level and in alignment with its growth aspirations.

Apart from treasury management, the Group is also putting priority to enhance liquidity by monetising its inventory of unsold completed stocks in the three regions that the Group operates in - the Klang Valley, Penang and Johor. The Group has also embarked on a Group-wide cost rationalisation exercise to reduce the overall overhead costs. This was complemented by a comprehensive digitalisation effort to foster innovation among the team members and enhance existing processes to bring in efficiency and effectiveness, which eventually translate into cash preservation.

3) Weak market sentiment

The year 2021 remained dominated by the COVID-19 pandemic which has severely impacted global security, public health, employment and other social disruptions. The Group is mindful of the current global pandemic and economic uncertainties, and continues to adapt its marketing strategies to remain agile and resilient by providing value-added products and quality services while remaining competitive via digitalisation.

The Group's sales performance is dependent on the performance of the property market. The negative wealth effect arising from increasing unemployment and lower affordability caused by uncertainties of the pandemic remains a key deterrent for potential spending by house buyers. The demand for properties at the three regions that the Group operates in could be affected by weaknesses in the domestic and international economic environment, changes in Government policies, tightening of bank lending policies and oversupply of properties.

The Group constantly assesses its risk exposure and seeks to optimise the balance between opportunities and risks. This includes entering into joint ventures with suitable partners to gain accelerated and more extensive access to the target markets, particularly in the Klang Valley; and undergoing the journey of digitalisation to enhance customers experience via online sales booking.

The Group will continue to focus on landed properties and affordable housing where demand is still resilient. More innovative and aggressive marketing strategies will be implemented to boost the sales of both completed properties and those under construction.

4) Increasing cost of construction

The ability of the Group to achieve the desired profitability is directly affected by the cost of construction. A major component of cost of construction is building materials such as steel bars, bricks, cement and steel reinforcement mesh. These materials are subject to price fluctuations. The recent surge in building material prices for steel, copper and cement have put additional pressure on the bottom-line profitability, which is already being burdened by unexpected costs triggered by the pandemic due to shortages of global supplies as well as logistic issues arising from closure of borders.

The Group has mitigated the risk by having a trading arm to source for alternative supplies and increase the pool of suppliers as part of our supply chain management to provide eco-friendly building materials and goods at competitive prices, by consolidating the materials purchase requirements of all its projects to enjoy bulk discounts. Likewise, the Group's project teams also undertake value engineering to improve the efficiency of the current green design and green features to save on materials and costs.

Another significant component of cost of construction is contractors' costs. An increase in contractors' tender prices may affect the Group's profitability. Generally, over the years, tender prices have been on an increasing trend.

The Group has mitigated such risks through effective and transparent open tenders for awarding jobs to contractors with good track record. In-depth cost estimates for each project prior to tender ensures the Group gets the best pricing. After awarding, the contracts division and business units stay vigilant over subsequent cost increases and exercise strict scrutiny over each cost surge via variation orders. Furthermore, actual construction costs are closely monitored and tracked against project budgets. Value management and re-engineering are carried out in the event of cost overruns to bring down the overall costs, so that the Group remains resilient and is able to continue delivering sustainable value to its stakeholders.

5) Non-performing contractors

Health and safety matters are becoming increasingly significant for project execution. Any incident that happens at the project site would attract significant and adverse impact to the overall construction. Thus, the selection of competent and observant contractors and consistent monitoring of their performance throughout the construction stage are critical processes to ensure quality, cost efficiency and timely delivery of projects under a safe environment. Contractors who are ignorant of health and safety matters and/or contractors with poor performance may lead to quality issues, cost overruns and overall project delays. In any construction project, there may be delays in physical progress due to matters beyond the project management's control such as country lockdown. Such instance would be mitigated with agile and proper planning with competent contractors to ensure flexibility of resources to immediately continue working upon approval from the authorities.

At EcoWorld, contractors have to go through a robust selection process before being awarded with contracts. Contractors are evaluated against the Group's criteria such as a good track record of quality, on-time delivery, strong and healthy financial capability to complete the contract and environmental consciousness that strives to minimise the environmental footprint. Extensive due diligence is performed before awarding contracts by way of tender exercise.

During construction, the Group closely monitors the performance of awarded contractors in terms of timelines and quality of work performed, on top of health and safety at site. The contractors are being evaluated of their performance twice a year.

In addition, active and inactive contractors are required to undergo fresh pre-qualification assessment every 5 and 3 years respectively, in relation to their latest financial performance, financial position, manpower and their work quality over the years, to ensure they remain capable of completing jobs and/or taking on future jobs.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

6) Lack of interest from investors

The Group's projects with large commercial content like shop-lots, shop-offices and commercial land need to attract the interest of investors by way of sale or lease. This is to ensure a healthy occupancy rate for sustainability and amplification of the projects' commercial value. The Group has mitigated the risk by establishing a team of experienced design and planning personnel working closely with external consultants to design project master plans with the right product mix, taking into consideration the market research and intelligence on the surrounding area and regions.

The Group also has an experienced leasing team comprising professional personnel to proactively source for tenants through a match-making service. This value-added service not only helps purchasers to source for tenants, but it also helps the Group to determine the quality of tenants occupying the commercial area.

INTERNAL CONTROL

The Group has established standard processes for identifying, assessing and managing the key risks faced by the Group. These include periodic testing of the effectiveness and efficiency of internal control procedures as well as updating the system of internal controls when there are changes to the business environment and/or regulatory guidelines. These processes have been in place for the financial year ended 31 October 2021 and up to the date of approval of this Statement of Risk Management and Internal Control.

The key elements of the internal control system established by the Group to provide 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 for Directors and Employees ("**the Code**"). The Code, which applies to all Directors and employees, was first issued on 2 May 2014 and was last updated on 27 March 2020. All employees are required to acknowledge that they have read and understood the Code upon commencement of employment.

The Code is reviewed as and when necessary to ensure it remains current and relevant in addressing any ethical issues that may arise within the organisation.

Organisation Structure

The Group has a clear 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 clearly defined terms of reference.

Limits of Authority

The Group has clear 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 periodically 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 operating procedures which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in the standard operating procedures.

Talent Management

Robust recruitment strategies are in place to attract skilled and competent persons to join the Group. On-the-job training and online virtual training programmes are made available to all employees to ensure that they are adequately trained and competent in carrying out their duties and responsibilities.

Established guidelines are also in place for recruitment, talent development programmes and performance appraisal to maintain high competency and capability levels.

Financial Budgeting

Annual budgets are prepared by Senior Management and tabled to the Board for approval in advance of the start of the financial year. Actual performance is reviewed against the budget with detailed explanations provided for material variances.

Performance Review

Quarterly senior management meetings are held to discuss the Group's financial performance, business development, operational and corporate issues. Additionally, 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.

Investor Relations

The Group conducts quarterly results briefings on-line following the release of the Group's financial results and holds regular meetings with fund managers, investment analysts and bankers to provide them with the relevant corporate updates. During these meetings, the investment and financial community are given the opportunity to seek from Senior Management any clarification that may be required.

Information Technology Management

Comprehensive management information systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable Management to make decisions in an accurate and timely manner towards meeting business objectives.

The Group has built a team of IT professionals and established a set of IT security policies and procedures based on relevant data security standards and industry recommended practices. In addition, independent external assessments are conducted on a yearly basis to ensure that the systems are robust, effective and continuously improved to enhance the Group's cyber resilience. The Group proactively monitors and implements layers of new controls to protect its critical business systems against the ever-evolving cyber threat landscape and challenges. Regular educational and awareness emails, briefings, phishing test and roadshows are conducted to enhance staff awareness particularly on cyber security.

The Group has also embarked in a digital transformation journey to transform services and businesses, through replacing non-digital processes and older digital technology with new digital technology, to improve process efficiency and to minimise the risks of human intervention via automation.

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. The Group is committed to investigate any suspected misconduct or breaches reported, as well as to protect those who come forward to report such activities, by establishing a Whistleblowing Committee comprising independent directors and an Executive Director.

Anti-Bribery and Anti-Corruption Policy

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. It is committed to conducting its business free from any acts of bribery and corruption by 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 corrupt practices. It is mandatory for all employees to read and understand the policy and to take an online assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's anti-bribery and anti-corruption policy.

Commitment to ESG

The Group established the Sustainability Committee in 2017, which is spearheaded by the Chief Executive Officer and comprises key senior management personnel covering all disciplines, regions of operation and support functions, to assist the Board of Directors in the implementation of the Group's sustainability goals and initiatives. The Board is the ultimate authority over the Group's sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives.

The Sustainability Committee reports its progress to the Board on a half-yearly basis in relation to the Group's sustainability initiatives and the holistic approach taken to identify and manage the material sustainability matters that represent our ESG risks and opportunities. Full details are reported in the Sustainability Report 2021 which is available for download on our corporate website.

Board Committees

The Board has established several board committees to assist in discharging its duties. These include the Audit Committee, Nomination Committee, Remuneration Committee and Whistleblowing Committee. These Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

The Group's system of internal control does not apply to associated companies and jointly-controlled entities over which the Group does not have full management control. The Group's interest in these entities, which includes their associated risks, are managed and safeguarded through Board representation.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

INTERNAL AUDIT FUNCTION

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

A description of the activities of GCG during the financial year ended 31 October 2021 can be found in the Audit Committee Report included in this Annual Report.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement of Risk Management and Internal Control as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the financial year ended 31 October 2021. Their review was performed under a limited assurance engagement in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The external auditors are not required to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control intended to be included in the annual report has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, and this Statement on Risk Management and Internal Control is factually inaccurate.

CONCLUSION

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

In addition, the Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system 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 10 February 2022.

FINANCIAL STATEMENTS

DIRECTORS' **REPORT**

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2021.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	182,740	139,259
Attributable to:		
Owners of the Company	182,740	139,259
Non-controlling interests	-	-
	182,740	139,259

DIVIDENDS

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

	RM'000
Interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2020, paid on 10 February 2021	58,887
First interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2021, paid on 23 July 2021	58,887

On 16 December 2021, the directors declared a second interim single-tier dividend of 2.0 sen per ordinary share amounting to RM58,887,368 in respect of the financial year ended 31 October 2021, which is payable on 28 February 2022. This second interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2022.

The directors do not recommend the payment of any final dividend for the financial year ended 31 October 2021.

RESERVES OR PROVISIONS

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

DIRECTORS' **REPORT**

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF A MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction and event of a material and unusual nature other than a change in accounting policy, the impairment of investment in a joint venture and the impact of the COVID-19 outbreak as disclosed in Notes 2.2(b), 10 and 44 to the financial statements respectively; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' **REPORT**

ISSUE OF SHARES AND DEBENTURES

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

FREE DETACHABLE WARRANTS 2015/2022

The salient terms of the Warrants 2015/2022 are disclosed in Note 19 to the financial statements.

There were no Warrants 2015/2022 exercised during the financial year.

DIRECTORS OF THE COMPANY

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

Tan Sri Abdul Rashid bin Abdul Manaf
Tan Sri Dato' Sri Liew Kee Sin*
Dato' Leong Kok Wah
Dato' Chang Khim Wah*
Liew Tian Xiong*
Datuk Heah Kok Boon*
Tang Kin Kheong
Dato' Idrose bin Mohamed
Dato' Haji Obet bin Tawil
Dato' Noor Farida binti Mohd Ariffin
Low Mei Ling
Lim Hiah Eng (Mrs Lucy Chong)
Sar Sau Yee (Appointed on 1 October 2021)

** Also directors of certain subsidiaries*

DIRECTORS OF SUBSIDIARIES

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

Dato' Seri Sundarajoo A/L Somu
Dato' Soo Chan Fai
Phan Yan Chan
Ho Kwee Hong
Yap Yoke Ching
Catherine Lim Siew Kia
Low Thiam Chin
Dato' Chan Soo How
Tan Yee Ling
Ling Tien Heng
Ngu Poi Shu
Dato' Mohan A/L Sinnathamby (Appointed on 23 August 2021 and resigned on 31 January 2022)

DIRECTORS' **REPORT**

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 ("the Act") in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1 November 2020/ Date of Appointment Unit '000	Bought Unit '000	Sold Unit '000	At 31 October 2021 Unit '000
Direct interests:				
Tan Sri Dato' Sri Liew Kee Sin	276,988	-	-	**276,988**
Dato' Chang Khim Wah	8,650	-	-	**8,650**
Liew Tian Xiong	215,781	-	-	**215,781**
Datuk Heah Kok Boon	1,609	-	-	**1,609**
Deemed/Indirect interests:				
Tan Sri Abdul Rashid bin Abdul Manaf @	248,875	-	(21,000)	**227,875**
Tan Sri Dato' Sri Liew Kee Sin^	155,750	2,500	-	**158,250**
Dato' Leong Kok Wah#	1,218,794	-	(21,000)	**1,197,794**
Sar Sau Yee*	15	-	-	**15**

	Number of Warrants 2015/2022			
	At 1 November 2020/ Date of Appointment Unit '000	Bought Unit '000	Sold Unit '000	At 31 October 2021 Unit '000
Direct interests:				
Dato' Chang Khim Wah	1,224	-	-	**1,224**
Liew Tian Xiong	71,024	-	(15,000)	**56,024**
Datuk Heah Kok Boon	181	-	(181)	**-**
Deemed/Indirect interests:				
Tan Sri Abdul Rashid bin Abdul Manaf @	202,177	-	(47,400)	**154,777**
Dato' Leong Kok Wah#	363,547	-	(47,400)	**316,147**
Sar Sau Yee*	4	-	-	**4**

Notes:

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

^ *Deemed interest by virtue of his interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Act and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.*

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

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

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

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

DIRECTORS' **REPORT**

DIRECTORS' BENEFITS

Since the end of the previous financial year and save as disclosed in Note 37 to the financial statements, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 31 to the financial statements) 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.

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

INDEMNITY FOR DIRECTORS AND OFFICERS

The directors and officers of the Company and its subsidiaries are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O Insurance effected was RM20,000,000. The insurance premium for the D&O Insurance paid during the financial year amounted to RM33,600.

SUBSIDIARIES

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

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

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 17 January 2022, the Company announced a proposed bonus issue of up to 693,952,144 warrants ("New Warrants") on the basis of one (1) New Warrant for every five (5) existing ordinary shares in the Company held by entitled shareholders on an entitlement date to be determined later. The proposed bonus issue of New Warrants was approved by Bursa Malaysia Securities Berhad on 9 February 2022 and is subject to approval of shareholders of the Company.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 29 to the financial statements.

The Company has agreed to indemnify the auditors as permitted under Section 289 of the Act.

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

DATO' CHANG KHIM WAH
Director

DATUK HEAH KOK BOON
Director

Shah Alam
Date: 10 February 2022

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 OCTOBER 2021

		Group			Company	
		31.10.2021	31.10.2020 (Restated)	1.11.2019 (Restated)	31.10.2021	31.10.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	5	**166,454**	184,953	244,435	**-**	-
Investment property	6	**19,740**	19,641	19,510	**-**	-
Inventories	7	**4,168,395**	4,243,824	3,965,190	**-**	-
Investment in subsidiaries	8	**-**	-	-	**3,466,567**	3,489,567
Investment in associates	9	**96,158**	58,242	54,769	**76,834**	61,274
Investment in joint ventures	10	**1,373,089**	1,305,644	1,206,837	**14,000**	14,000
Trade and other receivables	11	**995,181**	990,028	872,270	**1,570,728**	1,412,526
Lease receivables	12	**2,631**	3,739	3,151	**-**	-
Deferred tax assets	13	**108,207**	110,269	104,573	**2**	15
Total non-current assets		**6,929,855**	6,916,340	6,470,735	**5,128,131**	4,977,382
Current assets						
Inventories	7	**1,274,825**	2,004,207	2,608,474	**-**	-
Contract assets	14	**78,844**	56,506	68,545	**-**	-
Current tax assets		**48,189**	42,360	40,197	**-**	-
Trade and other receivables	15	**615,301**	834,413	856,507	**125,947**	169,014
Lease receivables	12	**1,108**	1,065	760	**-**	-
Other current assets	16	**16,416**	15,202	13,717	**-**	-
Cash and bank balances	17	**784,724**	456,437	600,539	**149,319**	93,709
Total current assets		**2,819,407**	3,410,190	4,188,739	**275,266**	262,723
TOTAL ASSETS		**9,749,262**	10,326,530	10,659,474	**5,403,397**	5,240,105

STATEMENTS OF **FINANCIAL POSITION**
AS AT 31 OCTOBER 2021

	Note	Group 31.10.2021 RM'000	Group 31.10.2020 (Restated) RM'000	Group 1.11.2019 (Restated) RM'000	Company 31.10.2021 RM'000	Company 31.10.2020 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	18	**3,614,865**	3,614,865	3,614,865	**3,614,865**	3,614,865
Warrant reserve	19	**194,395**	194,395	194,395	**194,395**	194,395
Foreign currency translation reserve		**36,966**	(18,487)	(15,783)	**-**	-
Cash flow hedge reserve		**(355)**	(89)	(543)	**-**	-
Retained earnings		**919,433**	854,467	694,317	**118,041**	96,556
TOTAL EQUITY		**4,765,304**	4,645,151	4,487,251	**3,927,301**	3,905,816
Non-current liabilities						
Loans and borrowings	20	**1,313,219**	1,266,000	1,803,825	**-**	-
Lease liabilities	21	**8,595**	12,314	14,916	**-**	-
Other payables	22	**313,160**	319,684	-	**-**	-
Deferred tax liabilities	13	**41,296**	40,956	29,298	**-**	-
Total non-current liabilities		**1,676,270**	1,638,954	1,848,039	**-**	-
Current liabilities						
Trade and other payables	23	**920,874**	996,839	1,114,360	**784,546**	628,926
Contract liabilities	14	**754,006**	945,799	1,173,894	**-**	-
Other current liabilities	24	**54,171**	44,300	54,433	**-**	-
Bank overdrafts	25	**24,018**	25,323	26,330	**-**	-
Loans and borrowings	20	**1,542,795**	2,025,084	1,949,253	**691,500**	705,000
Lease liabilities	21	**4,066**	3,905	3,744	**-**	-
Current tax liabilities		**7,758**	1,175	2,170	**50**	363
Total current liabilities		**3,307,688**	4,042,425	4,324,184	**1,476,096**	1,334,289
TOTAL LIABILITIES		**4,983,958**	5,681,379	6,172,223	**1,476,096**	1,334,289
TOTAL EQUITY AND LIABILITIES		**9,749,262**	10,326,530	10,659,474	**5,403,397**	5,240,105

