EcoWorld International

CREATING TOMORROW & BEYOND

ANNUAL REPORT **2020**

A clean and balanced cover concept featuring an elegantly resting butterfly, which symbolises the brand. Illustrations of world landmarks across the horizon positions the Company's international reach with the butterfly's contemplative pose at the core indicating the Company's focus on growth in global markets.

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

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

ABOUT THIS REPORT

01. GUIDING FRAMEWORK

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

02. ASSURANCE

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

03. REPORTING SCOPE AND BOUNDARIES

The information in this AR covers the 2020 financial year (1 November 2019 to 31 October 2020) and encompasses all business operations of Eco World International Berhad, over which we have full control, and annual performance of our subsidiaries, unless stated otherwise. All significant items have been reported on a like-for-like basis; no major restatements were performed. This AR should be read together with the information available on our website www.ecoworldinternational.com for a comprehensive overview of the Group.

04. USE OF FORWARD-LOOKING STATEMENTS

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

HOW WE CAN FURTHER IMPROVE

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

INSIDE THIS

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Printed on environmentally friendly paper

MILESTONES

NOVEMBER 2019
LCI Block D commenced handover

JUNE 2020
West Village commenced handover

SEPTEMBER 2020
Acquired full ownership of Macquarie Park site

SEPTEMBER 2020
Wardian London commenced handover

SEPTEMBER 2020
Sky Pool in Embassy Gardens lifted into position

DECEMBER 2020
EcoWorld International announced as a Silver winner of National Annual Corporate Report Awards 2020 under companies with less than RM2 billion in market capitalisation

JUNE 2020
Launch of Third & Caird

AUGUST 2020
Launch of Lily House in Verdo
@ Kew Bridge

AUGUST 2020
Launch of The Modern, final residential
tower in Embassy Gardens

AUGUST 2020
Launch of APO, a BtR platform that provides
end-to-end services for BtR investors

DECEMBER 2020
London City Island won The Edge Malaysia
Outstanding Overseas Project Award 2020

PROJECT OVERVIEW

* Total GDV of projects already acquired is GBP4.8 billion

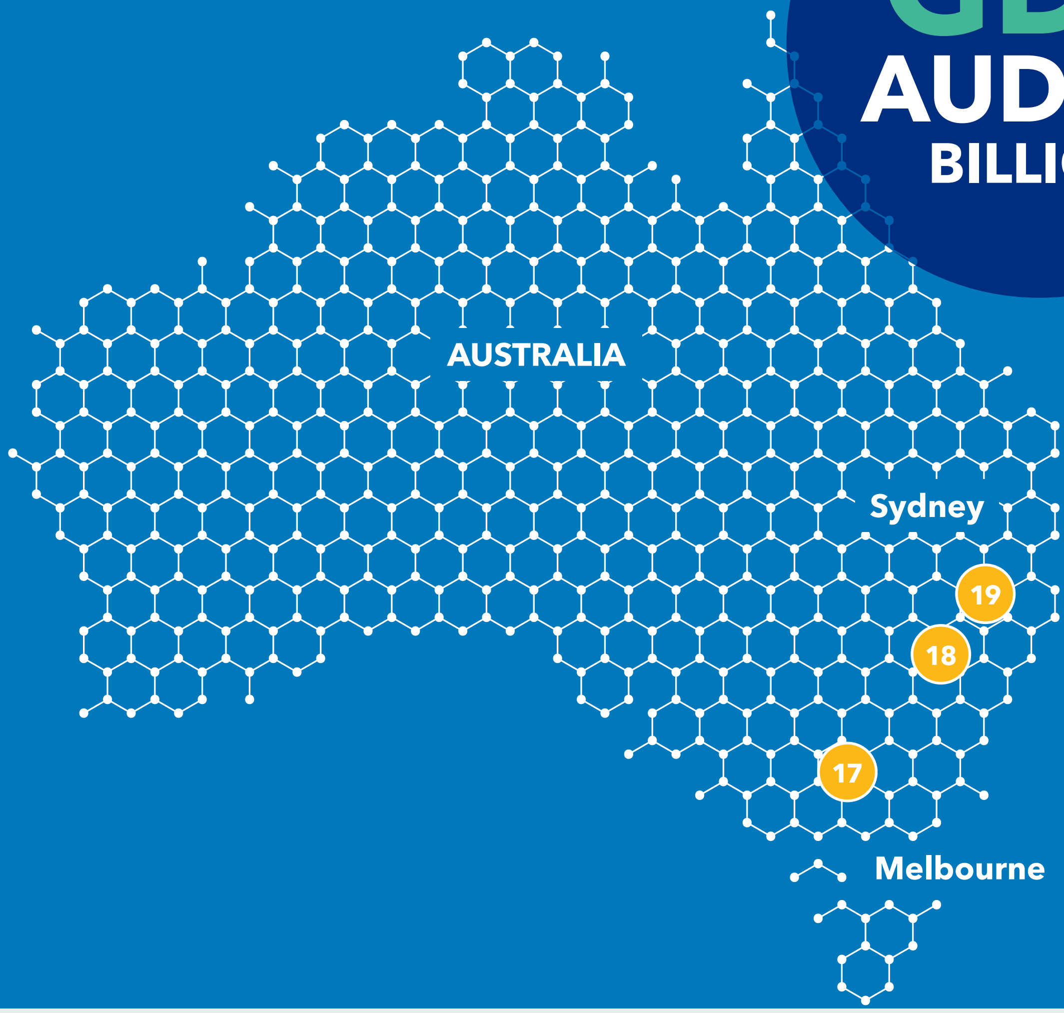
1. THE CLAVES MILLBROOK PARK · NW7 — The Claves in Millbrook Park, North London
2. PRIME PLACE KENSAL RISE W10 — Kensal Rise in North West London
3. BARKING WHARF — Barking Wharf in East London
4. Quayside Barking in East London
5. NANTLY HOUSE — Nantly House in Hounslow, West London
6. OXBOW — Oxbow (Aberfeldy Village) in East London
7. VERDO — Verdo-Kew Bridge in Brentford, West London
8. WOKING — Woking in Surrey, South East England
9. EALING — Ealing in West London#
10. TULSE HILL — Tulse Hill in Lambeth, South London#