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

STATEMENTS OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

		Group		Company	
		2021	2020 (Restated)	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	26	**2,042,767**	1,996,681	**151,500**	114,000
Cost of sales		**(1,619,505)**	(1,665,220)	**-**	-
Gross profit		**423,262**	331,461	**151,500**	114,000
Other income	27	**67,184**	63,022	**97,296**	92,958
Selling and marketing expenses		**(41,677)**	(39,032)	**-**	-
Administrative expenses		**(182,791)**	(173,876)	**(5,388)**	(6,624)
Net impairment loss on investment in subsidiaries		**-**	-	**(23,000)**	(52,000)
Impairment loss on investment in a joint venture		**(57,300)**	-	**-**	-
Operating profit		**208,678**	181,575	**220,408**	148,334
Finance costs	28	**(112,049)**	(138,665)	**(76,394)**	(72,134)
Share of results in joint ventures, net of tax		**145,007**	154,842	**-**	-
Share of results in associates, net of tax		**(2,320)**	(1,330)	**-**	-
Profit before tax	29	**239,316**	196,422	**144,014**	76,200
Income tax expense	32	**(56,576)**	(36,272)	**(4,755)**	(4,986)
Profit for the financial year		**182,740**	160,150	**139,259**	71,214
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences of translation of foreign operation		**(77)**	38	**-**	-
Share of other comprehensive income/(loss) of joint ventures		**55,264**	(2,288)	**-**	-
Total comprehensive income for the financial year		**237,927**	157,900	**139,259**	71,214
Profit attributable to:					
Owners of the Company		**182,740**	160,150	**139,259**	71,214
Non-controlling interests		**-**	-	**-**	-
		182,740	160,150	**139,259**	71,214
Total comprehensive income attributable to:					
Owners of the Company		**237,927**	157,900	**139,259**	71,214
Non-controlling interests		**-**	-	**-**	-
		237,927	157,900	**139,259**	71,214
Earnings per share (sen):					
- basic/diluted	33	**6.21**	5.44		

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

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	Share capital RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Cash flow hedge reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group						
At 31 October 2019						
- As previously reported	3,614,865	194,395	(15,783)	(543)	745,082	4,538,016
- Change in accounting policy (Note 2.2)	-	-	-	-	(50,765)	(50,765)
Restated balance at 1 November 2019	3,614,865	194,395	(15,783)	(543)	694,317	4,487,251
Total comprehensive income/ (loss) for the financial year						
Profit for the financial year	-	-	-	-	160,150	160,150
Other comprehensive income/ (loss) for the financial year	-	-	(2,704)	454	-	(2,250)
Total comprehensive income/(loss)	-	-	(2,704)	454	160,150	157,900
At 31 October 2020	3,614,865	194,395	(18,487)	(89)	854,467	4,645,151
At 31 October 2020						
- As previously reported	3,614,865	194,395	(18,487)	(89)	880,253	4,670,937
- Change in accounting policy (Note 2.2)	-	-	-	-	(25,786)	(25,786)
Restated balance at 1 November 2020	3,614,865	194,395	(18,487)	(89)	854,467	4,645,151
Total comprehensive income/ (loss) for the financial year						
Profit for the financial year	-	-	-	-	182,740	182,740
Other comprehensive income/ (loss) for the financial year	-	-	55,453	(266)	-	55,187
Total comprehensive income/(loss)	-	-	55,453	(266)	182,740	237,927
Transactions with owners: - Dividends paid (Note 34)	-	-	-	-	(117,774)	(117,774)
At 31 October 2021	**3,614,865**	**194,395**	**36,966**	**(355)**	**919,433**	**4,765,304**
Company						
At 1 November 2019	3,614,865	194,395	-	-	25,342	3,834,602
Total comprehensive income for the financial year	-	-	-	-	71,214	71,214
At 31 October 2020	3,614,865	194,395	-	-	96,556	3,905,816
Total comprehensive income for the financial year	-	-	-	-	139,259	139,259
Transactions with owners: - Dividends paid (Note 34)	-	-	-	-	(117,774)	(117,774)
At 31 October 2021	**3,614,865**	**194,395**	**-**	**-**	**118,041**	**3,927,301**

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

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Profit before tax		**239,316**	196,422	**144,014**	76,200
Adjustments for:					
Depreciation of property, plant and equipment		**23,594**	25,827	**-**	6
Development expenditure written off		**-**	354	**-**	-
Dividend income from subsidiaries		**-**	-	**(151,500)**	(114,000)
Gain on disposal of property, plant and equipment		**(162)**	(5)	**-**	-
Gain on deemed disposal of a subsidiary		**-**	(26)	**-**	-
Gain on dilution of an associate		**(628)**	-	**-**	-
Loss on dissolution of a subsidiary		**6**	-	**-**	-
Loss on dissolution of an associate		**1**	-	**3**	-
Gain on temination/derecognition of leases		**(24)**	(26)	**-**	-
Impairment loss on receivables		**4,156**	-	**-**	-
Impairment loss on amounts due from subsidiaries		**-**	-	**2,141**	2,448
Net impairment loss on investment in subsidiaries		**-**	-	**23,000**	52,000
Impairment loss on right-of-use assets		**-**	6,018	**-**	-
Impairment loss on investment in a joint venture		**57,300**	-	**-**	-
Interest expense		**112,049**	138,665	**76,394**	72,134
Interest income		**(54,666)**	(49,279)	**(97,017)**	(92,802)
Property, plant and equipment written off		**724**	104	**-**	-
Reversal of impairment loss on amounts due from subsidiaries		**-**	-	**(95)**	-
Reversal of impairment loss on amounts due from an associate		**(31)**	-	**(31)**	-
Share of results in joint ventures		**(145,007)**	(154,842)	**-**	-
Share of results in associates		**2,320**	1,330	**-**	-
Unrealised (gain)/loss on foreign exchange		**(71)**	84	**-**	-
(Net reversal of write down)/Write down of inventories		**(13,115)**	67,675	**-**	-
Operating profit/(loss) before changes in working capital		**225,762**	**232,301**	**(3,091)**	**(4,014)**
Changes in working capital:					
Inventories - property under development		**474,874**	430,019	**-**	-
Inventories - completed properties		**485,679**	336,244	**-**	-
Contract assets/liabilities		**(214,131)**	(216,056)	**-**	-
Receivables		**270,675**	42,703	**-**	10,000
Payables		**(78,974)**	(116,918)	**(6,093)**	8,983
Net cash generated from/(used in) operations		**1,163,885**	708,293	**(9,184)**	14,969
Interest paid		**(139,577)**	(159,512)	**-**	-
Interest received		**2,689**	5,385	**55**	43
Dividends received from subsidiaries		**-**	-	**61,760**	-
Income taxes paid		**(56,064)**	(35,655)	**(5,055)**	(3,541)
Net cash from operating activities		**970,933**	518,511	**47,576**	11,471

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from investing activities					
Additions to investment property		**(99)**	(131)	**-**	-
Additions to inventories - land held for property development		**(96,341)**	(139,759)	**-**	-
Proceeds from disposal of property, plant and equipment		**396**	50,042	**-**	-
Purchase of property, plant and equipment		**(5,366)**	(24,000)	**-**	-
Net cash inflow from dissolution of an associate		**33**	-	**33**	-
Subscription of shares in a subsidiary		**-**	-	**-**	(250)
Acquisition/Subscription of shares in associates		**(39,645)**	(4,800)	**(15,596)**	(4,800)
Interest received from deposits		**4,672**	4,430	**2,660**	2,219
Interest received from joint ventures		**92,344**	56,641	**92,344**	56,641
Interest received from subsidiaries		**-**	-	**53,099**	23,409
Dividends received from joint ventures		**48,880**	-	**-**	-
Advances to subsidiaries		**-**	-	**(334,149)**	(327,725)
Repayment from subsidiaries		**-**	-	**365,012**	312,857
Advances to an associate		**-**	-	**-**	(11)
Advances to joint ventures		**(149,500)**	(158,700)	**(149,500)**	(158,700)
Repayment from joint ventures		**81,500**	48,700	**81,500**	48,700
(Placement)/Withdrawal of deposits and transfers to redemption accounts, debt service reserve and escrow accounts		**(79,414)**	21,236	**(8)**	(12)
Net cash (used in)/from investing activities		**(142,540)**	(146,341)	**95,395**	(47,672)
Cash flows from financing activities					
Dividends paid on ordinary shares		**(117,774)**	-	**(117,774)**	-
Drawdown of bank borrowings	(a)	**324,362**	171,682	**-**	-
Repayment of bank borrowings	(a)	**(761,605)**	(637,677)	**(13,500)**	-
Payment of lease liabilities	(a)	**(4,399)**	(2,198)	**-**	-
Advances from subsidiaries		**-**	-	**179,930**	79,987
Repayment to subsidiaries		**-**	-	**(107,729)**	(48,105)
Interest paid		**(18,802)**	(25,828)	**(28,296)**	(32,666)
Net cash used in financing activities		**(578,218)**	(494,021)	**(87,369)**	(784)
Net increase/(decrease) in cash and cash equivalents		**250,175**	(121,851)	**55,602**	(36,985)
Cash and cash equivalents at the beginning of the financial year		**264,314**	386,173	**93,243**	130,228
Effects of exchange rate changes on cash and cash equivalents		**3**	(8)	**-**	-
Cash and cash equivalents at the end of the financial year		**514,492**	264,314	**148,845**	93,243

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and cash equivalents included in the statements of cash flows comprise the following amounts:					
Deposits with licensed banks	17	**314,405**	202,303	**115,759**	93,071
Cash in hand and at banks	17	**470,319**	254,134	**33,560**	638
Bank overdrafts	25	**(24,018)**	(25,323)	**-**	-
		760,706	431,114	**149,319**	93,709
Less: Cash at bank and deposits maintained in debt service reserve accounts, redemption accounts and escrow accounts	17	**(238,211)**	(158,955)	**-**	-
Deposits pledged to banks as security for banking facilities	17	**(8,003)**	(7,845)	**(474)**	(466)
		514,492	264,314	**148,845**	93,243

(a) Reconciliation of liabilities arising from financing activities:

	1 November 2020 RM'000	Cash flows RM'000	Non-cash Transaction cost/ Remeasurement RM'000	31 October 2021 RM'000
Group				
Term loans	869,896	(295,913)	1,730	**575,713**
Bridging loans	283,394	(15,189)	938	**269,143**
Medium term notes	688,360	(100,000)	632	**588,992**
Sukuk	-	180,000	(1,323)	**178,677**
Revolving credits	1,449,434	(206,141)	196	**1,243,489**
Lease liabilities	16,219	(4,399)	841	**12,661**
	3,307,303	(441,642)	3,014	**2,868,675**

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

(a) Reconciliation of liabilities arising from financing activities: (Continued)

	1 November 2019 RM'000	Cash flows RM'000	Non-cash Transaction cost/ Remeasurement RM'000	31 October 2020 RM'000
Group				
Term loans	1,223,566	(356,706)	3,036	869,896
Bridging loans	302,006	(18,472)	(140)	283,394
Medium term notes	687,511	-	849	688,360
Revolving credits	1,539,995	(90,817)	256	1,449,434
Lease liabilities	18,660	(2,198)	(243)	16,219
	3,771,738	(468,193)	3,758	3,307,303

Company

Changes in liabilities arising from financing activities are changes arising from cash flows.

(b) Total cash outflows for lease

During the financial year, the Group had total cash outflows for leases of RM6,378,000 (2020: RM3,722,000).

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

NOTES TO THE **FINANCIAL STATEMENTS**

1. CORPORATE INFORMATION

Eco World Development Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at No. 60, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 February 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs and change in accounting policy

(a) Adoption of amendments/improvements to MFRSs

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

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* *Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 6 April 2021.*

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

(b) Change in accounting policy

IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 *Borrowing Costs* relating to over time transfer of constructed good ("Agenda Decision")

In March 2019, IFRIC concluded that inventories, once made available for intended sale, are not qualifying assets even though they are still under construction. Accordingly, an entity should not capitalise borrowing costs on these inventories in accordance with the principles and requirements in IAS 23 (MFRS 123).

NOTES TO THE **FINANCIAL STATEMENTS**

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs and change in accounting policy (Continued)

(b) Change in accounting policy (Continued)

IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 23 *Borrowing Costs* relating to over time transfer of constructed good ("Agenda Decision") (Continued)

In previous financial years, borrowing costs incurred were capitalised in inventory – property under development until the physical completion of the development units. On 1 November 2020, the Group changed its accounting policy with retrospective effect as a result of the Agenda Decision and accordingly, the financial statements for the previous financial years included herein as comparatives have been restated.

The effects of the change in accounting policy on the comparative financial statements are disclosed below.

Consolidated Statement of Financial Position

	Note	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group				
At 31 October 2020				
Non-current assets				
Investment in joint ventures	10	1,305,460	184	1,305,644
Deferred tax assets	13	103,639	6,630	110,269
Current assets				
Inventories	7	2,037,889	(33,682)	2,004,207
Equity attributable to owners of the Company				
Retained earnings		880,253	(25,786)	854,467
Non-current liabilities				
Deferred tax liabilities	13	40,982	(26)	40,956
Current liabilities				
Other current liabilities	24	45,356	(1,056)	44,300
Group				
At 1 November 2019				
Non-current assets				
Investment in joint ventures	10	1,208,494	(1,657)	1,206,837
Deferred tax assets	13	99,088	5,485	104,573
Current assets				
Inventories	7	2,660,006	(51,532)	2,608,474
Equity attributable to owners of the Company				
Retained earnings		745,082	(50,765)	694,317
Non-current liabilities				
Deferred tax liabilities	13	31,748	(2,450)	29,298
Current liabilities				
Other current liabilities	24	48,922	5,511	54,433

NOTES TO THE **FINANCIAL STATEMENTS**

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs and change in accounting policy (Continued)

(b) Change in accounting policy (Continued)

Consolidated Statement of Comprehensive Income

	Note	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group				
Financial year ended 31 October 2020				
Cost of sales		(1,729,211)	63,991	(1,665,220)
Other income	27	58,067	4,955	63,022
Finance costs	28	(93,505)	(45,160)	(138,665)
Share of results in joint ventures, net of tax		151,252	3,590	154,842
Income tax expense	32	(33,875)	(2,397)	(36,272)
Profit for the financial year		135,171	24,979	160,150
Total comprehensive income for the financial year		132,921	24,979	157,900

Consolidated Statement of Cash Flows

The change in accounting policy does not have any material impact on the consolidated statement of cash flows.

Earnings per share

	2020 Sen per share
Group	
Basic/Diluted earnings per share as previously reported	4.59
Add: Change in accounting policy	0.85
Basic/Diluted earnings per share as restated	5.44

NOTES TO THE **FINANCIAL STATEMENTS**

2. BASIS OF PREPARATION (CONTINUED)

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/1 January 2023#
MFRS 3	Business Combinations	1 January 2022/1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRSs 2018-2020*
# *Amendments as to the consequence of MFRS 17 Insurance Contracts becoming effective*

NOTES TO THE **FINANCIAL STATEMENTS**

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. To support these amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information rather than standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The initial application of the above applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation and economic entities

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

(a) Subsidiaries and business combinations

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

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

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

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amount that relates to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that is not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

over

- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed of the previously held equity interest.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(a) Subsidiaries and business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss.

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

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Associates and joint ventures

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

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

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

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(b) Associates and joint ventures (Continued)

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

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in a former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9.

The difference between the carrying amount of an associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture but continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

When the Group transacts with an associate or a joint venture, profits and losses resulting from these transactions are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate or joint venture that are not related to the Group.

The unrealised profits on transactions between the Group and the associate or joint venture are eliminated. Unrealised losses are also eliminated, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the date of the transaction.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment in a foreign operation.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

(b) Translation of foreign operations

In the consolidated financial statements, assets and liabilities of foreign operations denominated in a functional currency other than the presentation currency are translated into the presentation currency at exchange rates prevailing at the reporting date. Income and expense items are translated at exchange rates ruling at the transaction dates.

Exchange differences arising on translation are recognised in other comprehensive income. If the foreign operation is not a wholly-owned subsidiary, the relevant share of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the realised cumulative foreign exchange translation reserve related to that foreign operation is reclassified to profit or loss.

For a partial disposal not involving loss of control of a subsidiary, the relevant share of the cumulative foreign exchange translation reserve is reattributed to non-controlling interests.

For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the realised cumulative foreign exchange translation reserve is reclassified to profit or loss.

3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

(a) Initial recognition

Except for the trade receivables that do not contain a significant financing component, financial instruments are recognised initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs attributable to a financial asset or financial liability carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables that do not contain a significant financing component or where the Group expects the period between when the promised goods are transferred and when the customer pays will be one year or less are measured at the transaction price determined under MFRS 15.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(b) Subsequent measurement

The Group categorises financial instruments as follows:

(i) Financial assets

The Group's financial assets consists of debt instruments that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost.

Accordingly, the Group classifies its financial assets as financial assets measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

The policy for the recognition and measurement of impairment is in accordance with Note 3.10 to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group classifies its financial liabilities as financial liabilities measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the EIR amortisation process.

(c) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined using the general 3-stage approach as described in Note 3.10(a)(i) to the financial statements and the amount initially recognised, and where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either:

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(d) Derecognition (Continued)

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.4 Property, plant and equipment and depreciation

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is set out in Note 3.10(b) to the financial statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, as well as any costs of dismantling and removing the asset and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16 to the financial statements.

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

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment and depreciation (Continued)

(c) Depreciation

Freehold land and capital work-in-progress are not depreciated.

All other property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following rates:

Buildings	2% - 10%
Motor vehicles	16% - 20%
Office equipment and fittings	10% - 33%
Office renovation, site office equipment and communication equipment	10% - 20%

The residual values, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee.

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated cost to restore the underlying asset, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option in a lease agreement, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the lease. In addition, the right-of-use asset is reduced by any impairment losses, and adjusted for any remeasurement of the lease liabilities. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10 to the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments include fixed lease payments, less any lease incentives and any exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

(a) Lessee accounting (Continued)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if there is a change in the Group's estimate of lease term, or when a lease contract is modified and the lease modification is not accounted for as a separate lease. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments associated with these leases on a straight-line basis over the lease term.

(b) Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. In determining the classification of each lease, the Group assesses whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(a) to the financial statements, then it classifies the sub-lease as an operating lease.

If the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, which includes transaction costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investment properties (Continued)

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss arising from the retirement or disposal of an investment property is determined as being the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

3.7 Inventories

Inventories comprising properties held for sale are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

<u>Land held for property development</u>

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Land held for property development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

<u>Property under development and completed properties</u>

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs.

The cost of unsold completed properties is determined on a specific identification basis.

3.8 Contract assets/liabilities

A contract asset is recognised for the excess of revenue recognised over progress billings and deposits or advances received from purchasers of properties.

When progress billings and deposits or advances received from purchasers of properties exceed revenue recognised, the Group recognises a contract liability for the difference.

The policy for the recognition and measurement of impairment losses on contract assets is in accordance with Note 3.10 to the financial statements.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits, debt service reserve, redemption accounts and escrow accounts pledged to secure banking facilities.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts are subject to the impairment requirement in MFRS 9 to account for expected credit losses. Expected credit loss ("ECL") is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance as follows:

(i) General 3-stage approach

At each reporting date, the Group measures loss allowance for other receivables and cash and bank balances at an amount equal to credit losses that result from default events that are possible within the next 12-months ("12-month ECL") if credit risk on a financial instrument has not increased significantly since initial recognition.

For other financial instruments, a loss allowance at an amount equal to credit losses over the remaining life of the exposure ("lifetime ECL") is required.

(ii) Simplified approach for trade receivables and contract assets

The Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime ECL at each reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default (or credit-impaired) when contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. Nevertheless, in other cases, the Group may also consider internal and external information that indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Those information includes instances where:

- the counterparty is in significant financial difficulty;
- the counterparty is in breach of financial covenants;
- the lender of the counterparty having granted to the counterparty a concession that the lender would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

Impairment losses (or reversal) are recognised in profit or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty no longer have assets or a source of income that could generate sufficient cash flows to repay the amount owing.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.11 Current versus non-current classification

The Group classifies assets and liabilities in statements of financial position as current and non-current. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the financial year; or
- a cash or a cash equivalent which is not restricted from being exchanged or used to settle a liability for at least twelve months after the financial year.

All other assets are classified as non-current.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Current versus non-current classification (Continued)

A liability is classified as current when:

- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the financial year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the financial year.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, respectively.

3.12 Share capital

Ordinary shares

Ordinary shares are equity instruments and are classified as equity. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Transaction costs that are directly attributable to the issuance of ordinary shares are deducted against equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year in which the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund, the national defined contribution plan and the Central Provident Fund, Singapore’s defined contribution plan. Such contributions are recognised as an expense in profit or loss in the financial year in which the employees render their services.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income

(a) Revenue

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied based on each contract with a customer or on a combination of contracts with the same customer (or related parties of the customer). For practical expediency, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

<u>Financing components</u>

The Group has applied the practical expedient of not adjusting the promised amount of consideration for the effects of a significant financing components if the Group expects the period between the transfer of the promised goods or services to the customer and payment by the customer to be one year or less.

(i) Property development

The Group develops and sells residential and commercial properties.

Contracts with customers may include multiple distinct promises to customers and these are accounted for as separate performance obligations. Where the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margins.

Revenue from the sales of properties under development is recognised as and when the control of the property is transferred to the customer. Based on the terms of the contract and applicable laws, control is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, which in turn is determined by the proportion that property development costs incurred for work performed to-date bear over the estimated total property development costs (an input method).

Revenue from the sale of completed properties is recognised at a point in time when control of the property is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income (Continued)

(a) Revenue (Continued)

(i) Property development (Continued)

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised net of customers' legal fees.

The Group determines that sales of properties under Help2Own scheme contain a significant financing component. Consequently, the amount of the promised consideration is adjusted for the time value of money and the related interest income is recognised using the effective interest method over the term of the deferment.

The Group also determines that its sales of properties under Stay2Own scheme includes a variable amount. Revenue from these sales is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For residential properties and commercial properties, the Group's obligations are to rectify any defects that become apparent within the relevant defect liability period. No provision for rectification costs has been made as at the end of the financial year as there has been no known material defects reported and only minimal costs have been incurred in the past.

(ii) Management fees

Management fees are recognised over time as services are rendered based on time elapsed. Credit term of the management fee billed is 30 days.

(iii) Sales of other goods

Revenue from the sale of other goods is recognised at a point in time when control of the goods is transferred to the customer, being the time when the customer accepts the delivery of the goods.

Revenue is recognised based on the price specified in the contract, net of any discounts.

Sales are made with a credit term ranging from 30 to 60 days, which is consistent with market practice and therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts delivery of the goods.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of good to the customer.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Other income

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Rental income

Rental income, net of lease incentives granted, is recognised on a straight-line basis over the term of the lease.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Borrowing costs

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

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred the borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Income earned on the temporary investment of borrowed funds pending disbursement for expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except when it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates that have been enacted or substantively enacted by the end of the financial year, adjusted for any over or under recognised current tax expense in respect of previous financial years.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (Continued)

(b) Deferred tax (Continued)

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Goods and services tax ("GST") and sales and service tax ("SST")

GST in Malaysia was abolished and replaced by SST on 1 September 2018.

Revenue is stated net of any SST collected.

GST or SST paid on goods and services purchased are recognised as part of the cost of purchase of such goods and services, unless the GST is recoverable from the tax authority, in which case the GST paid is recognised as a receivable.

3.18 Earnings per share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding for the effects of any dilutive potential ordinary shares.

3.19 Contingent liabilities and contingent assets

A contingent liability or contingent asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Additionally, contingent liabilities include a present obligation that arises from past events where:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and contingent assets are not recognised in the statements of financial position.

NOTES TO THE **FINANCIAL STATEMENTS**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Fair value measurements

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.22 Contract acquisition costs

Contract acquisition costs are incremental costs of obtaining a contract with a customer. Contract acquisition costs are recognised as an asset when the Group expects that those costs are recoverable through property development revenue earned from the customer.

These costs are amortised on a systematic basis that is consistent with the transfer to the customer of the properties to which the asset relates.

The Group has applied the practical expedient to recognise contract acquisition costs as an expense when incurred for contracts with an amortisation period of one year or less.

Impairment loss is recognised in the profit or loss to the extent that the carrying amount of the contract acquisition costs asset exceeds the remaining consideration that the Group expects to receive for the specific contract that the costs relate to (after deducting additional costs required to be incurred in relation to the contracts).

3.23 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached condition will be complied with.

Where the grant relates to an asset, it is deducting the grant in arriving at the carrying amount of the asset and it is recognised in profit or loss on a systematic basis over the periods that the related asset, for which it is intended to compensate. Where the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

NOTES TO THE **FINANCIAL STATEMENTS**

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have a significant effect in determining the amounts recognised in the financial statements include the following:

4.1 Write-down of inventories (Note 7 to the financial statements)

Inventories are written down when events or changes in circumstances indicate that their carrying amounts may no longer be fully recoverable. The Group writes down its inventories based on an assessment of their realisable values after taking into account further costs to complete and additional discounts and other costs required to be incurred in order to sell the inventories. In arriving at realisable values, the Group analyses sales trends and prevailing economic conditions.

The economic uncertainties resulting from the COVID-19 pandemic have impacted and may continue to impact selling prices and the saleability of inventories. When future events differ from current expectations, the carrying amount of unsold inventories may have to be written down or written back in future financial periods.

4.2 Capitalisation of borrowing costs (Note 7 to the financial statements)

Borrowing costs that are directly attributable to the acquisition or development of qualifying inventories are capitalised as part of the cost of those assets. The Group begins the capitalisation of borrowing costs when it has incurred the borrowing costs and continues to undertake activities that are necessary to prepare the asset for its intended use or sale. When each phase of the development is ready for its intended sale, the Group ceases the capitalisation of the borrowing costs incurred on that phase.

Significant judgement is required to determine whether the activities meet the criteria of an active development that benefits future development phases.

4.3 Impairment assessment of investments in subsidiaries (Note 8 to the financial statements)

The Company assesses impairment of its investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiary. In estimating the present value of the estimated cash flows, the Company applies a suitable discount rate and make assumptions underlying the cash flow projections such as expected revenue from sales of properties.

The economic uncertainties resulting from the COVID-19 pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the calculation of value in use. Cash flows projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

4.4 Classification of investment in associates (Note 9 to the financial statements)

According to the contractual arrangements entered into with other shareholders of the associate, the Group has the power to participate in the financial and operating policy decisions, but not control or joint control over those policies.

Judgement is required to determine if the Group has the necessary significant influence to regard the associate as an associate and to account for its interest using the equity method.

NOTES TO THE **FINANCIAL STATEMENTS**

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.5 Impairment assessment of investment in joint ventures (Note 10 to the financial statements)

The Group assesses its investment in joint ventures at the end of the reporting period for any objective evidence that the investment may be impaired as a result of one or more events that have occurred. Where there is objective evidence of impairment, the Group determines its share of the present value of the estimated future cash flows expected to be generated by the joint venture. In estimating the present value of the estimated cash flows, the Group applies a suitable discount rate and make assumptions underlying the cash flow projections such as future sales of development properties and future costs of development.

The economic uncertainties resulting from the COVID-19 pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the calculation of value in use. Cash flows projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

4.6 Classification of investment in joint ventures (Note 10 to the financial statements)

According to the contractual arrangements entered into with the Group's joint venture partners, decisions about the relevant activities of the joint ventures require the unanimous consent of all the parties sharing control and the Group has rights to the net assets of the joint ventures.

Judgement is required to determine if the Group has the necessary joint control over the joint ventures to recognise them as joint venture arrangements and to account for its interest using the equity method.

4.7 Recognition of property development revenue (Note 26 to the financial statements)

The Group recognises property development revenue in profit or loss based on the progress towards complete satisfaction of performance obligations. The progress towards complete satisfaction of performance obligations is determined by the proportion that property development costs incurred for work performed to date bear over the estimated total property development costs.

In determining the progress towards complete satisfaction of performance obligations, significant judgement is required in the estimation of property development costs incurred to-date, total property development revenue (including estimated variable consideration) and total development costs, as well as the recoverability of the development projects. The estimated total revenue and development costs are affected by a variety of uncertainties that depend of the outcome of future events. In making this judgement, the Group relies on past experience and the work of specialists.

The economic uncertainties resulting from the COVID-19 pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total property development costs and total property development revenue.

NOTES TO THE **FINANCIAL STATEMENTS**

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Other assets* RM'000	Capital work-in-progress^ RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2021								
Cost								
At 1 November 2020	13,165	194,743	22,596	36,504	46,872	11,862	13,787	339,529
Additons	-	1,042	234	1,476	13	2,601	3,210	8,576
Disposal	-	-	(1,420)	(237)	(68)	-	-	(1,725)
Written off	-	-	(51)	(34)	(2,573)	-	-	(2,658)
Reclassification	-	-	-	767	-	(767)	-	-
Termination of lease	-	-	-	-	-	-	(2,824)	(2,824)
Exchange differences	-	-	-	19	36	-	-	55
At 31 October 2021	13,165	195,785	21,359	38,495	44,280	13,696	14,173	340,953
Accumulated depreciation and impairment								
At 1 November 2020	-	53,616	18,449	32,627	40,444	-	9,440	154,576
Depreciation for the financial year	-	15,479	1,271	1,895	3,194	-	1,755	23,594
Disposals	-	-	(1,187)	(210)	(54)	-	-	(1,451)
Written off	-	-	(42)	(29)	(1,863)	-	-	(1,934)
Termination of lease	-	-	-	-	-	-	(477)	(477)
Exchange differences	-	-	-	87	104	-	-	191
At 31 October 2021	-	69,095	18,491	34,370	41,825	-	10,718	174,499
Carrying amount								
At 31 October 2021	13,165	126,690	2,868	4,125	2,455	13,696	3,455	166,454

NOTES TO THE **FINANCIAL STATEMENTS**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment and fittings RM'000	Other assets* RM'000	Capital work-in-progress^ RM'000	Right-of-use assets RM'000	Total RM'000
Group								
2020								
Cost								
At 1 November 2019	65,779	182,024	22,632	34,947	48,376	1,254	15,357	370,369
Additions	-	11,199	167	1,623	403	10,608	2,517	26,517
Disposals	(52,457)	-	(203)	(31)	(16)	-	-	(52,707)
Written off	-	-	-	(22)	(509)	-	-	(531)
Reclassification	(157)	1,520	-	-	(1,363)	-	-	-
Remeasurement of lease liabilities	-	-	-	-	-	-	(1,638)	(1,638)
Derecognition	-	-	-	-	-	-	(2,449)	(2,449)
Exchange differences	-	-	-	(13)	(19)	-	-	(32)
At 31 October 2020	13,165	194,743	22,596	36,504	46,872	11,862	13,787	339,529
Accumulated depreciation and impairment loss								
At 1 November 2019	2,457	41,678	16,244	29,790	35,591	-	174	125,934
Depreciation for the financial year	-	11,938	2,374	2,933	5,252	-	3,330	25,827
Disposals	(2,457)	-	(169)	(44)	-	-	-	(2,670)
Written off	-	-	-	(20)	(407)	-	-	(427)
Impairment loss	-	-	-	-	-	-	6,018	6,018
Reclassification	-	-	-	(20)	20	-	-	-
Derecognition	-	-	-	-	-	-	(82)	(82)
Exchange differences	-	-	-	(12)	(12)	-	-	(24)
At 31 October 2020	-	53,616	18,449	32,627	40,444	-	9,440	154,576
Carrying amount								
At 31 October 2020	13,165	141,127	4,147	3,877	6,428	11,862	4,347	184,953

NOTES TO THE **FINANCIAL STATEMENTS**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment and fittings RM'000	Other assets* RM'000	Total RM'000
Company			
2021			
Cost			
At 1 November 2020/31 October 2021	**195**	**300**	**495**
Accumulated depreciation			
At 1 November 2020/31 October 2021	**195**	**300**	**495**
Carrying amount			
At 31 October 2021	**-**	**-**	**-**
2020			
Cost			
At 1 November 2019/31 October 2020	195	300	495
Accumulated depreciation			
At 1 November 2019	195	294	489
Depreciation for the financial year	-	6	6
At 31 October 2020	195	300	495
Carrying amount			
At 31 October 2020	-	-	-

* *Other assets comprise office renovation, site office equipment and communication equipment.*

^ *Capital work-in-progress comprises building under construction and computer software systems in the process of being implemented.*

(a) Certain freehold land and buildings with a carrying amount of RM83,863,000 (2020: RM90,663,000) have been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

NOTES TO THE **FINANCIAL STATEMENTS**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

Information about leases for which the Group is a lessee is presented below:

	Signboards RM'000	Motor vehicles RM'000	Buildings RM'000	Total RM'000
Group				
Cost				
As 1 November 2019	1,418	544	13,395	15,357
Additions	-	-	2,517	2,517
Remeasurement of lease liabilities	-	-	(1,638)	(1,638)
Derecognition	-	-	(2,449)	(2,449)
At 31 October 2020	1,418	544	11,825	13,787
Addition	-	-	3,210	3,210
Termination of lease	-	-	(2,824)	(2,824)
At 31 October 2021	**1,418**	**544**	**12,211**	**14,173**
Accumulated depreciation and impairment loss				
At 1 November 2019	-	174	-	174
Depreciation for the financial year	170	87	3,073	3,330
Impairment loss	-	-	6,018	6,018
Derecognition	-	-	(82)	(82)
At 31 October 2020	170	261	9,009	9,440
Depreciation for the financial year	170	87	1,498	1,755
Termination of lease	-	-	(477)	(477)
At 31 October 2021	**340**	**348**	**10,030**	**10,718**
Carrying amount				
At 31 October 2020	1,248	283	2,816	4,347
At 31 October 2021	**1,078**	**196**	**2,181**	**3,455**

Included in right-of-use assets are:

(i) Residential properties leased by the Group that are yet to be subleased to employees under the Group's Home Ownership Programme for which a full impairment amounting to RM6,018,000 has been recognised; and

(ii) Leases of signboards that are for operational use and leases for premises that are for office use and staff accommodation; and

(iii) Leases of motor vehicles under hire purchase arrangements that are for operational use.

The leases have remaining lease terms ranging from 1 to 9 years (2020: 1 to 10 years), including option to extend.

NOTES TO THE **FINANCIAL STATEMENTS**

6. INVESTMENT PROPERTY

	Group	
	2021 RM'000	2020 RM'000
At cost		
At 1 November 2020/2019	**19,641**	19,510
Additions	**99**	131
At 31 October	**19,740**	19,641
Represented by:		
Freehold land	**19,740**	19,641
Fair value	**54,527**	52,000

The fair value of the freehold land is categorised as Level 2 in the fair value hierarchy according to the criteria stated in Note 3.20 to the financial statements. The fair value has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square foot of comparable land.

The fair value has been determined from a valuation performed by a registered independent valuer having appropriate recognised professional qualification and experience in the location and category of the property being valued.

The investment property had been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

7. INVENTORIES

		Group	
	31.10.2021 RM'000	31.10.2020 (Restated) RM'000	1.11.2019 (Restated) RM'000
Non-current:			
Land held for property development			
- freehold land	**2,563,605**	2,701,681	2,423,545
- leasehold land	**288,474**	292,440	335,795
- development costs	**1,316,316**	1,249,703	1,205,850
	4,168,395	4,243,824	3,965,190
Current:			
Property under development			
- freehold land	**297,423**	330,356	536,950
- leasehold land	**45,292**	71,419	63,300
- development costs	**323,139**	892,206	1,424,636
Completed properties	**608,971**	710,226	583,588
	1,274,825	2,004,207	2,608,474
	5,443,220	6,248,031	6,573,664

NOTES TO THE **FINANCIAL STATEMENTS**

7. INVENTORIES (CONTINUED)

(a) Included in land held for property development during the financial year are:

	Group 2021 RM'000	Group 2020 RM'000
Borrowing costs	**57,453**	53,351

(b) Certain land held for property development, property under development and completed properties have been charged to secure banking facilities granted to the Group (Note 20 to the financial statements).

(c) During the financial year, inventories recognised as cost of sales amounted to RM1,524,375,000 (2020: RM1,557,134,000).

(d) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year includes:

	Group 2021 RM'000	Group 2020 (Restated) RM'000
Write down of inventories	**1,505**	67,675
Reversal of amounts previously written down	**(14,620)**	-
	(13,115)	67,675

Amounts previously written down were reversed as the inventories were realised in the current year at values higher than their previously written down values.

8. INVESTMENT IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
At cost		
Unquoted ordinary shares	**196,117**	196,117
Unquoted redeemable convertible preference shares	**3,443,963**	3,443,963
Less: Accumulated impairment losses	**(173,513)**	(150,513)
	3,466,567	3,489,567

Arising from an assessment of the underlying value of subsidiaries, the Company noted that the recoverable amounts of certain subsidiaries were lower than their carrying amount in view of recent adverse conditions impacting these subsidiaries. The recoverable amount of the investment was computed based on the Company's estimated future cash flows expected to be generated by the subsidiaries taking into consideration the expected revenue from sales of properties.

Accordingly, an impairment loss of RM33,000,000 (2020: RM65,000,000) was recognised in profit or loss.

The Company also noted increases in recoverable value of certain other subsidiaries which enabled it to reverse previously recognised impairment losses of RM10,000,000 (2020: RM13,000,000).