Projects yet to be acquired

CUMULATIVE SALES
RM13.3 BILLION

EFFECTIVE FUTURE REVENUE
RM2.9 BILLION

GDV
AUD0.7 BILLION



11 ACTON LODGE
Acton Lodge in Hounslow, West London

12 TWO BRIDGES
Two Bridges in Hounslow, West London

13 THIRD & CAIRD
Third & Caird in Westminster, London

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

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

16 Eg
Embassy Gardens in Nine Elms, South West London

17 YARRA ONE
Yarra One in South Yarra, Melbourne

18 WEST VILLAGE PARRAMATTA
West Village in Parramatta, Greater Sydney

19 MACQUARIE PARK
Macquarie Park in North Sydney

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

Senior Independent Non-Executive Director
Cheah Tek Kuang

Non-Independent Non-Executive Directors
Dato' Chang Khim Wah
Choong Yee How
Cheng Hsing Yao

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

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

WHISTLEBLOWING COMMITTEE

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

COMPANY SECRETARIES

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

FORM OF LEGAL ENTITY

Incorporated on 28 August 2013 as a private company limited by shares. Converted to a public company limited by shares on 11 January 2016 and listed on main board of Bursa Malaysia Securities Berhad on 3 April 2017.

REGISTERED OFFICE

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

INVESTOR RELATIONS

Saw Xiao Jun
Email : media@ecoworldinternational.com

REGISTRAR

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

AUDITORS

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Market)