NOTES TO THE **FINANCIAL STATEMENTS**

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Movements in accumulated impairment losses were as follows:

	Company 2021 RM'000	Company 2020 RM'000
At 1 November 2020/2019	**150,513**	98,513
Recognised during the financial year	**33,000**	65,000
Reversed during the financial year	**(10,000)**	(13,000)
At 31 October	**173,513**	150,513

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows:

	Ownership Interest 2021 %	Ownership Interest 2020 %	Principal activities
Focal Aims Land Sdn. Bhd.	**100**	100	Property development
Focal Aims Properties Sdn. Bhd. ("FAPSB")	**100**	100	Investment holding
Eco World Ukay Sdn. Bhd.	**100**	100	Project management, building and construction services
Eco Sanctuary Sdn. Bhd.	**100**	100	Property development and property investment holding
Eco Sky Sdn. Bhd.	**100**	100	Property development
Eco Majestic Development Sdn. Bhd.	**100⁺**	100⁺	Property development and property investment holding
Eco Botanic Sdn. Bhd.	**100**	100	Property development
Eco Terraces Sdn. Bhd.	**100**	100	Property development
Eco Business Park 2 Sdn. Bhd.	**100**	100	Property development
Eco Meadows Sdn. Bhd.	**100**	100	Property development
Eco Summer Sdn. Bhd.	**100**	100	Property development and property investment holding
Eco Business Park 1 Sdn. Bhd.	**100**	100	Property development
Eco World Property Services (Eco South) Sdn. Bhd.	**100**	100	Property management services
Eco World Digital Services Sdn. Bhd.	**100**	100	Provision of digital solution services
Rentas Prestasi Sdn. Bhd. ("RPSB")	**100**	100	Investment holding
Eco World Development Management (BBCC) Sdn. Bhd.	**100**	100	Property development project management

NOTES TO THE **FINANCIAL STATEMENTS**

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows: (Continued)

	Ownership Interest 2021 %	2020 %	Principal activities
Eco World Trading Sdn. Bhd.	**100**	100	Traders or business of building materials
Eco World IBS Sdn. Bhd.	**100**	100	Investment holding
Eco World Development (S) Pte. Ltd.^@	**100**	100	Promotion, marketing and other activities related to property management
Meridian Insight Sdn. Bhd.	**100**	100	Investment holding
Eco World Capital Services Berhad	**100**	100	Issuer of notes under the Islamic Medium Term Note programme
Eco Macalister Development Sdn. Bhd.	**100**	100	Property investment holding
Eco World Project Management Sdn. Bhd. ("EWPM")	**100**	100	Property development project management
Eco World Property Services (Eco Central) Sdn. Bhd.	**100**	100	Property management services
Melia Spring Sdn. Bhd.	**100**	100	Property development
Eco Grandeur Sdn. Bhd. ("EGSB")	**100**	100	Investment holding
Eco World Capital (International) Sdn. Bhd. ("EWCI")	**100**	100	Investment holding
Eco World Capital (L) Ltd @@#	**100**	100	Investment holding
Eco World Property Services (Eco North) Sdn. Bhd.	**100**	100	Property management services
Eco World Capital Assets Berhad	**100**	100	Issuer of notes under the Medium Term Note programme
Jasa Hektar Sdn. Bhd.	**100**	100	Property development
Hasrat Budi Sdn. Bhd. ("HBSB")	**100**	-	Investment holding

NOTES TO THE **FINANCIAL STATEMENTS**

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The subsidiaries, all incorporated in Malaysia unless otherwise stated, are as follows: (Continued)

	Ownership Interest 2021 %	2020 %	Principal activities
Held through FAPSB			
Eco Tropics Development Sdn. Bhd. ("ETSB")	**100**	100	Property development
Held through EWPM			
Eco World DM Services Sdn. Bhd. ("EWDMS")	**100**	100	Provision of consultancy and property development project management services and investment holding
Held through ETSB			
Focal Aims Realty Sdn. Bhd. ##	**100**	100	Project management and investment holding

+ *98% held through RPSB and 2% held through the Company.*
^ *Audited by Baker Tilly TFW LLP, an independent member firm of Baker Tilly International.*
@ *Incorporated in Singapore.*
@@ *Incorporated in Labuan.*
\# *In the process of striking off.*
\## *Dissolved on 3 February 2022.*

NOTES TO THE **FINANCIAL STATEMENTS**

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted ordinary shares, at cost	**24,561**	410	**512**	410
Unquoted redeemable preference shares, at cost	**76,322**	60,878	**76,322**	60,878
Share of post-acquisition results and reserves	**(4,725)**	(3,046)	**-**	-
Less: Accumulated impairment losses	**-**	(3)	**-**	(14)
	96,158	58,239	**76,834**	61,274
Add: Amount recognised as obligation (Note 23)	**-**	3	**-**	-
	96,158	58,242	**76,834**	61,274

Details of the associates, incorporated in Malaysia, are as follows:

	Ownership Interest 2021 %	Ownership Interest 2020 %	Principal activities	Financial year end
MFBBCC Retail Mall Sdn. Bhd. ("MFBBCC")^	**10**	12	Development and operation of retail mall	31 December #
Kale Life Sdn. Bhd. ("Kale Life")+	**-**	20	Provision of digital solution services	31 October
Hara Kecil Property Management Sdn. Bhd. ("HKPM")	**-**	49	Property management services	31 October
Held through EWDMS				
HKPM	**49**	-	Property management services	31 October
Held through HBSB				
MYSJ Sdn. Bhd. ("MYSJ")	**10**	-	Development of IT systems	31 December @

^ *Audited by an audit firm other than Baker Tilly Monteiro Heng PLT.*

\# *The financial information of this associate was made up to 31 October and audited for equity accounting purposes.*

\+ *Dissolved on 9 June 2021.*

@ *Audited financial information of this associate was not available as at 31 October 2021. Management accounts for the financial period from 27 August 2021 (date of acquisition) to 31 October 2021 have been used for equity accounting purposes.*

The Company has significant influence in the associates by having representation on its board of directors to participate in decision-making over financial and operating policies.

NOTES TO THE **FINANCIAL STATEMENTS**

9. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) The following table illustrates the summarised aggregated financial information of associates and reconciles the information to the carrying amount of the Group's interest in associates as at 31 October 2021:

	MFBBCC RM'000	Other individually immaterial associates RM'000	Total RM'000
2021			
Assets and liabilities			
Non-current assets	1,455,443	289,143	1,744,586
Current assets	195,707	1,464	197,171
Non-current liabilities	(700,000)	(2)	(700,002)
Current liabilities	(346,578)	(61,190)	(407,768)
Net assets	604,572	229,415	833,987
Results			
Loss for the financial year	(11,091)	(10,681)	(21,772)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	(11,091)	(10,681)	(21,772)
Reconciliation of net assets to carrying amount:			
Share of net assets at acquisition date, at book value	76,834	(1,676)	75,158
Add: Goodwill	-	25,725	25,725
Cost of investment	76,834	24,049	100,883
Share of post-acquisition results and reserves:			
- Share of post-acquisition loss	(3,733)	(992)	(4,725)
Carrying amount in the statements of financial position	73,101	23,057	96,158
Group's share of results			
Group's share of loss	(1,331)	(989)	(2,320)
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive loss	(1,331)	(989)	(2,320)

NOTES TO THE **FINANCIAL STATEMENTS**

9. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The following table illustrates the summarised aggregated financial information of associates and reconciles the information to the carrying amount of the Group's interest in associates as at 31 October 2020:

	MFBBCC RM'000	Other individually immaterial associates RM'000	Total RM'000
2020			
Assets and liabilities			
Non-current assets	1,081,175	-	1,081,175
Current assets	270,480	176	270,656
Non-current liabilities	(711,085)	-	(711,085)
Current liabilities	(155,505)	(37)	(155,542)
Net assets	485,065	139	485,204
Results			
Loss for the financial year	(11,041)	(18)	(11,059)
Other comprehensive income	-	-	-
Total comprehensive loss for the financial year	(11,041)	(18)	(11,059)
Reconciliation of net assets to carrying amount:			
Share of net assets at acquisition date, at book value	61,238	50	61,288
Less: Accumulated impairment losses	-	(3)	(3)
Cost of investment	61,238	47	61,285
Share of post-acquisition results and reserves:			
- Share of post-acquisition loss	(3,030)	(16)	(3,046)
	58,208	31	58,239
Add: Amount recognised as obligation (Note 23)*	-	3	3
Carrying amount in the statements of financial position	58,208	34	58,242
Group's share of results			
Group's share of loss	(1,325)	(5)	(1,330)
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive loss	(1,325)	(5)	(1,330)

* *The Group's share of HKPM's losses in excess of the cost of investment has been recognised as an obligation in the consolidated statement of financial position.*

NOTES TO THE **FINANCIAL STATEMENTS**

9. INVESTMENT IN ASSOCIATES (CONTINUED)

Significant restrictions

Certain associates cannot distribute their profit unless approvals are obtained from their respective shareholders.

Commitments

The commitments relating to the Group's and the Company's interest in the associates are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Commitment for subscription/acquisition of additional ordinary shares in associates	**30,000**	240	**-**	240
Commitment for subscription of redeemable preference shares in an associate	**6,552**	23,122	**6,552**	23,122
	36,552	23,362	**6,552**	23,362

Contingent liabilities

The Group is not required to share in the contingent liabilities, if any, of the associates.

10. INVESTMENT IN JOINT VENTURES

	Group			Company	
	31.10.2021 RM'000	31.10.2020 (Restated) RM'000	1.11.2019 (Restated) RM'000	31.10.2021 RM'000	31.10.2020 RM'000
Quoted shares and warrants, at cost	**777,600**	777,600	777,600	**-**	-
Unquoted shares, at cost	**382,894**	382,894	382,894	**14,000**	14,000
Share of post-acquisition results and reserves, net of dividends received	**387,323**	242,444	96,475	**-**	-
Elimination of unrealised income	**(117,428)**	(97,294)	(50,132)	**-**	-
Less: Accumulated impairment losses	**(57,300)**	-	-	**-**	-
	1,373,089	1,305,644	1,206,837	**14,000**	14,000
Market value					
Quoted shares and warrants	**320,112**	252,720	506,736	**-**	-

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Details of the joint ventures, incorporated in Malaysia, are as follows:

	Ownership Interest 2021 %	2020 %	Principal activities	Financial year end
BBCC Development Sdn. Bhd. ("BBCC")^	**40**	40	Property development and property investment holding	31 December #
Eco Horizon Sdn. Bhd. ("EHSB")	**60**	60	Property development and property investment holding	31 October
Paragon Pinnacle Sdn. Bhd. ("PPSB")	**60**	60	Property development and property investment holding	31 October
Held through EGSB				
Eco Ardence Sdn. Bhd. ("EASB")	**50**	50	Property development and property investment holding	31 October
Held through EWCI				
Eco World International Berhad ("EWI")^	**27**	27	Investment holding	31 October

^ *Audited by an audit firm other than Baker Tilly Monteiro Heng PLT.*

The financial statements of this joint venture made up to 31 October have been audited for equity accounting purposes.

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2021:

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2021						
Assets and liabilities						
Non-current assets	**1,608,592**	**2,067,223**	**1,299,075**	**1,235,054**	**2,532,859**	**8,742,803**
Current assets	**723,128**	**421,640**	**141,792**	**537,927**	**1,740,681**	**3,565,168**
Non-current liabilities	**(1,454,416)**	**(1,711,685)**	**(1,151,074)**	**(339,344)**	**(768,582)**	**(5,425,101)**
Current liabilities	**(836,377)**	**(560,370)**	**(235,511)**	**(638,555)**	**(161,474)**	**(2,432,287)**
Net assets	**40,927**	**216,808**	**54,282**	**795,082**	**3,343,484**	**4,450,583**
Included in assets and liabilities are:						
Cash and cash equivalents	**35,416**	**80,910**	**30,241**	**125,556**	**317,355**	**589,478**
Non-current financial liabilities (excluding trade and other payables)	**(523,771)**	**(979,080)**	**(610,946)**	**(162,315)**	**(763,290)**	**(3,039,402)**
Current financial liabilities (excluding trade and other payables)	**(50,000)**	**(77,071)**	**(51,828)**	**(176,072)**	**(138,634)**	**(493,605)**
Results						
Profit for the financial year	**2,299**	**91,915**	**22,171**	**96,732**	**100,998**	**314,115**
Other comprehensive income	**-**	**-**	**-**	**-**	**204,681**	**204,681**
Total comprehensive income	**2,299**	**91,915**	**22,171**	**96,732**	**305,679**	**518,796**
Included in total comprehensive income are:						
Revenue	**306,240**	**538,865**	**148,159**	**464,311**	**572,712**	**2,030,287**
Depreciation	**(6,421)**	**(4,629)**	**(3,074)**	**(4,358)**	**(2,158)**	**(20,640)**
Interest income	**3,562**	**6,631**	**1,294**	**5,608**	**10,307**	**27,402**
Interest expense	**(27,345)**	**(12,663)**	**(4,183)**	**(3,251)**	**(59,318)**	**(106,760)**
Income tax expense	**(6,260)**	**(31,965)**	**(8,524)**	**(43,980)**	**(34,927)**	**(125,656)**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2021: (Continued)

	BBCC RM'000	PPSB RM'000	EHSB RM'000	EASB RM'000	EWI RM'000	Total RM'000
2021						
Reconciliation of net assets to carrying amount:						
Share of net assets/(liabilities) at acquisition date, at book value	2,000	895	3,580	(71,133)	702,831	638,173
Fair value adjustments	-	91,384	199	355,969	(115,647)	331,905
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	284,836	777,600	1,160,494
Share of post-acquisition profit	14,371	94,655	28,790	124,366	90,737	352,919
Share of other comprehensive income	-	-	-	-	34,404	34,404
Elimination of unrealised income	(16,371)	(56,826)	(32,569)	(11,662)	-	(117,428)
Accumulated impairment losses	-	-	-	-	(57,300)	(57,300)
Carrying amount in the statement of financial position	-	130,108	-	397,540	845,441	1,373,089
Group's share of results						
Group's share of profit	920	55,149	13,303	48,366	27,269	145,007
Group's share of other comprehensive income	-	-	-	-	55,264	55,264
Group's share of total comprehensive income	920	55,149	13,303	48,366	82,533	200,271
Group's share of dividends	-	-	-	10,000	38,880	48,880

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2020:

	BBCC (Restated) RM'000	PPSB (Restated) RM'000	EHSB (Restated) RM'000	EASB (Restated) RM'000	EWI RM'000	Total (Restated) RM'000
2020						
Assets and liabilities						
Non-current assets	1,292,980	2,028,139	1,218,406	1,218,235	2,014,518	7,772,278
Current assets	968,576	456,517	198,450	541,021	2,486,844	4,651,408
Non-current liabilities	(1,278,813)	(1,742,348)	(1,244,214)	(553,913)	(454,560)	(5,273,848)
Current liabilities	(944,749)	(602,687)	(139,355)	(479,777)	(864,995)	(3,031,563)
Net assets	37,994	139,621	33,287	725,566	3,181,807	4,118,275
Included in assets and liabilities are:						
Cash and cash equivalents	62,929	119,037	44,791	150,833	269,975	647,565
Non-current financial liabilities (excluding trade and other payables)	(526,940)	(1,008,102)	(635,900)	(364,921)	(452,641)	(2,988,504)
Current financial liabilities (excluding trade and other payables)	(50,000)	(59,861)	-	(103,885)	(782,093)	(995,839)
Results						
Profit for the financial year	36,853	51,535	31,550	72,536	199,932	392,406
Other comprehensive loss	-	-	-	-	(8,474)	(8,474)
Total comprehensive income	36,853	51,535	31,550	72,536	191,458	383,932
Included in total comprehensive income are:						
Revenue	348,323	400,821	253,231	318,610	672,985	1,993,970
Depreciation	(6,058)	(3,942)	(2,314)	(4,623)	(2,993)	(19,930)
Interest income	16,609	4,896	1,581	5,480	12,746	41,312
Interest expense	(20,523)	(16,926)	(8,442)	(15,636)	(41,264)	(102,791)
Income tax expense	(10,260)	(19,718)	(11,426)	(33,114)	(31,311)	(105,829)

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 31 October 2020: (Continued)

	BBCC (Restated) RM'000	PPSB (Restated) RM'000	EHSB (Restated) RM'000	EASB (Restated) RM'000	EWI RM'000	Total (Restated) RM'000
2020						
Reconciliation of net assets to carrying amount:						
Share of net assets/(liabilities) at acquisition date, at book value	2,000	895	3,580	(71,133)	702,831	638,173
Fair value adjustments	-	91,384	199	355,969	(115,647)	331,905
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	284,836	777,600	1,160,494
Share of post-acquisition profit	13,198	45,615	16,193	85,950	102,348	263,304
Share of other comprehensive loss	-	-	-	-	(20,860)	(20,860)
Elimination of unrealised income	(15,198)	(54,121)	(19,972)	(8,003)	-	(97,294)
Carrying amount in the statement of financial position	-	83,773	-	362,783	859,088	1,305,644
Group's share of results						
Group's share of profit	14,741	30,920	18,930	36,268	53,983	154,842
Group's share of other comprehensive loss	-	-	-	-	(2,288)	(2,288)
Group's share of total comprehensive income	14,741	30,920	18,930	36,268	51,695	152,554

There were no dividends paid by the joint ventures during the financial year ended 31 October 2020.

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised aggregated financial information of joint ventures and reconciles the information to the carrying amount of the Group's interest in joint ventures as at 1 November 2019:

	BBCC (Restated) RM'000	PPSB (Restated) RM'000	EHSB (Restated) RM'000	EASB (Restated) RM'000	EWI RM'000	Total (Restated) RM'000
2019						
Assets and liabilities						
Non-current assets	1,147,857	1,804,197	1,088,560	1,292,856	1,083,967	6,417,437
Current assets	802,220	724,619	213,932	508,769	3,573,266	5,822,806
Non-current liabilities	(1,050,586)	(1,524,342)	(1,186,966)	(713,822)	(1,358,700)	(5,834,416)
Current liabilities	(897,194)	(886,995)	(113,184)	(429,894)	(308,190)	(2,635,457)
Net assets	2,297	117,479	2,342	657,909	2,990,343	3,770,370
Included in assets and liabilities are:						
Cash and cash equivalents	38,870	196,372	31,231	142,594	419,620	828,687
Non-current financial liabilities (excluding trade and other payables)	(377,116)	(939,029)	(654,593)	(517,015)	(1,358,870)	(3,846,623)
Current financial liabilities (excluding trade and other payables)	(49,603)	(30,000)	(7,511)	(30,765)	(107,080)	(224,959)
Reconciliation of net assets to carrying amount:						
Share of net assets/(liabilities) at acquisition date, at book value	2,000	895	3,580	(71,133)	702,831	638,173
Fair value adjustments	-	91,384	199	355,969	(115,647)	331,905
Goodwill	-	-	-	-	190,416	190,416
Cost of investment	2,000	92,279	3,779	284,836	777,600	1,160,494
Share of post-acquisition (loss)/profit	(1,081)	17,971	(2,373)	52,165	48,365	115,047
Share of other comprehensive loss	-	-	-	-	(18,572)	(18,572)
Elimination of unrealised income	(919)	(39,761)	(1,406)	(8,046)	-	(50,132)
Carrying amount in the statement of financial position	-	70,489	-	328,955	807,393	1,206,837

Review for impairment of EWI

As at 31 October 2021, the Group's quoted investment in a joint venture, EWI, was assessed for impairment as the market value (Level 1 in the fair value hierarchy) was less than its carrying amount. The recoverable amount of the investment was computed based on the Group's share of the estimated future cash flows expected to be generated by EWI, taking into consideration the expected revenue from sales of properties and development costs of the properties.

Based on the assessment, an impairment of RM57,300,000 (2020: RM Nil) had been recognised in profit or loss during the financial year. The pre-tax discount rates used range from 8% to 14%.

NOTES TO THE **FINANCIAL STATEMENTS**

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Significant restrictions

The joint ventures cannot distribute their profit unless approvals are obtained from the respective joint venture partners.

Commitments

The Group's and the Company's commitments to the joint ventures are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Commitment to fund development costs of joint ventures	**161,069**	229,069	**161,069**	229,069

Additionally, the Group has a contractual obligation to contribute funds proportionately to BBCC, EASB, PPSB and EHSB until their development projects are completed.

Contingent liabilities

The Group is not required to share in the contingent liabilities, if any, of the joint ventures.

11. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables	**90,244**	119,374	**-**	-
Amounts due from subsidiaries	**-**	-	**691,429**	566,909
Amounts due from joint ventures	**904,937**	870,654	**879,299**	845,617
Total trade and other receivables	**995,181**	990,028	**1,570,728**	1,412,526

(a) Trade receivables

The long term trade receivables are due from house buyers and which are to be settled based on instalment plans. These balances represent instalments due after 12 months. Therefore, these trade receivables are neither past due nor impaired.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries represent unsecured non-trade advances which are not expected to be settled within the next 12 months. These advances are expected to be settled in cash. These advances bear interest ranging from 3.70% to 6.68% (2020: 3.46% to 6.57%).

(c) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are not expected to be settled within the next 12 months. These advances are expected to be settled in cash. These advances bear interest ranging from 2.75% to 8.00% (2020: 2.75% to 8.00%).

NOTES TO THE **FINANCIAL STATEMENTS**

12. LEASE RECEIVABLES

	Group 2021 RM'000	Group 2020 RM'000
Lease receivables:		
Non-current	**2,631**	3,739
Current	**1,108**	1,065
	3,739	4,804

The Group leases its leased properties to its employees. These leases have lease term of 5 years at commencement date.

These leases transfer substantially all the risk and rewards incidental to ownership of the right-of-use assets.

	Group 2021 RM'000	Group 2020 RM'000
Gross investment in lease:		
- Not later than one year	**1,236**	1,236
- One to two years	**1,236**	1,236
- Two to three years	**1,147**	1,236
- Three to four years	**374**	1,147
- Four to five years	**-**	374
Total gross investment in lease	**3,993**	5,229
Less: Unearned interest income	**(254)**	(425)
Net investment in lease	**3,739**	4,804
Net investment in lease:		
- Not later than one year	**1,108**	1,065
- One to two years	**1,152**	1,108
- Two to three years	**1,110**	1,152
- Three to four years	**369**	1,110
- Four to five years	**-**	369
	3,739	4,804
Less: Amount due within 12 months	**(1,108)**	(1,065)
Amount due after 12 months	**2,631**	3,739

NOTES TO THE **FINANCIAL STATEMENTS**

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At 1 November 2020/2019				
As previously reported	**62,657**	67,340	**15**	15
Effects of change in accounting policy (Note 2.2)	**6,656**	7,935	**-**	-
At 1 November 2020/2019 (as restated)	**69,313**	75,275	**15**	15
Recognised in profit or loss:				
- income tax expense (Note 32)	**242**	(3,775)	**(13)**	-
- share of results of joint ventures	**(2,644)**	(2,187)	**-**	-
At 31 October	**66,911**	69,313	**2**	15
Presented after appropriate offsetting as follows:				
Deferred tax assets	**108,207**	110,269	**2**	15
Deferred tax liabilities	**(41,296)**	(40,956)	**-**	-
	66,911	69,313	**2**	15

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	At 1 November 2019 RM'000	Recognised in profit or loss RM'000	At 31 October 2020 RM'000	Recognised in profit or loss RM'000	At 31 October 2021 RM'000
Group					
Property development	20,127	(34,873)	(14,746)	(20,612)	**(35,358)**
Difference between the carrying amounts of property, plant and equipment and their tax base	64	79	143	(221)	**(78)**
Unutilised tax losses and unabsorbed capital allowances	28,430	15,604	44,034	6,598	**50,632**
Unrealised income	24,536	8,915	33,451	8,465	**41,916**
Others	2,118	4,313	6,431	3,368	**9,799**
	75,275	(5,962)	69,313	(2,402)	**66,911**
Company					
Others	15	-	15	(13)	**2**

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

NOTES TO THE **FINANCIAL STATEMENTS**

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group		
	31.10.2021 RM'000	**31.10.2020 RM'000**	**1.11.2019 RM'000**
Property development	**12,408**	28,674	23,659
Unutilised tax losses	**160,559**	144,344	95,683
Unabsorbed capital allowances	**2,556**	2,058	1,821
Others	**939**	(25)	99
	176,462	175,051	121,262

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, the time limit to utilise business losses has been extended to a maximum of 10 consecutive years. This amendment is deemed to have effect from the year of assessment 2019.

Furthermore, unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

The unutilised tax losses are available indefinitely for offset against future taxable profits of the subsidiaries except for the tax losses which will expire in the following financial years:

	Group
	31.10.2021 RM'000
2028	**53,152**
2029	**11,127**
2030	**38,081**
2031	**16,819**

14. CONTRACT ASSETS/(LIABILITIES)

The Group's contract assets and contract liabilities arising from the development and sale of properties are summarised as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Contract assets	**78,844**	56,506
Contract liabilities	**(754,006)**	(945,799)
	(675,162)	(889,293)

NOTES TO THE **FINANCIAL STATEMENTS**

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

The Group's contract assets and contract liabilities arising from the development and sale of properties are summarised as follows: (Continued)

	Group 2021 RM'000	Group 2020 RM'000
At 1 November 2020/2019	**(889,293)**	(1,105,349)
Revenue recognised during the year	**1,920,263**	1,865,939
Progress billings during the year	**(1,706,132)**	(1,649,883)
At 31 October	**(675,162)**	(889,293)

The contract assets represent to the Group's rights to consideration for work completed on properties sold but not yet billed. Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This occurs when the Group issues progress billings to its customers. Payment is typically expected within 14 to 90 days (2020: 14 to 90 days).

The contract liabilities represent progress billings and deposits received for property development for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue when performance obligations are satisfied.

15. TRADE AND OTHER RECEIVABLES - CURRENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables				
External parties	**497,917**	685,168	**-**	-
Stakeholders' sum	**44,455**	57,352	**-**	-
Amounts due from joint ventures	**35,695**	45,435	**-**	-
	578,067	787,955	**-**	-
Less: Allowance for impairment losses	**(4,156)**	-	**-**	-
	573,911	787,955	**-**	-
Other receivables				
External parties	**10,818**	10,570	**-**	-
GST refundable	**2,418**	3,729	**-**	-
Amounts due from subsidiaries	**-**	-	**139,413**	180,524
Amounts due from joint ventures	**1,006**	622	**-**	-
Amounts due from an associate	**442**	31	**-**	31
Deposits	**26,706**	31,537	**-**	-
	41,390	46,489	**139,413**	180,555
Less: Allowance for impairment losses	**-**	(31)	**(13,466)**	(11,541)
	41,390	46,458	**125,947**	169,014
Total trade and other receivables	**615,301**	834,413	**125,947**	169,014

NOTES TO THE **FINANCIAL STATEMENTS**

15. TRADE AND OTHER RECEIVABLES - CURRENT (CONTINUED)

(a) Trade receivables

The normal credit terms granted to house buyers range from 14 to 90 days (2020: 14 to 90 days). Interest is charged on overdue accounts at 10% per annum (2020: 10%).

Credit terms granted to other customers are assessed and approved on a case-by-case basis. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables comprise substantially amounts due from house buyers with end financing facilities. In respect of house buyers with no end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled.

The stakeholders' sums are receivable upon the expiry of defect liability period as provided in the contracts with customers.

Movements in allowance for impairment losses in trade receivables are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 November 2020/2019	**-**	-
Recognised during the financial year	**4,156**	-
At 31 October	**4,156**	-

(b) Amounts due from subsidiaries

The amounts due from subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 3.59% to 4.23% (2020: 3.59% to 4.15%). These advances are expected to be settled in cash.

Arising from an assessment of the estimated cash flows of the subsidiaries, the Company noted that the recoverable values of certain amounts were lower than their carrying amounts. Accordingly, an impairment loss of RM2,141,000 (2020: RM2,448,000) was recognised in profit or loss of the Company.

Movements in allowance for impairment losses in amounts due from subsidiaries are as follows:

	Company	
	2021 RM'000	**2020 RM'000**
At 1 November 2020/2019	**11,510**	9,093
Recognised during the financial year (Note 29)	**2,141**	2,448
Reversal during the financial year	**(95)**	-
Written off during the financial year	**(90)**	-
Reclassified during the financial year	**-**	(31)
At 31 October	**13,466**	11,510

(c) Amounts due from joint ventures

The amounts due from joint ventures represent unsecured non-trade advances which are repayable on demand and are expected to be settled in cash.

NOTES TO THE **FINANCIAL STATEMENTS**

15. TRADE AND OTHER RECEIVABLES - CURRENT (CONTINUED)

(d) Amounts due from an associate

The amounts due from an associate represents unsecured non-trade advances which are repayable on demand and are expected to be settled in cash.

Movements in allowance for impairment losses in amounts due from an associate are as follows:

	Group and Company	
	2021 RM'000	2020 RM'000
At 1 November 2020/2019	**31**	-
(Reversal)/Reclassified during the financial year	**(31)**	31
At 31 October	**-**	31

(e) Deposits

Included in deposits are deposits paid to authorities in relation to township developments, totalling RM18,461,000 (2020: RM23,466,000).

16. OTHER CURRENT ASSETS

	Group	
	2021 RM'000	2020 RM'000
Contract acquisition costs	**3,174**	4,445
Prepayments	**13,242**	10,757
	16,416	15,202

Contract acquisition costs consist of commissions and fees paid to intermediaries to secure contracts with customers.

Contract acquisition costs are deferred and amortised in accordance with the pattern of transfer of goods or services under the contracts with customers.

During the financial year, amortisation amounting to RM5,343,000 (2020: RM13,874,000) was recognised as part of selling and marketing expenses. There has been no impairment of deferred amortisation costs.

NOTES TO THE **FINANCIAL STATEMENTS**

17. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash in hand and at banks	**470,319**	254,134	**33,560**	638
Deposits with licensed banks	**314,405**	202,303	**115,759**	93,071
	784,724	456,437	**149,319**	93,709

Included in cash and bank balances are the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966*	**99,570**	65,633	**-**	-
Cash and deposits maintained in debts service reserve accounts, redemption accounts and escrow accounts	**238,211**	158,955	**-**	-
Deposits pledged to banks as security for banking facilities	**8,003**	7,845	**474**	466

** Restricted from general use*

The range of effective interest rates at the end of the financial year for deposits with licensed banks are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Deposits with licensed banks	**1.10 - 1.95**	1.50 - 2.90	**1.50 - 1.80**	1.70 - 1.80

All deposits have maturity periods of less than 12 months (2020: less than 12 months).

NOTES TO THE **FINANCIAL STATEMENTS**

18. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021 Unit '000	2020 Unit '000	2021 RM'000	2020 RM'000
Issued and fully paid up (no par value):				
At the beginning/end of the financial year	**2,944,369**	2,944,369	**3,614,865**	3,614,865

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

19. WARRANT RESERVE

The Warrant Reserve arose from the 525,392,340 free Warrants issued pursuant to the renounceable Rights Issue on 31 March 2015, on the basis of 4 free Warrants for every 5 Rights Shares subscribed for. The Warrants Reserve was arrived at based on the theoretical fair value of RM0.37 per Warrant determined based on the Black-Scholes Pricing Model.

Since the issuance of the Warrants, none of the Warrants have been exercised.

The salient terms of the Warrants are as follows:

(a) The Warrants are constituted by a Deed Poll executed on 17 February 2015;

(b) The Warrants are traded separately;

(c) The Warrants are exercisable any time during the tenure of 7 years commencing the date of issue, 27 March 2015 to 26 March 2022 ("Exercise Period") at an exercise price of RM2.08 per Warrant. Warrants not exercised during the Exercise Period will lapse and cease to be valid;

(d) The exercise price is RM2.08 per Warrant. The exercise price and the number of outstanding Warrants shall be subject to adjustments that may be required during the Exercise Period by the Company, in consultation with the approved adviser and certified by auditors appointed by the Company, in accordance with the terms and provisions of the Deed Poll; and

(e) Subject to the provisions in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. Warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in general meeting.

NOTES TO THE **FINANCIAL STATEMENTS**

20. LOANS AND BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Secured				
Revolving credits	**132,018**	118,159	**-**	-
Term loans	**404,069**	328,800	**-**	-
Bridging loans	**259,376**	230,544	**-**	-
Medium term note 1 ("MTN 1")	**89,852**	89,745	**-**	-
Sukuk	**178,677**	-	**-**	-
Unsecured				
Medium term note 2 ("MTN 2")	**249,227**	498,752	**-**	-
	1,313,219	1,266,000	**-**	-
Current				
Secured				
Revolving credits	**395,239**	607,257	**-**	-
Term loans	**171,644**	541,096	**-**	-
Bridging loans	**9,767**	52,850	**-**	-
MTN 1	**-**	99,863	**-**	-
Unsecured				
Revolving credits	**716,232**	724,018	**691,500**	705,000
MTN 2	**249,913**	-	**-**	-
	1,542,795	2,025,084	**691,500**	705,000
	2,856,014	3,291,084	**691,500**	705,000
Total loans and borrowings				
Revolving credits	**1,243,489**	1,449,434	**691,500**	705,000
Term loans	**575,713**	869,896	**-**	-
Bridging loans	**269,143**	283,394	**-**	-
Medium term notes	**588,992**	688,360	**-**	-
Sukuk	**178,677**	-	**-**	-
	2,856,014	3,291,084	**691,500**	705,000
Repayable				
- not later than one year	**1,542,795**	2,025,084	**691,500**	705,000
- later than one year and not later than five years	**1,225,434**	1,142,534	**-**	-
- later than five years	**87,785**	123,466	**-**	-
	2,856,014	3,291,084	**691,500**	705,000

NOTES TO THE **FINANCIAL STATEMENTS**

20. LOANS AND BORROWINGS (CONTINUED)

(a) Medium term notes ("MTNs")

(i) The MTN 1 programme comprises notes of up to RM250 million in nominal value with tenure of up to 7 years from the date of first issuance.

As at 31 October 2021, the nominal value of notes issued under the MTN 1 programme was RM90 million (2020: RM190 million) with tenure ranging from 4 1/4 to 6 1/4 years (2020: 3 to 6 1/4 years) from the date of issuance.

(ii) The MTN 2 programme comprises notes up to RM500 million in nominal value with tenure of up to 15 years from the date of first issuance.

As at 31 October 2021, the nominal value of notes issued under the MTN 2 programme was RM500 million (2020: RM500 million), with a tenure of 5 years from the date of issuance.

(b) Sukuk Wakalah Programme ("Sukuk")

(i) The Sukuk comprises Sukuk Wakalah up to RM500 million in nominal value with tenure of up to 20 years from the date of first issuance.

As at 31 October 2021, the nominal value of Sukuk Wakalah issued under the Sukuk was RM180 million (2020: RM Nil), with a tenure of 5 years from the date of issuance.

(c) The loans and borrowings are secured and supported by:

(i) Legal charges over the Group's freehold land and buildings (Note 5), investment property (Note 6), inventories - land held for property development (Note 7) and inventories - property under development (Note 7);

(ii) A specific debenture over the fixed and floating assets of certain subsidiaries;

(iii) Legal charges over the Group's cash and bank balances (Note 17);

(iv) Corporate guarantees issued by the Company; and

(v) A guarantee by Danajamin Nasional Berhad in respect of MTNs of RM70 million (2020: RM120 million) in nominal value.

(d) The range of effective interest rates at the end of the financial year was as follows:

	Group		Company	
	2021 %	**2020 %**	**2021 %**	**2020 %**
Revolving credits	**3.24 - 6.40**	3.25 - 5.40	**3.24 - 6.40**	3.25 - 5.40
Term loans	**3.59 - 6.05**	3.70 - 6.05	**-**	-
Bridging loans	**3.70 - 4.43**	3.70 - 4.68	**-**	-
Medium term notes	**6.10 - 6.90**	6.10 - 6.90	**-**	-
Sukuk	**5.85**	-	**-**	-

NOTES TO THE **FINANCIAL STATEMENTS**

21. LEASE LIABILITIES

	Group 2021 RM'000	Group 2020 RM'000
Non-current	**8,595**	12,314
Current	**4,066**	3,905
	12,661	16,219

Future minimum lease payments together with the present value of minimum lease payments are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Minimum lease payments:		
- not later than one year	**4,539**	4,525
- later than one year and not later than five years	**8,766**	12,600
- later than five years	**365**	698
	13,670	17,823
Less: Future finance charges	**(1,009)**	(1,604)
Present value of minimum lease payments	**12,661**	16,219
Present value of minimum lease payments:		
- not later than one year	**4,066**	3,905
- later than one year and not later than five years	**8,246**	11,659
- later than five years	**349**	655
	12,661	16,219
Less: Amount due within 12 months	**(4,066)**	(3,905)
Amount due after 12 months	**8,595**	12,314

Included in the lease liabilities is an amount of RM140,000 (2020: RM225,000) relating to lease of motor vehicles under hire purchase arrangement.

22. OTHER PAYABLES – NON-CURRENT

Other payables represent land acquisition costs payable under deferred payment terms. The amount bears interest at 3.88% (2020: 3.88%).

	2021 RM'000	2020 RM'000
The amount is payable as follows:		
- later than one year and not later than five years	**160,700**	106,240
- later than five years	**152,460**	213,444
	313,160	319,684

NOTES TO THE **FINANCIAL STATEMENTS**

23. TRADE AND OTHER PAYABLES - CURRENT

	Group 2021 RM'000	Group 2020 RM'000	Group 2019 RM'000	Company 2021 RM'000	Company 2020 RM'000
Trade payables					
External parties	**171,040**	317,557	461,307	**-**	-
Retention sums on contracts	**114,825**	168,325	225,887	**-**	-
Accruals	**476,322**	358,283	248,865	**-**	-
	762,187	844,165	936,059	**-**	-
Other payables					
Other payables	**60,162**	70,634	60,465	**3,725**	9,668
Payroll liabilities	**1,478**	1,708	2,293	**-**	-
Deposits received	**6,086**	6,793	5,254	**-**	-
GST payable	**477**	477	127	**-**	-
Accruals	**90,033**	72,680	109,791	**2,428**	2,778
Obligations under an associate (Note 9)	**-**	3	-	**-**	-
Amounts due to subsidiaries	**-**	-	-	**778,393**	616,480
Amounts due to an associate	**64**	-	-	**-**	-
Provision for restoration costs	**387**	379	371	**-**	-
	158,687	152,674	178,301	**784,546**	628,926
Total trade and other payables	**920,874**	996,839	1,114,360	**784,546**	628,926

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 14 to 90 days (2020: 14 to 90 days). Retention sums are payable upon the expiry of the defect liability period.