STOCK NAME

EWINT (Ordinary Shares) : 5283
EWINT-WA (Warrants) : 5283WA

WEBSITE

www.ecoworldinternational.com

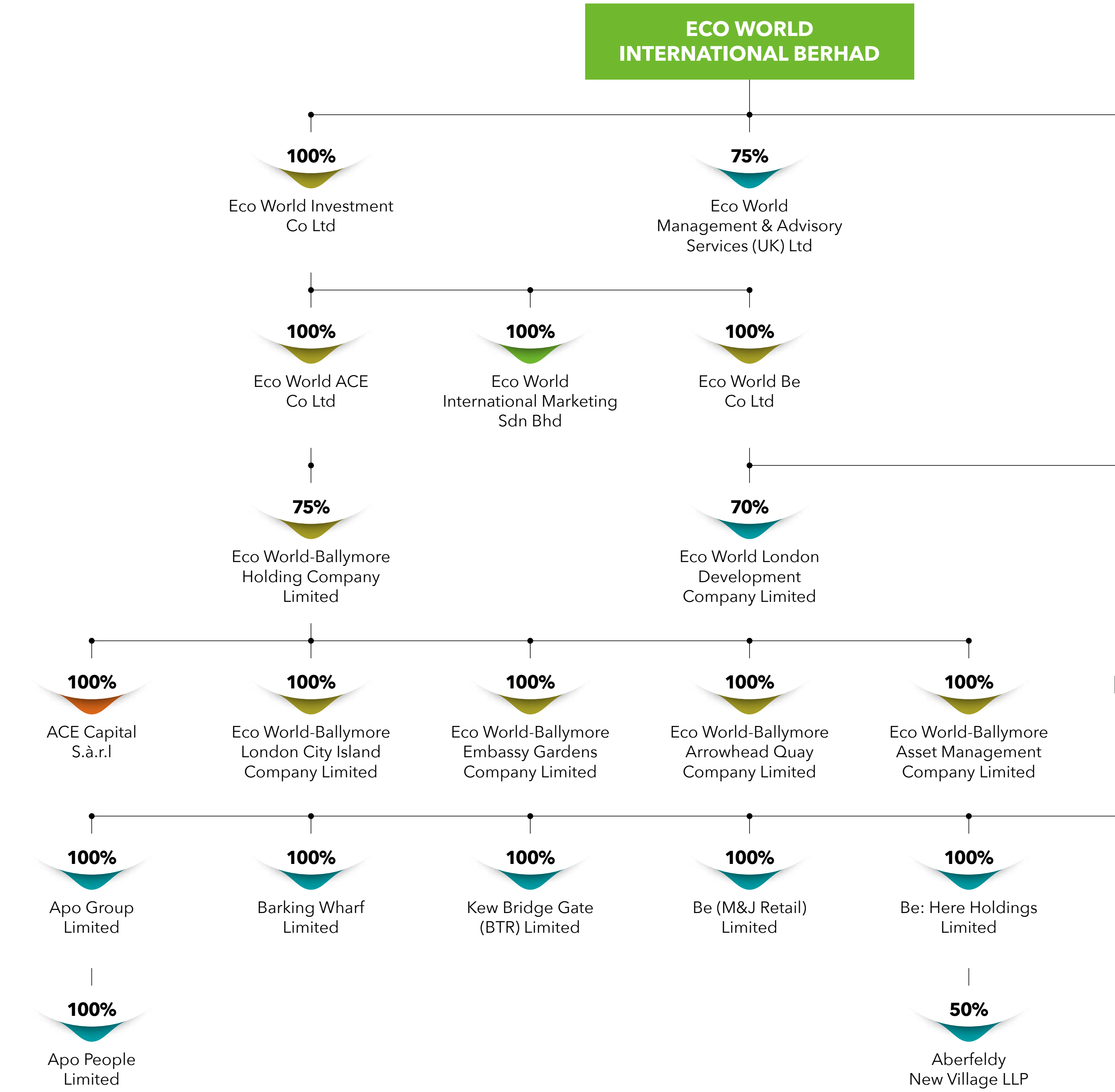
FINANCIAL HIGHLIGHTS

Year Ended	Audited 31 October 2020	Audited 31 October 2019	Audited 31 October 2018 Restated	Audited 31 October 2017 Restated
FINANCIAL RESULTS (RM'000)				
Revenue	**672,985**	478	1,303	-
Profit/(Loss) before taxation	**113,891**	190,305	(15,303)	(68,024)
Profit/(Loss) attributable to owners of the Company	**80,326**	187,004	(11,230)	(69,808)
FINANCIAL POSITION (RM'000)				
Total cash, bank balances and deposits	**284,014**	439,995	436,960	992,388
Total assets	**4,067,462**	4,362,843	3,389,756	2,743,335
Total borrowings	**1,228,359**	1,463,745	836,078	128,597
Total net tangible assets	**2,737,477**	2,585,010	2,382,301	2,469,090
Share capital	**2,592,451**	2,592,451	2,592,451	2,592,451
Equity attributable to owners of the Company	**2,739,072**	2,685,641	2,475,021	2,575,407
FINANCIAL RATIOS				
Basic earnings/(loss) per share (sen)	**3.35**	7.79	(0.47)	(4.59)
Net assets per share attributable to owners of the Company (RM)	**1.14**	1.12	1.03	1.07
Return on equity (%)	**2.9**	7.0	(0.5)	(2.7)
Net gearing ratio (times)	**0.35**	0.38	0.16	-
Share price - High (RM)	**1.04**	0.92	1.15	1.36
Share price - Low (RM)	**0.32**	0.61	0.88	1.00