(b) Amounts due to subsidiaries

The amounts due to subsidiaries represent unsecured non-trade advances which are repayable on demand and bear interest ranging from 4.23% to 6.30% (2020: 4.15% to 6.30%).

24. OTHER CURRENT LIABILITIES

	Group 2021 RM'000	Group 2020 (Restated) RM'000	Group 2019 (Restated) RM'000
Other current liabilities			
Unrealised income on transactions with joint ventures	**54,171**	44,300	54,433

25. BANK OVERDRAFTS

The bank overdrafts are unsecured, bear interest ranging from 3.60% to 3.96% (2020: 3.60% to 3.96%) and guaranteed by the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

26. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
Sale of properties	**1,920,263**	1,865,939	**-**	-
Sale of development management services	**83,717**	74,467	**-**	-
Sale of other goods	**38,787**	56,275	**-**	-
	2,042,767	1,996,681	**-**	-
Revenue from other source:				
Dividend income	**-**	-	**151,500**	114,000
	2,042,767	1,996,681	**151,500**	114,000

(a) Disaggregation of revenue

For the purpose of disclosure for disaggregation of revenue, revenue is disaggregated into primary geographical market and timing of revenue recognition (i.e. goods and services transferred at a point in time or transferred over time).

	Group	
	2021 RM'000	2020 RM'000
Primary geographical markets:		
Klang Valley	**902,398**	1,046,415
Iskandar Malaysia	**979,782**	852,663
Penang	**160,587**	97,603
	2,042,767	1,996,681
Timing of revenue recognition:		
At a point in time	1,098,890	844,437
Over time	943,877	1,152,244
	2,042,767	1,996,681

(b) Transaction price allocated to remaining performance obligations

As of 31 October 2021, the aggregate amount of the transaction price allocated to remaining performance obligations is RM1,501,022,000 (2020: RM961,164,000). The Group will recognise this amount of revenue as and when performance obligations are satisfied, which is expected to occur over the next 3 years.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 to not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE **FINANCIAL STATEMENTS**

27. OTHER INCOME

	Group 2021 RM'000	Group 2020 (Restated) RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest income from:				
- subsidiaries	**-**	-	**36,276**	34,070
- joint ventures	**39,687**	32,078	**58,026**	56,470
- deposits	**4,672**	4,430	**2,660**	2,219
- overdue accounts	**94**	52	**-**	-
- others	**10,213**	12,719	**55**	43
Gain on disposal of property, plant and equipment	**162**	5	**-**	-
Gain on deemed disposal of a subsidiary	**-**	26	**-**	-
Gain on dilution of an associate	**628**	-	**-**	-
Gain on termination/derecognition of lease liabilities	**24**	26	**-**	-
Reversal of impairment loss on amounts due from subsidiaries	**-**	-	**95**	-
Reversal of impairment loss on amounts due from an associate	**31**	-	**31**	-
Rental income	**5,959**	7,316	**-**	-
Unrealised gain on foreign exchange	**71**	-	**-**	-
Staff secondment fees	**632**	876	**-**	-
Sundry income	**5,011**	5,494	**153**	156
	67,184	63,022	**97,296**	92,958

28. FINANCE COSTS

	Group 2021 RM'000	Group 2020 (Restated) RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest paid and payable on:				
- term loans	**28,836**	42,466	**-**	-
- revolving credits	**38,520**	50,960	**27,692**	32,102
- medium term notes	**32,658**	40,550	**-**	-
- sukuk	**6,376**	-	**-**	-
- amount due to subsidiaries	**-**	-	**48,267**	39,381
- bank overdrafts	**1,134**	1,397	**-**	-
- others	**4,525**	3,292	**435**	651
	112,049	138,665	**76,394**	72,134

NOTES TO THE **FINANCIAL STATEMENTS**

29. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2021	2020 (Restated)	2021	2020
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit				
- current year	**574**	555	**150**	137
- prior years	**-**	(8)	**-**	10
- other services	**86**	24	**65**	5
Impairment loss on receivables	**4,156**	-	**-**	-
Depreciation of property, plant and equipment	**23,594**	25,827	**-**	6
Development expenditure written off	**-**	354	**-**	-
Expenses relating to leases of low value assets				
- office equipment	**1,024**	877	**-**	-
Expenses relating to short-term leases:				
- premises	**866**	509	**-**	-
- office equipment	**89**	138	**-**	-
Impairment loss on amounts due from subsidiaries	**-**	-	**2,141**	2,448
Impairment loss on right-of-use assets	**-**	6,018	**-**	-
Impairment loss on investment in a joint venture	**57,300**	-	**-**	-
Net impairment loss on investment in subsidiaries	**-**	-	**23,000**	52,000
Loss on dissolution of a subsidiary	**6**	-	**-**	-
Loss on dissolution of an associate	**1**	-	**3**	-
Property, plant and equipment written off	**724**	104	**-**	-
Realised loss on foreign exchange	**-**	87	**-**	-
Unrealised (gain)/loss on foreign exchange	**(71)**	84	**-**	-
(Net reversal of write-down)/Write-down of inventories	**(13,115)**	67,675	**-**	-

30. EMPLOYEE BENEFITS EXPENSE

The details of employee benefits expense (including executive directors) are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Salaries, bonus and allowances	**135,575**	113,104
Defined contribution plan	**16,105**	12,884
Social security contributions	**919**	912
Staff welfare	**8,383**	10,206
	160,982	137,106
Recognised in:		
Cost of sales	**54,248**	54,403
Administrative and other expenses	**106,734**	82,703
	160,982	137,106

NOTES TO THE **FINANCIAL STATEMENTS**

31. DIRECTORS' REMUNERATION

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive directors				
Salaries, bonus and other emoluments	**5,894**	4,757	**-**	-
Defined contribution plan	**686**	562	**-**	-
Estimated monetary value of benefits-in-kind	**2,002**	1,645	**-**	-
	8,582	6,964	**-**	-
Non-executive directors				
Fees	**1,342**	1,531	**1,342**	1,531
Other emoluments	**226**	200	**226**	200
Estimated monetary value of benefits-in-kind	**207**	1,281	**207**	1,281
	1,775	3,012	**1,775**	3,012
Total directors' remuneration	**10,357**	9,976	**1,775**	3,012

32. INCOME TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Current income tax				
- current year	**48,465**	28,051	**4,829**	4,740
- prior years	**8,353**	4,446	**(87)**	246
	56,818	32,497	**4,742**	4,986
Deferred tax (Note 13)				
- current year	**7,557**	12,628	**7**	-
- prior years	**(7,799)**	(8,853)	**6**	-
	(242)	3,775	**13**	-
	56,576	36,272	**4,755**	4,986

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 24%) on the estimated assessable profit for the financial year. The corporate income tax of the subsidiary in Singapore is calculated at 17% (2020: 17%) on the estimated assessable profit for the financial year.

NOTES TO THE **FINANCIAL STATEMENTS**

32. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2021	2020 (Restated)	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax	**239,316**	196,422	**144,014**	76,200
Tax at Malaysian statutory income tax rate of 24%	**57,436**	47,141	**34,563**	18,288
Effect of different tax rate in other jurisdictions	**66**	220	**-**	-
Effect of share of results of:				
- joint ventures	**(34,802)**	(37,162)	**-**	-
- associates	**557**	319	**-**	-
Effects of:				
- non-taxable income	**(48)**	(1,607)	**(38,775)**	(30,540)
- non-deductible expenses	**32,474**	20,310	**9,048**	16,992
Deferred tax asset not recognised	**339**	11,458	**-**	-
Under/(Over) accrual in prior years	**554**	(4,407)	**(81)**	246
Income tax expense	**56,576**	36,272	**4,755**	4,986

33. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	2021	2020 (Restated)
Profit attributable to owners of the Company (RM'000)	**182,740**	160,150
Weighted average number of ordinary shares in issue (Unit'000)	**2,944,369**	2,944,369
Basic earnings per ordinary share (sen)	**6.21**	5.44

NOTES TO THE **FINANCIAL STATEMENTS**

33. EARNINGS PER SHARE (CONTINUED)

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year that would have been in issue assuming full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value. However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

	2021	2020 (Restated)
Profit attributable to owners of the Company (RM'000)	**182,740**	160,150
Weighted average number of ordinary shares for basic earnings per share (Unit'000)	**2,944,369**	2,944,369
Effect of dilution from potential exercise of Warrants (Unit'000)	**#**	#
Weighted average number of ordinary shares for diluted earnings per share (Unit'000)	**2,944,369**	2,944,369
Diluted earnings per ordinary share (sen)*	**6.21**	5.44

The calculation of diluted earnings per share does not assume the potential exercise of Warrants as the effect on earnings per share is anti-dilutive.

* *Anti-dilutive.*

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation for release of these financial statements.

34. DIVIDENDS

	Group and Company	
	2021 RM'000	2020 RM'000
Recognised during the year		
Interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2020, paid on 10 February 2021	**58,887**	-
First interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 October 2021, paid on 23 July 2021	**58,887**	-
	117,774	-

On 16 December 2021, the directors declared a second interim single-tier dividend of 2.0 sen per ordinary share amounting to RM58,887,368 in respect of the financial year ended 31 October 2021, which is payable on 28 February 2022. This second interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2022.

The directors do not recommend the payment of any final dividend for the financial year ended 31 October 2021.

NOTES TO THE **FINANCIAL STATEMENTS**

35. CAPITAL COMMITMENTS

The Group has made commitments for the following:

	Group	
	2021 RM'000	2020 RM'000
Approved and contracted for:		
Acquisition of property, plant and equipment	**2,745**	5,141

36. CONTINGENT LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Guarantees provided in connection with the performance and discharge of obligations assumed by subsidiaries under and pursuant to the acquisition of development rights				
- secured*	**-**	-	**251,157**	505,435
- unsecured	**-**	-	**203,303**	322,095

* *Secured by legal charges over certain subsidiaries' freehold land and buildings (Note 5), investment property (Note 6) and inventories (Note 7).*

37. RELATED PARTIES

(a) Identification of related parties

A party is considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities having significant influence over the Group;

(ii) Subsidiaries;

(iii) Associates;

(iv) Joint ventures;

(v) Entities in which directors have substantial financial interests; and

(vi) Key management personnel of the Group, comprising persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE **FINANCIAL STATEMENTS**

37. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Transaction value			
	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Transactions with subsidiaries				
Interest received and receivable	**-**	-	**36,276**	34,070
Interest payable	**-**	-	**48,267**	39,381
Dividends received	**-**	-	**151,500**	114,000
Transactions with joint ventures				
Net advances given	**68,000**	110,000	**68,000**	110,000
Interest received and receivable	**58,627**	57,196	**58,026**	56,470
Dividends received	**48,880**	-	**-**	-
Development management fees received and receivable	**69,722**	62,671	**-**	-
Other resources fees received and receivable	**20,197**	22,581	**-**	-
Brand licensing fees received and receivable	**6,837**	5,012	**-**	-
Commission received and receivable	**1,653**	627	**-**	-
Proceeds from disposal of motor vehicles	**199**	-	**-**	-
Rental received and receivable	**180**	495	**-**	-
Support service fees received and receivable	**143**	140	**-**	-
Advisory fees received and receivable	**103**	107	**103**	107
Property management appointment fees received and receivable	**101**	-	**-**	-
Purchase of motor vehicles	**24**	-	**-**	-
Sales of building equipment	**-**	12	**-**	-
Transactions with an associate				
Secondment fees paid and payable	**163**	-	**-**	-
Support service fees received and receivable	**110**	-	**-**	-
Disposal of office equipment, furniture & fitting and computer equipment	**34**	-	**-**	-

Outstanding balances with related parties at the end of the reporting period are disclosed in Notes 11, 15 and 23 to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

37. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

Significant related party transactions and balances other than disclosed elsewhere in the financial statements are as follows: (Continued)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Transactions with directors, their immediate family members and companies in which they have an interest								
Purchase of shop offices from companies in which a director and his family members have interest	**-**	11,200	**-**	-	**-**	-	**-**	-
Sales of development properties to a company in which a director has interest	**-**	-	**-**	-	**8**	(20)	**-**	-
Rental received from directors of subsidiary companies	**108**	57	**-**	-	**-**	-	**-**	-
Sales of development properties to directors of subsidiary companies	**-**	-	**-**	-	**-**	151	**-**	-
Sales of development properties to a director of a subsidiary company and her family member	**2,466**	-	**-**	-	**-**	-	**-**	-
Rental paid to companies in which a director and his family members have interest	**-**	106	**-**	-	**-**	-	**-**	-

(c) Compensation of key management personnel

The remuneration of the key management personnel, including directors, during the financial year were as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term employee benefits	**13,997**	11,763	**226**	200
Defined contribution plan	**1,621**	1,344	**-**	-
Fees	**1,364**	1,552	**1,342**	1,531
Benefits-in-kind	**2,329**	3,012	**207**	1,281
	19,311	17,671	**1,775**	3,012

38. SEGMENT INFORMATION

Segment information is not presented as the Group is principally engaged in property development, which is substantially within a single business segment and this is consistent with the current practice of internal reporting. The Group operates primarily in Malaysia.

NOTES TO THE **FINANCIAL STATEMENTS**

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by category.

	Amortised cost RM'000	Total RM'000
Group 2021		
Financial assets		
Trade and other receivables^	**1,608,064**	**1,608,064**
Cash and bank balances	**784,724**	**784,724**
	2,392,788	**2,392,788**
Financial liabilities		
Trade and other payables*	**1,233,170**	**1,233,170**
Loans and borrowings	**2,856,014**	**2,856,014**
Bank overdrafts	**24,018**	**24,018**
	4,113,202	**4,113,202**
Group 2020		
Financial assets		
Trade and other receivables^	1,820,712	1,820,712
Cash and bank balances	456,437	456,437
	2,277,149	2,277,149
Financial liabilities		
Trade and other payables*	1,315,667	1,315,667
Loans and borrowings	3,291,084	3,291,084
Bank overdrafts	25,323	25,323
	4,632,074	4,632,074

^ *Excluding GST refundable.*

* *Excluding GST payable and provision for restoration costs.*

NOTES TO THE **FINANCIAL STATEMENTS**

39. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by category. (Continued)

	Amortised cost RM'000	Total RM'000
Company		
2021		
Financial assets		
Trade and other receivables	**1,696,675**	**1,696,675**
Cash and bank balances	**149,319**	**149,319**
	1,845,994	**1,845,994**
Financial liabilities		
Trade and other payables	**784,546**	**784,546**
Loans and borrowings	**691,500**	**691,500**
	1,476,046	**1,476,046**
Company		
2020		
Financial assets		
Trade and other receivables	1,581,540	1,581,540
Cash and bank balances	93,709	93,709
	1,675,249	1,675,249
Financial liabilities		
Trade and other payables	628,926	628,926
Loans and borrowings	705,000	705,000
	1,333,926	1,333,926

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and of the Company.

Financial risk management is carried out through risk review, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group and the Company do not trade in derivative instruments.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables and financial guarantees) and from their investing activities, including deposits with banks and other financial instruments.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

As at the end of the financial year, the Group's and the Company's maximum exposure to credit risk is represented by:

(a) the carrying amount of each class of financial assets recognised in the statements of financial position; and

(b) the corporate guarantees and undertakings provided by the Group and the Company to banks to secure:

- the borrowings of certain subsidiaries, joint ventures and the associate;
- the repayment by certain joint ventures of monies due, owing, unpaid or outstanding to the other joint venture partners.

The Group and the Company monitor the financial performance (including the timeliness of loan repayments) of the subsidiaries, joint ventures and associates on an on-going basis.

The maximum credit risk that the Group and the Company are exposed to from corporate guarantees and undertakings provided amounted to:

	2021 RM'000	2020 RM'000
Group	**2,987,039**	3,070,564
Company	**4,929,094**	5,181,262

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

The above represent the maximum amounts that the Group and of the Company could be obliged to pay if the guarantees were called on.

Generally, the Group and the Company consider the financial guarantees to be of low credit risk as the guarantee are provided as credit enhancement to the subsidiaries', joint ventures' and associates' secured borrowings.

As at the reporting date, there were no losses arising from the financial guarantees and undertakings provided by the Group and the Company.

The fair value of the above financial guarantees has not been recognised since the fair value on initial recognition was not material.

Trade receivables and contract assets

As at the reporting date, the Group was not exposed to credit risk that is significantly concentrated on a single counterparty or groups of counterparties.

The Group applies the simplified approach to providing for expected credit losses ("ECL") prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables are grouped according to the number of days past due. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on economic conditions over the expected settlement period of the receivables and contract assets. The Group believes that changes in economic conditions over the expected settlement periods would not materially impact the calculation of impairment of receivables and contract assets.

The information about credit risk exposure on the Group's trade receivables and contract assets is as follows:

	2021 RM'000	2020 RM'000
Group		
Contract assets		
Current (not past due)	**78,844**	56,506
Non-current trade receivables		
Current (not past due)	**90,244**	119,374
Current trade receivables		
Current (not past due)	**447,525**	616,847
1 - 30 days past due	**52,851**	60,993
31 - 60 days past due	**18,080**	32,371
61 - 90 days past due	**8,012**	28,585
> 90 days past due	**47,443**	49,159
	742,999	963,835
Individually impaired	**4,156**	-
	747,155	963,835

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents and refundable deposits), the Group and the Company minimise credit risk by dealing exclusively with counterparties with high credit rating.

At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon the initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group and the Company provide advances to joint ventures and subsidiaries. The advances to joint ventures and subsidiaries are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the joint venture and subsidiary do not have sufficient liquid reserves when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired amount due from subsidiaries, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatch in the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements.

The Group and the Company use a set of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's treasury/finance department ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group 2021					
Financial liabilities					
Trade and other payables*	**1,233,170**	**931,100**	**202,486**	**161,322**	**1,294,908**
Loans and borrowings	**2,856,014**	**1,624,762**	**1,356,079**	**91,634**	**3,072,475**
Bank overdrafts	**24,018**	**24,018**	**-**	**-**	**24,018**
Lease liabilities	**12,661**	**4,539**	**8,766**	**365**	**13,670**
	4,125,863	**2,584,419**	**1,567,331**	**253,321**	**4,405,071**
Group 2020					
Financial liabilities					
Trade and other payables*	1,315,667	1,004,075	146,310	226,841	1,377,226
Loans and borrowings	3,291,084	2,114,314	1,259,675	131,564	3,505,553
Bank overdrafts	25,323	25,323	-	-	25,323
Lease liabilities	16,219	4,525	12,600	698	17,823
	4,648,293	3,148,237	1,418,585	359,103	4,925,925

* *Excluding GST payable and provision for restoration costs.*

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows: (Continued)

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Company 2021					
Financial liabilities					
Trade and other payables	**784,546**	**784,546**	**-**	**-**	**784,546**
Loans and borrowings	**691,500**	**691,500**	**-**	**-**	**691,500**
	1,476,046	**1,476,046**	**-**	**-**	**1,476,046**
Company 2020					
Financial liabilities					
Trade and other payables	628,926	628,926	-	-	628,926
Loans and borrowings	705,000	705,000	-	-	705,000
	1,333,926	1,333,926	-	-	1,333,926

In respect of those undiscounted repayment obligations arising from corporate guarantees and undertakings provided by the Group and the Company as disclosed in Note 40(i) to the financial statements, there was no indication as at reporting date that any subsidiary, joint venture or associate would default. In the event of a default by the subsidiaries, joint ventures or associate, the financial guarantees could be called on demand.

NOTES TO THE **FINANCIAL STATEMENTS**

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings and bank overdrafts amounting to:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Floating interest rate: Loans and borrowings and bank overdrafts	**2,112,363**	2,628,047	**691,500**	705,000

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been higher/lower by:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest rate risk	**2,449**	3,035	**1,314**	1,339

The assumed movement in basis points for this interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE **FINANCIAL STATEMENTS**

41. FAIR VALUE MEASUREMENT

The methods and assumptions used to determine the fair values of financial assets and liabilities are as follows:

(i) Cash and bank balances, receivables and payables

The carrying amounts of cash and bank balances, current receivables and payables are reasonable approximation of fair values due to their short-term nature.

The fair value of land acquisition liabilities classified as non-current liabilities is estimated by discounting future cash flows using lending rates for similar types of arrangements.

(ii) Loans and borrowings (including bank overdrafts)

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long-term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of fixed rate loans and borrowings are estimated by discounting future cash flows using lending rates for similar type of arrangements.

The carrying amounts and fair value of financial instruments, other than those whose carrying amounts are reasonable approximations of fair value are as follows:

	Group	
	Carrying amount RM'000	Fair value RM'000
2021		
Financial liabilities		
Other payables	**313,160**	**313,160**
Fixed rate loans and borrowings	**767,669**	**775,645**
	1,080,829	**1,088,805**
2020		
Financial liabilities		
Other payables	319,684	319,684
Fixed rate loans and borrowings	688,360	718,458
	1,008,044	1,038,142

All assets and liabilities for which fair value is measured or disclosed in the financial statements are in accordance with the fair value hierarchy as mentioned in Note 3.20 to the financial statements, based on the lowest level input that is significant to the fair value measurement as a whole.

NOTES TO THE **FINANCIAL STATEMENTS**

41. FAIR VALUE MEASUREMENT (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's liabilities that are not carried at fair value:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group 2021				
Non-current				
Other payables	**313,160**	**-**	**-**	**313,160**
Fixed rate loans and borrowings	**517,756**	**-**	**-**	**522,507**
	830,916	**-**	**-**	**835,667**
Current				
Fixed rate loans and borrowings	**249,913**	**-**	**-**	**253,138**
Group 2020				
Non-current				
Other payables	319,684	-	-	319,684
Fixed rate loans and borrowings	588,497	-	-	617,597
	908,181	-	-	937,281
Current				
Fixed rate loans and borrowings	99,863	-	-	100,861

Policy on transfer between levels

The fair values of assets and liabilities to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 October 2021 and 31 October 2020, there were no transfers within the fair value measurement hierarchy.

NOTES TO THE **FINANCIAL STATEMENTS**

42. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy is to ensure that they maintain a healthy capital ratio in order to support their businesses, enable future development and maximise shareholders' value.

The Company reviews and manages the capital structure of each group entity regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in their business operations. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders.

The Group and the Company monitor capital using the net gearing ratio of the Group, which is net debt divided by total equity attributable to owners of the Company. Net debt comprises loans and borrowings, hire purchase liabilities and bank overdrafts less cash and bank balances. This ratio is used to assess the appropriateness of the Group's and the Company's debt levels.

At the end of the financial year, the gearing ratios for the Group were as follows:

	Group	
	2021	2020 (Restated)
	RM'000	RM'000
Loans and borrowings (Note 20)	**2,856,014**	3,291,084
Hire purchase (included in lease liabilities) (Note 21)	**140**	225
Bank overdrafts	**24,018**	25,323
Less: Cash and bank balances (Note 17)	**(784,724)**	(456,437)
Net debt	**2,095,448**	2,860,195
Total equity attributable to owners of the Company	**4,765,304**	4,645,151
Net gearing ratio	**0.44**	0.62

The Company and certain subsidiaries are required to comply with debt equity ratios in respect of their term loans, bridging loans and revolving credit facilities. The Group has complied with these debt equity ratios.

NOTES TO THE **FINANCIAL STATEMENTS**

43. COMPARATIVE FIGURES

In the previous financial year, the reversal of impairment loss on investment in subsidiaries was included in other income whilst the impairment loss on investment in subsidiaries was included in administrative and other expenses in the Company's statement of comprehensive income.

During the financial year, the net impairment losses of investment in subsidiaries was presented as a separate line item in the Company's statement of comprehensive income.

Accordingly, the comparative figures have been reclassified to conform with the current year's presentation.

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
Statement of Comprehensive Income for the Financial Year ended 31 October 2020			
Other income	105,958	(13,000)	92,958
Administrative and other expenses	(71,624)	71,624	-
Administrative expenses	-	(6,624)	(6,624)
Net impairment losses on investment in subsidiaries	-	(52,000)	(52,000)

44. IMPACT OF THE CORONAVIRUS OUTBREAK

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak a pandemic due to its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed a Movement Control Order ("MCO") followed by various other MCOs of varying degree of severity to curb the spread of COVID-19 infections in Malaysia.

The emergence of the COVID-19 outbreak in early 2020 and the resulting lockdowns and border closures impose across the globe that continue to this day have brought about significant economic uncertainties in Malaysia and the overseas markets in which one of the Group's joint ventures operates.

The Group and the Company have considered the impact of COVID-19 in the application of significant judgements and estimates to determine amounts recognised in the financial statements, including those disclosed in Note 4 to the financial statements. As the pandemic continues to evolve, there is uncertainty over its duration and the potential effects it may have on the Group's financial and liquidity positions.

Given the fluidity of the situation, the Group and the Company will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise its impact on the Group's and the Company's operations.

45. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Proposed bonus issue of warrants

On 17 January 2022, the Company announced a proposed bonus issue of up to 693,952,144 warrants ("New Warrants") on the basis of one (1) New Warrant for every five (5) existing ordinary shares in the Company held by entitled shareholders on an entitlement date to be determined later. The proposed bonus issue of New Warrants was approved by Bursa Malaysia Securities Berhad on 9 February 2022 and is subject to approval of shareholders of the Company.

STATEMENT BY **DIRECTORS**

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **DATO' CHANG KHIM WAH** and **DATUK HEAH KOK BOON**, being two of the directors of ECO WORLD DEVELOPMENT GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 77 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2021 and of their financial performance and cash flows for the financial year then ended.

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

DATO' CHANG KHIM WAH
Director

DATUK HEAH KOK BOON
Director

Shah Alam
Date: 10 February 2022

STATUTORY **DECLARATION**

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **DATUK HEAH KOK BOON**, being the director primarily responsible for the financial management of ECO WORLD DEVELOPMENT GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 77 to 161 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

DATUK HEAH KOK BOON
MIA: 9571
Director

Subscribed and solemnly declared by the abovenamed at Shah Alam, Selangor on 10 February 2022.

Before me,

SIRENDAR SINGH
B 458
Commissioner for Oaths

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World Development Group Berhad, which comprise the statements of financial position as at 31 October 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 77 to 161.

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 2021 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Write-down of inventories (Note 4.1 and Note 7 to the financial statements)

As at 31 October 2021, the Group's completed properties amounted to RM608,971,000. These inventories are measured at the lower of cost and net realisable value. Certain of these inventories were stated at their net realisable value. During the financial year, the Group recognised a net reversal of previous write-down of inventories amounting to RM13,115,000. We focused on this area because significant judgement is required to be made by the Group on the estimated net selling price and costs to sell, and the assumption on the extent of impact of COVID-19 pandemic. The economic uncertainties arising from COVID-19 pandemic may continue to impact the selling prices and saleability of inventories.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Key Audit Matters (Continued)

Write-down of inventories (Note 4.1 and Note 7 to the financial statements) (Continued)

Our audit response:

Our audit procedures included, among others:

- understanding the basis applied by the Group in the estimation of net realisable value of inventories;
- comparing the estimated net selling price against the carrying amount of completed properties based on selected samples;
- comparing the estimated net selling price against recent transacted prices of comparable properties, taking into consideration any discount, rebates or other consideration payable to purchasers, based on selected samples;
- comparing the estimated costs to sell as estimated by the Group against recently incurred selling expenses; and
- checking the mathematical computation of write-down or write-back amount of the inventories recognised during the financial year.

Capitalisation of borrowing costs (Note 4.2 and Note 7 to the financial statements)

Borrowing costs that are directly attributable to the development of land held for development are capitalised as part of the cost of land held for property development. The capitalisation of borrowing costs made by the Group in respect of the future phases is dependent on whether the activities constitute active development that benefit those phases. During the financial year, the Group also changed its accounting policy arising from the application of the IFRIC Agenda Decision on IAS 23 (MFRS 123) *Borrowing Costs*. We focus on this area because there is significant judgement involved in the basis adopted in the capitalisation of borrowing costs and in applying the change in the accounting policy involving borrowing costs.

Our audit response:

Our audit procedures included, among others:

- evaluating the Group's assessment on the impacts from the change in accounting policy arising from the application of the IFRIC Agenda Decision on IAS 23(MFRS 123) *Borrowing Costs*;
- assessing the infrastructure, technical and administrative works that were carried out on future phases and sighting to relevant supporting documents;
- reading loan agreements to obtain understanding of the purpose of loans; and
- checking the calculation of borrowing costs capitalised by validating the inputs used in the calculation such as interest rates and principal amounts.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Key Audit Matters (Continued)

Impairment assessment of investment in joint ventures (Note 4.5 and Note 10 to the financial statements)

The Group has significant investments in joint ventures, including Eco World International Berhad ("EWI"), a company listed on Bursa Malaysia Securities Berhad, in which the Group holds 27% equity interest. The Group accounts for its interest in the joint ventures using equity method. At the end of the financial year, the Group determines whether there is objective evidence that its investment in the joint ventures is impaired. The Group has performed an impairment assessment on its investment in EWI based on its share of the present value of the estimated future cash flows expected to be generated by the joint venture. During the financial year, an impairment loss of RM57,300,000 was recognised on investment in the joint venture.

We focused on this area because the Group's determination of objective evidence and impairment assessment requires the exercise of significant judgement. Where impairment assessment was performed, the Group applied the discount rates in the recoverable amount calculation and assumptions supporting the underlying cash flow projections which include extent of economic uncertainties resulting from COVID-19 pandemic on future sales of development properties and future costs of development.

Our audit response:

Our audit procedures included, among others:

- assessing the appropriateness of the recoverable amount valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Group's key assumptions, which include consideration of the current economic and business environment affected by COVID-19 pandemic, against our understanding gathered from the review of component auditors' work papers, discussion with component management and external data; and
- testing the mathematical accuracy of the impairment assessment.

Recognition of property development revenue (Note 4.7 and Note 26 to the financial statements)

The amount of revenue of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of development costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue (including estimated variable consideration) and costs, as well as the recoverability of the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Key Audit Matters (Continued)

Recognition of property development revenue (Note 4.7 and Note 26 to the financial statements) (Continued)

Our audit response:

Our audit procedures included, among others:

- understanding the Group's process in preparing or updating project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project managers;
- discussing with management and assessing the estimates made by the Group in relation to delivery period of identified projects;
- assessing the reasonableness of computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of revenue recognised for the projects during the financial year.

Company

Impairment assessment of investment in subsidiaries (Note 4.3 and Note 8 to the financial statements)

At the end of the financial year, the Company determines whether there is any indication of impairment on its investment in subsidiaries. If any such indication exists, the Company makes an estimate of the investment's recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiary. During the financial year, a net impairment loss on investment in subsidiaries of RM23,000,000 was recognised in the profit or loss. We focused on this area because the Company's determination of indication of impairment and impairment assessment requires the exercise of significant judgement. Where impairment assessment was performed, the Company applied the discount rate in the recoverable amount calculation and assumptions supporting the underlying cash flow projections.

Our audit response:

Our audit procedures included, among others:

- assessing the appropriateness of the recoverable amount valuation methodology adopted by the Company in accordance with the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Company's key assumptions to our assessments in relation to key assumptions to assess their reasonableness; and
- testing the mathematical accuracy of the impairment assessment.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF ECO WORLD DEVELOPMENT GROUP BERHAD (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA & AF 0117)
Chartered Accountants

Lee Kong Weng
No. 02967/07/2023 J
Chartered Accountant

Kuala Lumpur
Date: 10 February 2022

LIST OF
MATERIAL PROPERTIES HELD BY THE GROUP
AS AT 31 OCTOBER 2021

i) Details of the development properties held by the Group are as follows:

No	Location	Project Name	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Majestic	Inventories	25-Apr-14	11,414,451	Freehold	995,329
2	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park 2	Inventories	25-Apr-14	7,966,103	Freehold	645,998
3	Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor Darul Ehsan	Eco Sanctuary	Inventories	19-Mar-14	4,003,552	Leasehold *Expiring: Year 2110*	596,981
4	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Summer & Eco Spring	Inventories	25-Apr-14	5,876,368	Freehold	588,920
5	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Eco Botanic	Inventories	25-Apr-14	2,522,673	Freehold	575,614
6	Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Eco Business Park 1	Inventories	25-Apr-14	10,110,805	Freehold	534,052
7	Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Eco Tropics & Eco Business Park 3	Inventories	1994	25,383,368	Freehold	401,215
8	Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Eco Forest	Inventories	02-Jul-14	6,584,301	Freehold	390,907
9	Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Eco Botanic 2	Inventories	15-Dec-19	2,784,492	Freehold	282,892
10	Mukim 9 & 14, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Meadows	Inventories	25-Apr-14	1,449,762	Freehold	130,096

LIST OF **MATERIAL PROPERTIES HELD BY THE GROUP**

AS AT 31 OCTOBER 2021

ii) Details of the development properties held by joint ventures of the Group are as follows:

No	Joint Ventures/ Location	Project Name	Description	Date of Acquisition	Group's Effective Share	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)#
1	**Paragon Pinnacle Sdn Bhd** Mukim Ijok, Daerah Kuala Selangor, Selangor Darul Ehsan	Eco Grandeur & Eco Business Park 5	Inventories	22-Sep-15	60%	45,422,369	Leasehold *Expiring: Year 2098/ 2100/2101/ 2117/2118*	1,940,860
2	**BBCC Development Sdn Bhd** Section 56, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Bukit Bintang City Centre	Inventories	04-Feb-15	40%	177,445	Leasehold *Expiring: Year 2110*	1,662,922
3	**Eco Horizon Sdn Bhd** Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang	Eco Horizon & Eco Sun	Inventories	28-Jun-16	60%	12,378,781	Leasehold *Expiring: Year 2112*	1,274,148
4	**Eco Ardence Sdn Bhd** Mukim Bukit Raja, Daerah Petaling, Selangor Darul Ehsan	Eco Ardence	Inventories	06-May-06	50%	6,136,488	Freehold	559,705

These amounts represent 100% of the NBV of the properties held by the respective joint ventures

STATISTICS **ON SECURITIES**

AS AT 17 JANUARY 2022

Shareholdings

No. of shares issued	2,944,368,381
Class of shares	Ordinary Shares
Voting rights	One vote per ordinary share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	117	0.64	2,053	0.00
100 - 1,000	2,891	15.87	1,849,754	0.06
1,001 - 10,000	10,511	57.70	52,959,957	1.80
10,001 - 100,000	4,111	22.57	123,799,299	4.20
100,001 to less than 5% of issued shares	584	3.21	1,618,850,574	54.98
5% and above of issued shares	3	0.02	1,146,906,744	38.95
Total	**18,217**	**100.00**	**2,944,368,381**	**100.00**

Top Thirty (30) Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1	Sinarmas Harta Sdn. Bhd.	489,919,015	16.64
2	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	380,000,000	12.91
3	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Kee Sin	276,987,729	9.41
4	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Jernih Padu Sdn. Bhd.	135,750,000	4.61
5	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	135,013,900	4.59
6	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	110,000,000	3.74
7	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Sinarmas Harta Sdn. Bhd.	100,000,000	3.40
8	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	87,500,000	2.97
9	Sigma Seleksi Sdn. Bhd.	83,892,700	2.85
10	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong	66,780,601	2.27

STATISTICS **ON SECURITIES**
AS AT 17 JANUARY 2022

Top Thirty (30) Largest Shareholders (Continued)

No.	Name of Shareholders	No. of Shares	%
11	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Lim Wee Chai (PB)	66,250,000	2.25
12	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	59,000,000	2.00
13	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	47,823,600	1.62
14	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Liew Tian Xiong (PB)	39,000,000	1.32
15	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (Nomura)	30,000,000	1.02
16	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for Citibank New York (Norges Bank 19)	28,270,400	0.96
17	HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund	22,973,800	0.78
18	Nik Sazlina Binti Mohd Zain	21,415,200	0.73
19	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	18,000,000	0.61
20	Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Life Insurance Berhad (Growth)	17,577,400	0.60
21	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	15,526,500	0.53
22	Cartaban Nominees (Tempatan) Sdn. Bhd. - TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund	14,476,400	0.49
23	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	12,709,200	0.43
24	Amanahraya Trustees Berhad - Public Strategic Smallcap Fund	11,840,000	0.40
25	HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd For Manulife Investment Shariah Progress Fund	11,442,100	0.39
26	Amanahraya Trustees Berhad - Amanah Saham Malaysia	11,308,200	0.38
27	Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Life Insurance Berhad (Dana Ekt Prima)	10,568,100	0.36
28	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for How Teng Teng (Liew Tian Xiong)	10,000,000	0.34
29	Cartaban Nominees (Asing) Sdn. Bhd. - SSBT Fund WTAU for Wisdomtree Emerging Markets Smallcap Dividend Fund	9,702,200	0.33
30	Cartaban Nominees (Tempatan) Sdn. Bhd. - PAMB for Prulink Equity Fund	8,609,900	0.29
	Total	**2,332,336,945**	**79.21**

STATISTICS **ON SECURITIES**

AS AT 17 JANUARY 2022

Substantial Shareholders

	No. of Ordinary Shares held			
Name	**Direct**	**%**	**Indirect**	**%**
Sinarmas Harta Sdn. Bhd.	969,919,015	32.94	-	-
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000[(1)]	5.37
Liew Tian Xiong	215,780,601	7.33	-	-
Eco World Development Holdings Sdn. Bhd.	226,075,439	7.68	-	-
Puan Sri Datin Sri How Teng Teng	22,500,000	0.76	135,750,000[(2)]	4.61
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	226,075,439[(3)]	7.68
Dato' Leong Kok Wah	-	-	1,195,994,454[(4)]	40.62
Syabas Tropikal Sdn. Bhd.	-	-	969,919,015[(5)]	32.94