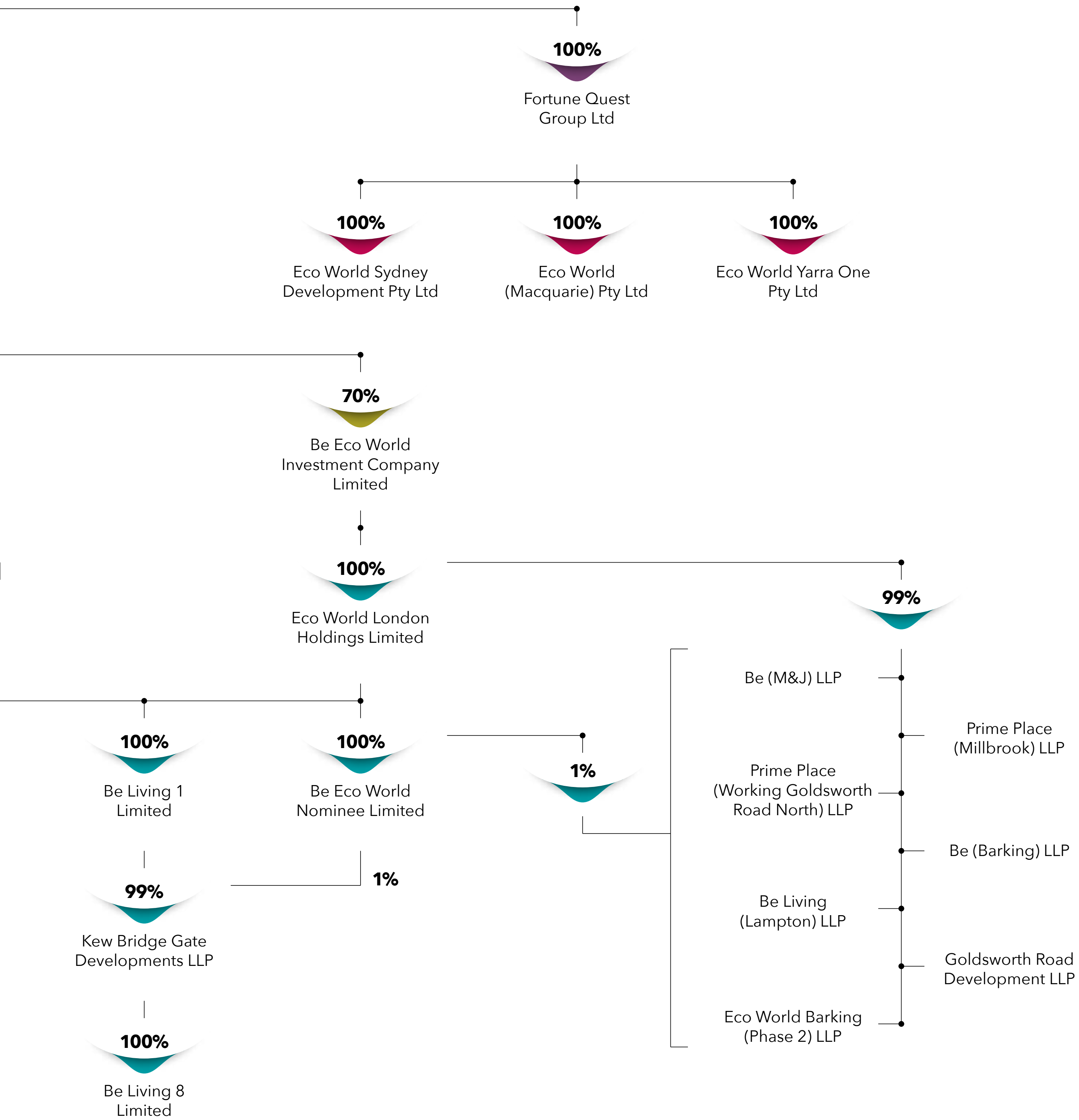
GROUP 2020 SUMMARY

	3 months ended 31 October 2020	3 months ended 31 July 2020	3 months ended 30 April 2020	3 months ended 31 January 2020
(RM'000)				
Revenue	**57,384**	615,437	113	51
Profit before tax	**22,146**	65,070	20,274	6,401
Profit attributable to owners of the Company	**17,440**	37,633	20,063	5,190
Share capital	**2,592,451**	2,592,451	2,592,451	2,592,451
Equity attributable to owners of the Company	**2,739,072**	2,830,379	2,686,701	2,657,900
Total assets	**4,067,462**	4,256,957	4,495,752	4,369,923
Total net tangible assets	**2,737,477**	2,735,504	2,585,221	2,556,676
Basic earnings per share (sen)	**0.73**	1.56	0.84	0.22
Net assets per share attributable to owners of the Company (RM)	**1.14**	1.18	1.12	1.11

CORPORATE STRUCTURE



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


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

CHAIRMAN'S STATEMENT

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

Dear Shareholders,

On behalf of the Board of Directors, I am honoured to present Eco World International Berhad's ("**EcoWorld International**") Annual Report for the financial year ended 31 October 2020 ("**FY2020**").

FY2020 was a challenging year for us as the world was thrown into turmoil by the COVID-19 pandemic. The three countries we are in, namely, the United Kingdom, Australia and Malaysia, were not spared the effects of the pandemic as various degrees of lockdown measures impacted business activity.

Amidst the uncertainties clouding markets everywhere, it is very heartening to be able to report that EcoWorld International managed to achieve RM1.4 billion sales in FY2020 which is significantly higher by 25% compared to FY2019. The higher sales were mainly contributed by our projects in London, namely Embassy Gardens and London City Island. This is a testament not only to the quality of the products offered and the attractive location of our projects – it also signifies London's enduring appeal as the global centre for real estate investment.

Despite the many challenges created by COVID-19 in FY2020, we were still able to complete the handover of West Village in Australia and commence handover of Wardian in the UK with more than 900 residential units successfully delivered to our purchasers.

ACHIEVED
RM1.4 BILLION
SALES IN FY2020

The Group also continued to deliver profits and reduced its gearing upon handover of West Village, our maiden project in Australia. Handover of Wardian London also commenced during the year which contributed towards profits achieved in FY2020. This financial resilience demonstrates the strong foundations on which the Group is established.

IMPACT OF COVID-19 & MITIGATIONS

The Group had a promising start to FY2020 as both the UK and Australia's property markets were showing signs of improvements after years of downturn. The nascent recovery, however, hit a speedbump with the outbreak of COVID-19 in the second quarter of FY2020.

At the onset of the COVID-19 pandemic, the Group's marketing plans were disrupted as many potential home buyers shunned physical events and public places. As the number of confirmed COVID-19 cases rose globally, authorities in the UK and Australia imposed tight nationwide restrictions on movement. Similar containment measures by other countries led to a temporary closure of country borders which derailed international marketing efforts.

Darby's in Embassy Gardens, London

While construction works were permitted for the most part of FY2020 in the UK and Australia, social distancing requirements and supply chain disruptions lowered the productivity of our contractors, which in turn delayed the construction progress of many ongoing projects under development.

These challenges prompted the Group to accelerate our digitalisation efforts as well as to introduce extensive measures to safeguard the safety of our purchasers, contractors, employees and other stakeholders. I am pleased to share that the Group was able to generate substantial buying interest through online marketing campaigns and reach out to potential purchasers via video calls and virtual tours. The gradual re-opening of borders by our key international markets also enabled several physical marketing events to resume during the middle part of the year. We also benefitted from financial assistance schemes provided to the general public, which provided income surety to our purchasers. All this contributed to the good sales results achieved.

In addition, the effectiveness of the measures implemented by Management at the construction sites, sales galleries and main offices to reduce the risk of COVID-19 infection, gave our employees and contractors the confidence to return to work to catch up on lost-time. Virtual handovers also enabled our international purchasers to inspect their units without travelling into the UK or Australia. Accordingly, despite the many challenges created by COVID-19 in FY2020, we were still able to complete the handover of West Village in Australia and commence handover of Wardian in the UK with more than 900 residential units successfully delivered to our purchasers during the financial year.

CHAIRMAN'S STATEMENT

The Wardian

STRATEGIC REVIEW OF OPERATIONS AND BUSINESS MODEL

Despite the challenging operating environment, the Group attained relatively good results in FY2020. However, it is clear that the outlook for the future will remain murky, at least until clearer signs of sustained global economic recovery emerge. Accordingly, in FY2020, the Group undertook a strategic review of our operations and business model to prepare for a post-COVID-19 environment. The pandemic has brought dramatic changes to the way people live, work, spend, and travel. Some of the changes are temporary while others will be long-lasting, especially those that can be replaced with digital alternatives. These changes will have an impact on customer decision making, together with a renewed focus on health and wellbeing. Nevertheless, while certain aspects of the global economy are undergoing structural changes, the pandemic has reaffirmed residential property as one of the key necessities for many people, regardless of the prevailing economic conditions. The residential rental market has so far proven to be resilient throughout the pandemic.

The Board believes that the acute shortage of good quality homes in London will persist, and the situation may even worsen in the medium term as new development plans would have been delayed or cancelled due to the pandemic. Accordingly, a key focus of the Group in the medium term is to expand its presence in the mid-mainstream market where demand is very resilient and the Build-to-Rent ("**BtR**") institutional sub-sector.

The Group, through EcoWorld London, has established a new management company Apo Group ("**Apo**") to provide end-to-end services for BtR investors in sourcing investment opportunities, supporting design and development, leasing and property management. As we complete the construction of our first BtR assets, Apo will remain as long-term manager and provide support in securing and delivering further BtR projects. Over time, and through securing stock at scale from both EcoWorld London and other developments, Apo is expected to generate stable property management income for the Group. The name 'Apo' is derived from an acronym of "A Part Of", reflecting the consumer-driven nature of its approach, creating additional membership revenue on top of its stable income base from letting the homes through building up a community of members to whom it can sell a range of lifestyle-related services.

On top of that, the Group undertook various initiatives to improve our cost structure for greater operational efficiencies and to ensure that we are able to weather any further storms that may come our way. I am pleased to share these initiatives have successfully reduced our overhead costs substantially in FY2020 as compared to FY2019.

Lastly, although the slight delay in the completions of Wardian and Yarra One as a result of COVID-19 hindered the Group's plan to declare dividend for FY2020, today, both projects have been completed. Accordingly, we expect that the repatriation of profits from our initial projects in the UK and Australia will enable us to declare our maiden dividend in FY2021.

As we move ahead into the new financial year, EcoWorld International's share of future revenue based on our effective stake in joint ventures and subsidiaries as at 31 October 2020 stands at RM2.87 billion. Taking into account the expected gradual economic recovery and market sentiment, the Board has set a sales target of RM2.2 billion for FY2021 which will help ensure continued earnings visibility for the Group going forward.

NOTES OF APPRECIATION

In closing, I would like to thank our bankers, business associates, management team and employees for their contributions to our business. I also wish to thank our board members and shareholders for your continuous trust and support in us. EcoWorld International performed reasonably well in FY2020 amidst multiple challenges and with your continued support, the Board will continue to steer its business in the right direction and press on to realise the strategic goals set for the benefit of all stakeholders.

Azlan Zainol
Chairman/Independent Non-Executive Director

Barking Wharf, London

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

SUMMARY OF FINANCIAL PERFORMANCE

EcoWorld International reported RM673 million revenue and RM83 million profit after tax for FY2020, driven mainly by handover of units in West Village and Wardian. Annual sales rose 25% to RM1.4 billion on the back of strong international demand for UK properties while net gearing ratio improved to 0.35x as at October 2020 as the Group pared down its borrowings with the cash generated from handovers.

SALES

EcoWorld International recorded RM1.4 billion sales in FY2020. Sales of upper mainstream products in the UK (priced from GBP800 to GBP1,400 psf) contributed RM1.07 billion in total (GBP199 million) and mid-mainstream products (priced from GBP500 to GBP800 psf) achieved RM395 million sales (GBP73 million). These sales were slightly offset by net rescissions of RM62 million (AUD21 million) recorded by our Australian projects as a number of purchasers of West Village did not complete their sales contracts.