Notes:

[(1)] *Deemed interest by virtue of his interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("**the Act**") and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.*

[(2)] *Deemed interest by virtue of her interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Act.*

[(3)] *Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.*

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

[(5)] *Deemed interest by virtue of its interest in Sinarmas Harta Sdn. Bhd. pursuant to Section 8 of the Act.*

STATISTICS **ON SECURITIES**
AS AT 17 JANUARY 2022

Directors' Shareholdings

	No. of Ordinary Shares held			
Name	Direct	%	Indirect	%
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	226,075,439[1]	7.68
Tan Sri Dato' Sri Liew Kee Sin	276,987,729	9.41	158,250,000[2]	5.37
Dato' Leong Kok Wah	-	-	1,195,994,454[3]	40.62
Dato' Chang Khim Wah	8,650,000	0.29	-	-
Datuk Heah Kok Boon	1,609,300	0.05	-	-
Liew Tian Xiong	215,780,601	7.33	-	-
Tang Kin Kheong	-	-	-	-
Dato' Idrose Bin Mohamed	-	-	-	-
Dato' Haji Obet Bin Tawil	-	-	-	-
Dato' Noor Farida Binti Mohd Ariffin	-	-	-	-
Low Mei Ling	-	-	-	-
Mrs Lucy Chong	-	-	-	-
Sar Sau Yee	-	-	15,000[4]	0.00

Notes:

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

[2] *Deemed interest by virtue of his interest in Jernih Padu Sdn. Bhd. pursuant to Section 8 of the Act and indirect interest by virtue of his spouse's interest in the Company pursuant to Section 59(11)(c) of the Act.*

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

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

STATISTICS **ON SECURITIES**
AS AT 17 JANUARY 2022

Warrant Holdings

No. of warrants issued	525,392,340
Exercise price per warrant	RM2.08
Expiry date	26 March 2022

Distribution of Warrant Holders

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	477	12.24	29,509	0.01
100 - 1,000	750	19.25	497,928	0.09
1,001 - 10,000	1,600	41.07	6,697,117	1.27
10,001 - 100,000	803	20.61	31,646,983	6.02
100,001 to less than 5% of issued warrants	263	6.75	114,349,400	21.76
5% and above of issued warrants	3	0.08	372,171,403	70.84
Total	**3,896**	**100.00**	**525,392,340**	**100.00**

Top Thirty (30) Largest Warrant Holders

No.	Name of Warrant Holders	No. of Warrants	%
1	Sinarmas Harta Sdn. Bhd.	161,369,371	30.71
2	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Eco World Development Holdings Sdn. Bhd.	154,777,551	29.46
3	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liew Tian Xiong (Liew Kee Sin)	56,024,481	10.66
4	Chia Yaw Ping	10,185,900	1.94
5	Koh Peng Cheong	2,665,200	0.51
6	Ang Kai Chan	2,400,000	0.46
7	Farah Romaina Binti Abd Rahim	2,000,000	0.38
8	Mohd Ikhsan Bin Zakariah	2,000,000	0.38
9	Oo Kwang Tung	1,905,200	0.36
10	Tan Wah Kiong	1,866,200	0.36

STATISTICS **ON SECURITIES**
AS AT 17 JANUARY 2022

Top Thirty (30) Largest Warrant Holders (Continued)

No.	Name of Warrant Holders	No. of Warrants	%
11	Mohammad Rosyidi Bin Osman	1,844,500	0.35
12	Emir Zairis Eqmal Bin Idris	1,812,500	0.34
13	Adlina Ho Binti Abdullah	1,800,000	0.34
14	Muhammad Izzat Bin Nor Hisham	1,796,100	0.34
15	Hanafi Bin Hamdan	1,684,000	0.32
16	Lee Kok Cheong	1,600,000	0.30
17	Kang Hwa Chong	1,500,000	0.29
18	Mohd Zamri Bin Mohd Abdah	1,500,000	0.29
19	Mohd Faiza Bin Muhamad Hanafiah	1,450,000	0.28
20	Looi Boon Fui	1,445,000	0.28
21	Neng Aik Hong	1,425,100	0.27
22	Voon Tin Yow	1,336,000	0.25
23	ABB Nominee (Tempatan) Sdn. Bhd. -Pledged securities account for Dato' Chang Khim Wah	1,224,000	0.23
24	Saravanan A/L Govinden	1,153,500	0.22
25	Lim Ah Choo	1,050,000	0.20
26	Syed Mohd Syathir Bin Syed Ali Zainol Abidin	1,000,000	0.19
27	Khong Kar Yow	946,960	0.18
28	Wong Jee Shyong	900,000	0.17
29	SJ Sec Nominees (Asing) Sdn. Bhd. - Pledged securities account for Omarjee Aboubakar Rafick Moussa Ismael (SMT)	841,000	0.16
30	Nik Ahmad Faiz Bin Mohd Fauzi	831,600	0.16
	Total	**422,334,163**	**80.38**

STATISTICS **ON SECURITIES**
AS AT 17 JANUARY 2022

Directors' Warrant Holdings

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

Notes:

[(1)] *Deemed interest by virtue of his interest in Eco World Development Holdings Sdn. Bhd. pursuant to Section 8 of the Act.*

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

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

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth Annual General Meeting ("**48th AGM**") of Eco World Development Group Berhad (Registration No. 197401000725 (17777-V)) ("**Company**") will be held as a virtual meeting at the following date, time and venue for the following purposes:

Day and Date	: Thursday, 24 March 2022
Time	: 3.00 p.m.
Broadcast Venue	: Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Online Meeting Platform	: Securities Services e-Portal at https://sshsb.net.my/

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 October 2021 together with the Reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note 1

2. To approve the payment of Director's Fee to the following Directors for the financial year ended 31 October 2021:

Directors	**Amount (RM)**	
(i) Tan Sri Abdul Rashid Bin Abdul Manaf	166,400	Ordinary Resolution 1
(ii) Dato' Leong Kok Wah	128,000	Ordinary Resolution 2
(iii) Dato' Idrose Bin Mohamed	204,800	Ordinary Resolution 3
(iv) Mr. Tang Kin Kheong	204,800	Ordinary Resolution 4
(v) Dato' Haji Obet Bin Tawil	140,800	Ordinary Resolution 5
(vi) Dato' Noor Farida Binti Mohd Ariffin	192,000	Ordinary Resolution 6
(vii) Madam Low Mei Ling	166,400	Ordinary Resolution 7
(viii) Madam Lim Hiah Eng (Mrs. Lucy Chong)	128,000	Ordinary Resolution 8
(ix) Madam Sar Sau Yee	10,667	Ordinary Resolution 9

   Please refer to Explanatory Note 2(i)

3. To approve the payment of Directors' Remuneration (excluding Directors' Fees) up to an amount of RM504,000 for the financial year ending 31 October 2022 and up to the date of the next Annual General Meeting of the Company ("**AGM**"). — Ordinary Resolution 10

   Please refer to Explanatory Note 2(ii)

4. To re-elect the following Directors who are retiring by rotation in accordance with Article 126 of the Constitution of the Company ("**Constitution**"):

   (i) Dato' Leong Kok Wah — Ordinary Resolution 11

   (ii) Mr. Liew Tian Xiong — Ordinary Resolution 12

   (iii) Madam Low Mei Ling — Ordinary Resolution 13

   Please refer to Explanatory Note 3

NOTICE OF **ANNUAL GENERAL MEETING**

5. To re-elect Madam Sar Sau Yee who is retiring in accordance with Article 123 of the Constitution and being eligible, has offered herself for re-election. — Ordinary Resolution 14

   Please refer to Explanatory Note 3

6. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — Ordinary Resolution 15

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications:

7. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature** — Ordinary Resolution 16

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

   (i) the conclusion of the next AGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

   (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (iii) revoked or varied by resolution passed by the shareholders in a meeting of members,

   whichever is the earlier,

   AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company, with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution 16.

   Please refer to Explanatory Note 4

NOTICE OF **ANNUAL GENERAL MEETING**

8. **Proposed renewal of authority for the Company to purchase its own ordinary shares** Ordinary Resolution 17

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

(i) the maximum aggregate number of Company Shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time of the said purchase(s); and

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing Company Shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

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

(i) the conclusion of the next AGM at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a meeting of members,

whichever occurs first.

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

(i) cancel the Company Shares so purchased; or

(ii) retain all or part of the Company Shares so purchased as treasury shares for distribution as shares dividends to shareholders and/or resell on the market of Bursa Malaysia Securities in accordance with the relevant rules of Bursa Malaysia Securities and/or transferred for the purposes of an employees' share scheme and/or transferred as purchase consideration and/or cancelled subsequently; or

NOTICE OF **ANNUAL GENERAL MEETING**

(iii) retain part of the Company Shares so purchased as treasury shares and cancel the remainder of the Company Shares; or

(iv) deal with the Company Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time,

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

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

Please refer to Explanatory Note 5

9. **Proposed bonus issue of up to 693,952,144 warrants ("New Warrants") on the basis of one New Warrant for every five existing Company Shares held by the entitled shareholders on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants")** — Ordinary Resolution 18

THAT subject to the approval of all relevant authorities and/or parties (if required) being obtained, approval be and is hereby given to the Board to issue up to 693,952,144 New Warrants on the basis of one New Warrant for every five existing Company Shares held by shareholders whose names appear on the Company's Record of Depositors on an entitlement date to be determined and announced later.

THAT the Board be and is hereby authorised to enter into and execute a deed poll governing the New Warrants ("**Deed Poll**") and to do all acts, deeds and things as they may deem fit and expedient, to implement, finalise and give full effect to the Deed Poll.

THAT the Board be and is hereby authorised to issue such appropriate number of New Warrants in accordance with the provisions of the Deed Poll and where required, to fix or to adjust the exercise price and/or the number of the New Warrants to be issued (including, without limitation, any additional New Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll.

THAT the Board be and is hereby authorised to allot and issue such appropriate number of new Company Shares pursuant to the exercise of the New Warrants by the holders of the New Warrants in accordance with the provisions of the Deed Poll.

NOTICE OF **ANNUAL GENERAL MEETING**

THAT fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with in such a manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.

THAT the new Company Shares to be issued from the exercise of the New Warrants shall, upon allotment and issuance, rank pari passu in all respects with the then existing Company Shares, save and except that the holders of the new Company Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new Company Shares arising from the exercise of the New Warrants.

THAT the Board be and is hereby authorised to utilise the proceeds raised from the exercise of the New Warrants for such purpose and in such manner as set out in Section 3 of the Company's circular to shareholders dated 23 February 2022 ("**Circular**"), with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (if required) to the approval of the relevant authorities and in the best interest of the Company.

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements as may be necessary to give effect and complete the Proposed Bonus Issue of Warrants and to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of the Company and to take such steps (including providing any undertakings as required by the relevant authorities) as they may deem necessary or expedient to implement, finalise, and give full effect and to complete the Proposed Bonus Issue of Warrants.

Please refer to Explanatory Note 6

10. To transact any other business of which due notice has been given.

By Order of the Board

Chua Siew Chuan (SSM PC No. 201908002648) (MAICSA 0777689)
Tan Ley Theng (SSM PC No. 201908001685) (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
23 February 2022

NOTICE OF **ANNUAL GENERAL MEETING**

EXPLANATORY NOTES:

1. *Report and Audited Financial Statements*

   The Report and Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders. Hence, this Agenda item is not put forward for voting.

2. *Payment of Directors' Fees and Remuneration*

   Section 230(1) of the Act requires that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM for the following payments:

   (i) *Directors' Fees for the financial year ended 31 October 2021 ("**FY2021**")*

   *The Non-Executive Directors ("**NEDs**") are entitled to annual Directors' Fees based on the following remuneration structure of the NEDs:*

No.	Description	Chairman (RM)	Founder (RM)	Members (RM)
1.	Board	272,000	208,000	160,000
2.	Audit Committee	64,000	N/A	32,000
3.	Nomination Committee	32,000	N/A	16,000
4.	Remuneration Committee	32,000	N/A	16,000
5.	Whistleblowing Committee	32,000	N/A	16,000

   In line with the cost rationalisation exercise implemented group-wide, the Directors' Fee has been reduced 20% with effect from 1 May 2020. Arising thereof, the total amount of Directors' Fees payable to the NEDs is RM1,341,867.

   (ii) *Directors' Remuneration (excluding Directors' Fees) for the financial year ending 31 October 2022 and up to the date of the next AGM*

   The estimated amount of Directors' Remuneration of RM504,000 payable to the NEDs comprises the following:

Directors' Remuneration	Amount (RM)
Meeting Allowance[1]	272,000
Security Fees[2]	232,000
Total	**504,000**

Notes:

[1] *Amount payable to the NEDs for the financial year ending 31 October 2022, based on RM2,000 per meeting attendance payable to Chairman and Members of the Board and board committees.*

[2] *Amount payable to the Non-Independent Non-Executive Directors for the period from the conclusion of the 48th AGM up to the date of the next AGM in year 2023.*

NOTICE OF **ANNUAL GENERAL MEETING**

3. *Re-election of Directors*

    *Dato' Leong Kok Wah, Mr. Liew Tian Xiong and Madam Low Mei Ling ("**Retiring Directors**"), who retire in accordance with Article 126 of the Constitution and being eligible, have offered themselves for re-election.*

    Dato' Idrose Bin Mohamed who retires in accordance with Article 126 of the Constitution has expressed his intention not to seek re-election and hence, will hold office as Director until the conclusion of the 48th AGM.

    *For the purpose of determining the eligibility of the Directors to stand for re-election at this 48th AGM and in line with Practice 5.1 of the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021, the Nomination Committee ("**NC**") has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board for the FY2021, except for Madam Sar Sau Yee who was newly appointed to the Board on 1 October 2021.*

    The NC had recommended the re-election of Retiring Directors based on the following consideration:-

    (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;

    (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;

    (iii) level of independence demonstrated by the independent director; and

    (iv) their ability to act in the best interest of the Company in decision-making.

    The Board endorsed the recommendation of the NC on the re-election of the Retiring Directors.

    The profiles of the Retiring Directors are stated on pages 39, 40 and 43 of the Annual Report 2021 of the Company.

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

    The proposed Ordinary Resolution 16, if passed, will enable EcoWorld Malaysia Group to enter into recurrent transactions of a revenue or trading nature involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company. Please refer to Part A of the Document for further information.

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

    The proposed Ordinary Resolution 17, if passed, will empower the Board to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next AGM. Please refer to the Share Buy-Back Statement set out in Part B of the Document for further information.

6. *Proposed Bonus Issue of Warrants*

    The proposed Ordinary Resolution 18, if passed, will give authority to the Board to issue up to 693,952,144 New Warrants on the basis of one New Warrant for every five existing Company Shares held by shareholders whose names appear on the Company's Record of Depositors on an entitlement date to be determined and announced later. The Proposed Bonus Issue of Warrants is subject to provisions as stipulated in the Deed Poll to be executed. Please refer to the Circular for further information.

NOTICE OF **ANNUAL GENERAL MEETING**

Notes:

1. *The 48th AGM will be conducted virtually through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E-Solutions Sdn. Bhd. via Securities Services e-Portal ("**SS e-Portal**") at https://sshsb.net.my/. Please follow the procedures provided in the Administrative Guide for the 48th AGM in order to register, participate and vote remotely via the RPV facilities.*

2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act and Article 81 of the Constitution which require the Chairman of the Meeting to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 48th AGM.*

3. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 17 March 2022 shall be eligible to participate in the 48th AGM.*

4. *A member entitled to participate and vote at the 48th AGM is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to participate and vote at the 48th AGM shall have the same rights as the member to participate, speak and vote at the 48th AGM. Notwithstanding this, a member entitled to participate and vote at the 48th AGM is entitled to appoint any person as his proxy to participate and vote instead of the member at the 48th AGM. There shall be no restriction as to the qualifications of the proxy.*

   The members, proxies or corporate representatives may submit questions before the 48th AGM to the Chairman or the Board electronically by email to eservices@sshsb.com.my no later than Tuesday, 22 March 2022 at 3.00 p.m. or via real time submission of typed texts via RPV facilities during live streaming of the 48th AGM as the primary mode of communication.

5. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy to participate and vote at the 48th AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.*

7. *Where a member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to participate and vote at a meeting of members instead of him. Where an authorised nominee appoints two (2) proxies to participate and vote at the 48th AGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.*

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

   (i) In Hardcopy Form

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

   (ii) By Electronic Means

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

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

CDS Account No.	No. of Shares Held

FORM OF PROXY

I/We, ____ NRIC/Passport/Registration No. ______________________________
(NAME IN FULL AND IN BLOCK LETTERS)

Contact No. ______________________ of ____
(FULL ADDRESS)

____

being a member/members of **ECO WORLD DEVELOPMENT GROUP BERHAD** ("**Company**"), hereby appoint:

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

or failing him/her,

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Forty-Eighth Annual General Meeting ("**48th AGM**") of the Company to be held as a virtual meeting at the Broadcast Venue at Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia via Securities Services e-Portal at https://sshsb.net.my/ on Thursday, 24 March 2022 at 3.00 p.m. or at any adjournment thereof for/against the resolutions to be proposed thereat.

No.	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	Approval for the payment of Director's Fee to Tan Sri Abdul Rashid Bin Abdul Manaf		
2.	Approval for the payment of Director's Fee to Dato' Leong Kok Wah		
3.	Approval for the payment of Director's Fee to Dato' Idrose Bin Mohamed		
4.	Approval for the payment of Director's Fee to Mr. Tang Kin Kheong		
5.	Approval for the payment of Director's Fee to Dato' Haji Obet Bin Tawil		
6.	Approval for the payment of Director's Fee to Dato' Noor Farida Binti Mohd Ariffin		
7.	Approval for the payment of Director's Fee to Madam Low Mei Ling		
8.	Approval for the payment of Director's Fee to Mrs. Lucy Chong		
9.	Approval for the payment of Director's Fee to Madam Sar Sau Yee		
10.	Approval for the payment of Directors' Remuneration		
11.	Re-election of Dato' Leong Kok Wah		
12.	Re-election of Mr. Liew Tian Xiong		
13.	Re-election of Madam Low Mei Ling		
14.	Re-election of Madam Sar Sau Yee		
15.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company		
	Special Business		
16.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
17.	Proposed Renewal of Share Buy-Back Authority		
18.	Proposed Bonus Issue of Warrants		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

As witness my/our hand(s) this _________day of _________________, 2022

____
Signature of Member/Common Seal

Fold this flap for sealing

Then fold here

Affix Stamp

Securities Services (Holdings) Sdn. Bhd.
(Registration No. 197701005827 (36869-T))
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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Notes:

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www.ecoworld.my

Eco World Development Group Berhad (197401000725 (17777-V))

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