PROFIT & LOSS STATEMENT

The Group reported RM673 million revenue for the financial year under review, compared to RM0.5 million in FY2019. The increase in revenue was enabled by the handover of apartment units in West Village following its completion in May 2020. While this project was launched in 2015, revenue from the sale of units is recognised only upon handover in accordance with accounting standards adopted in Australia and the UK. Handover of West Village also brought about cost of sales of RM573 million, which were the development costs associated with the units handed over in the financial year.

During FY2020, the Group recorded other income of RM26 million, an increase from the RM19 million recorded in FY2019. Other income consists mainly of interest income which the Group generated from its cash balances and rescission income arising from rescission of sales contracts. The Group recorded higher rescission income in FY2020 as a number of West Village purchasers decided against completing their sales contracts.

Marketing expenses were also higher in FY2020, at RM26 million, compared to RM5 million in FY2019. The increase was in line with the higher revenue as sales commissions are only expensed at the point of revenue recognition.

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

Kew Bridge, London

The Group reported a profit after tax of RM83 million and an earnings per share of 3.35 sen for FY2020. As at October 2020, the Group had an effective future revenue of RM2.9 billion.

Included in FY2020's financial performance was a RM83 million impairment of goodwill in relation to the Group's investments in EcoWorld-Ballymore and the West Village project. As these projects approached completion and their Gross Development Values ("**GDV**") have been substantially realised, the goodwill was expensed off in accordance with the relevant accounting standard. This impairment did not have any impact on the Group's cash flows in FY2020. Administrative and general expenses reduced to RM39 million in FY2020 from RM62 million in FY2019 following multiple cost saving measures undertaken by the Group to mitigate the impact of COVID-19 on the business.

The Group also recorded lower finance cost of RM41 million in FY2020, down from RM58 million in FY2019 due mainly to capitalisation of interest costs incurred for project development.

EcoWorld International has two joint ventures in the UK, namely Eco World-Ballymore Holdings Company Limited ("**EcoWorld-Ballymore**") and Eco World London Holdings Limited ("**EcoWorld London**"), which contributed to its share of results in joint ventures. In FY2020, EcoWorld-Ballymore recorded a revenue of RM2,153 million as compared to RM2,494 million in the previous financial year. The decrease in revenue was caused by fewer units handed over in FY2020 as COVID-19 delayed the completion of Wardian London. This reduced EcoWorld International's share of results in EcoWorld-Ballymore to RM134 million in FY2020 from RM260 million in FY2019. EcoWorld London recorded a revenue of RM886 million in FY2020, lower than the RM1,265 million in FY2019. The lower revenue was due to absence of project completion as revenue of units sold in the open market segment is recognised only upon handover. However, EcoWorld International's share of results in EcoWorld London improved to RM43 million in FY2020 from RM36 million in FY2019 on the back of improved profit margins.

Share of results from joint ventures were reported on after-tax basis in accordance with accounting standards. As the Group's profit before tax in FY2019 was substantially contributed by share of results from joint ventures, minimal tax expense at the Group level was recognised in FY2019. In the financial year under review, gross profit from West Village was a significant contributor to profit before tax, which was a key driver for the higher tax expenses in FY2020 as West Village's gross profit was recognised on a before-tax basis.

The reasons above explained the variance between profit after tax of RM83 million in FY2020 and RM190 million in FY2019. Excluding profit attributable to non-controlling interests, the Group achieved earnings per share of 3.35 sen for FY2020. As at October 2020, the Group had an effective future revenue of RM2,872 million. This represents the value of sales contracts that the Group has exchanged but not recognised as revenue.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

BALANCE SHEET

Compared against October 2019, total assets as at October 2020 reduced 7% to RM4,067 million as the Group utilised the sales proceeds generated from handover of West Village to pare down borrowings. Inventories under current assets reduced by 28% to RM652 million as a substantial portion of these costs were expensed as cost of sales in relation to the units in West Village handed over during the year. Goodwill reduced 90% to RM11 million due mainly to impairment charge of RM83 million in relation to the Group's investment in EcoWorld-Ballymore and West Village project.

Investment in joint ventures grew 33% to RM673 million in line with the increase in the joint ventures' net assets following recognition of profits during FY2020. Cash balances dropped by 35% to RM284 million as the sales proceeds from West Village were used to pare down borrowings. On top of that, a portion of the Group's cash reserves were also utilised for the construction of Yarra One and overheads.

Total liabilities decreased 21% to RM1,319 million. The reduction was mainly contributed by repayment of West Village's development loan, which resulted in reduction of borrowings by 16% to RM1,228 million. Net debt ratio also improved to 0.35x as at October 2020 from 0.38x as at October 2019.

Finance cost was RM41 million in FY2020, down from RM58 million in FY2019 due mainly to capitalisation of borrowing costs incurred for project development.

TOTAL ASSETS as at October 2020	TOTAL CASH as at October 2020	TOTAL LIABILITIES as at October 2020	TOTAL BORROWINGS as at October 2020	NET DEBT RATIO as at October 2020
RM4,067 million	RM284 million	RM1,319 million	RM1,228 million	0.35x

REVIEW OF OPERATIONS

Despite construction works being permitted throughout FY2020, restrictions imposed by authorities to mitigate COVID-19 had adversely affected supply chain and attendance of construction workers, and therefore the construction progress of our projects. The Group successfully completed West Village and commenced handover in Wardian in FY2020. It is notable that West Village, which was only completed in late-May 2020, successfully achieved about 70% settlement rate (257 units) by end of June 2020, despite the movement restrictions imposed during the period. This is attributable to our constant engagement with our purchasers throughout their purchasing journey that minimises the time taken for settlement.

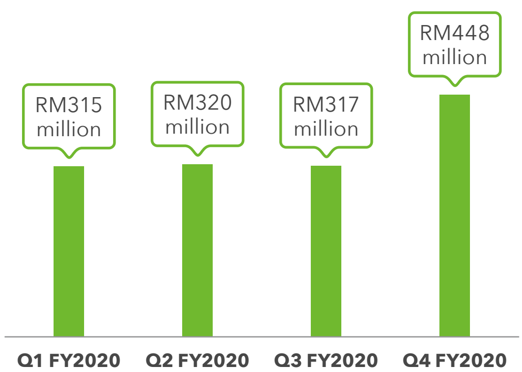
West Village, Sydney

View from Yarra One, Melbourne

However, construction progress of Yarra One was severely affected by two rounds of strict lockdown imposed on the city of Melbourne in FY2020. The lockdown postponed the completion of Yarra One to early-FY2021, against the original anticipated completion date in late-FY2020.

The Group's marketing plans were also disrupted by the outbreak of COVID-19. We halted all physical marketing activities between mid-March 2020 to April 2020 in response to movement restrictions imposed in most major cities around the world. While physical marketing was put on hold, our marketing efforts went digital to reach out to potential home buyers. We are pleased that our continuous marketing initiatives enabled us to sustain our sales momentum in the second and third quarters of FY2020.

Quarterly Sales in FY2020



Sales performance improved further in the fourth quarter of FY2020, thanks to the launch of The Modern, the final block in Embassy Gardens. Located in Zone 1 of London, The Modern has received very encouraging demand in international markets, with a take-up rate of 35% as at October 2020, two months after its launch. During the financial year under review, we have also launched Lily House, the third residential block in Verdo Kew Bridge, which had a take-up rate of 47% as at October 2020.

The strong sales in the final quarter brought our full-year sales to RM1.4 billion. Although the Group did not achieve its full year target of RM2.2 billion due to the rescheduling of the Build-to-Rent ("**BtR**") sale to FY2021, it is worth noting that FY2020's open market sales are 25% higher than FY2019's despite the challenging market conditions and the disruption in marketing plans for many locations due to COVID-19. The substantially stronger sales clearly reaffirm London's position as the foremost property investment destination for global property investors.

The Group also successfully handed over more than 900 residential units to purchasers in FY2020. As at October 2020, the Group has 11 active projects that are being developed and 3 projects that have been completed.

PRESIDENT'S MANAGEMENT DISCUSSION & ANALYSIS

ECOWORLD INTERNATIONAL's Projects

EcoWorld-Ballymore	EcoWorld London	Australia
Active • London City Island • Embassy Gardens • Wardian London	**Active** • Third & Caird • Millbrook Park • Oxbow (Aberfeldy Village) • Kew Bridge • Barking Wharf • Acton Lodge • Two Bridges **Completed** • Kensal Rise • Nantly House	**Active** • Yarra One **Completed** • West Village

During the financial year under review, the Group, via EcoWorld London, launched a new BtR management platform in the UK. Known as Apo, an acronym for "A Part Of", it will provide end-to-end services for BtR investors in sourcing investment opportunities, supporting design & development, leasing and long-term property management. Apo is also expected to generate stable property management income for the Group once more completed BtR projects are added into its portfolio.

PROPERTY MARKET

Property markets in the UK and Australia had a strong start in early FY2020 as home prices were recovering on the back of greater political certainty, relaxed lending guidelines and improved home buyer sentiment. The outbreak of COVID-19 pandemic, however, halted the recovery and affected the property market on many fronts.

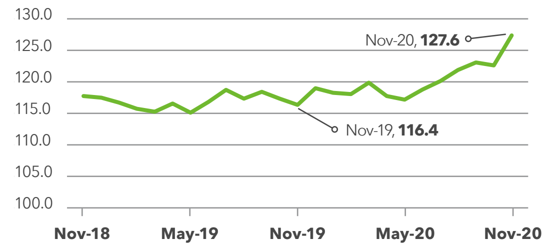
Apart from causing disruptions to construction progress, the pandemic and movement restrictions dissuaded visits to sales galleries and attendance at marketing roadshows. Home buyer sentiment and lending appetite to approve mortgages for home buyers perceived to be susceptible to economic downturn were also depressed.

Handovers to purchasers were also affected as some purchasers turned reluctant or were unable to complete their sales contracts. We observed that our purchasers required longer time to settle the remaining payments as mortgage approval process became lengthier than before.

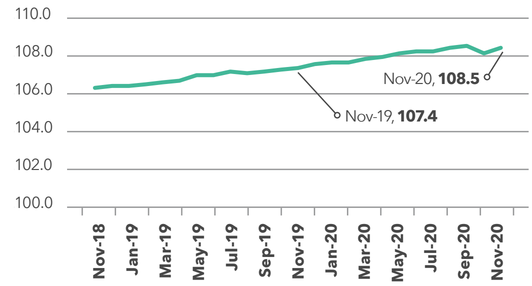
Nonetheless, it is encouraging that house prices in the UK and Australia are still holding up well. As at November 2020, the average house price in London was still 9.7% higher than a year ago. A new route to citizenship for British Nationals Overseas in Hong Kong may also fuel demand for properties in the UK. Rental rates continued to grow in this period, which reflects the solid residential demand in the city. We also witnessed sustained interest for BtR properties from major institutional investors as the current low interest rate environment and status of residential property as a resilient asset class continued to attract investments into the BtR sector.

London City Island, London

London House Price Index

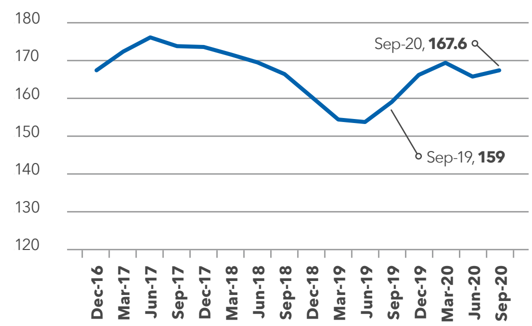


London Private Rental Rate Index

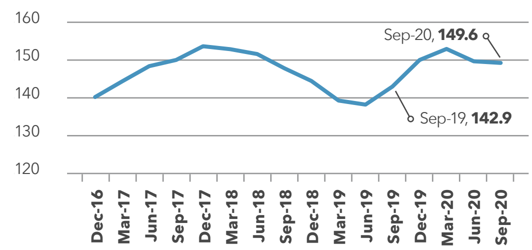


Source: UK Office for National Statistics

Sydney House Price Index



Melbourne House Price Index



Source: Australian Bureau of Statistics

Lobby of Wardian, London

Compared to London, Sydney and Melbourne's housing markets had a tougher time in FY2020 as these cities are more dependent on immigration to drive property demand. Border closure meant that a key source of property demand temporarily dwindled, which affected transaction prices. According to official data, house prices in Sydney dropped 2% between March 2020 and June 2020, though it managed to reverse half of the loss by September 2020. In Melbourne, house prices dropped 2% between March 2020 and June 2020, and fell another 0.3% by September 2020 as it suffered from two rounds of lockdown.

OUTLOOK

Looking forward into FY2021, some sales agents expect the acute undersupply of residential properties in London to worsen in the coming years due to lower supply as a result of disruptions caused by COVID-19. This will provide some support to London's property prices and rental rates. Undersupply of homes will also sustain the demand for rental properties and attract more investment into the UK's BtR sector.

Down south in Australia, major local banks are predicting a recovery in housing sentiment on the back of improved economic conditions in 2021. A rollout of the COVID-19 vaccine may also enable cross-border travel to resume, which could improve the buying interest of foreign purchasers. Management has planned a series of marketing events for FY2021 to take advantage of the recovery in home buying interest and foreign demand for residential properties. The Group is hopeful that better sentiment will increase the sales rate of West Village in Sydney and Yarra One in Melbourne.

Against the above backdrop the Board has set a sales target of RM2.2 billion for FY2021. This takes into account the expected gradual economic recovery and market sentiment. This target will be revisited if the property market conditions change significantly. With the completion of Wardian London and Yarra One on the horizon, the Board intends to repatriate some profits from the Group's UK and Australia projects for dividend declaration in FY2021 which will be a key priority for EcoWorld International in FY2021.

SUSTAINABILITY STATEMENT

EcoWorld International is proud to present our third Sustainability Statement ("Statement") which provides a brief account of our sustainability performance in this challenging year.

This Statement features only key highlights of the measures we have taken this year and should be read jointly with our third standalone Sustainability Report ("**SR**") which delves deeper into all the initiatives we have taken and the progress we have made. The SR has been made available on our corporate website, www.ecoworldinternational.com.

Our sustainability journey is governed by the Board of Directors, assisted by the Sustainability Committee. The Committee, chaired by our President & Chief Executive Officer, is responsible for strategising and supervising the sustainability initiatives across our operations and reports twice yearly to the Board. Supporting the Committee are the Economic Council, Operations Council and Social Council, comprising representatives from Malaysia, UK and Australia who monitor the progress of initiatives and track achievements.

REPORTING SCOPE AND BOUNDARY

PROJECTS UNDER REVIEW

Our report this year covers the sustainability progress of our offices and sites across Malaysia, UK and Australia for the period of 1 November 2019 to 31 October 2020. Some new locations added to the scope of reporting are Acton Lodge, Two Bridges, Jubilee and Kew Stadium in the UK, which will be reported on for the first time in SR2020.

EcoWorld International Malaysia

- Headquarters, Setia Alam
- EcoWorld International Sales Gallery, Kuala Lumpur

EcoWorld International United Kingdom

EcoWorld London
- Verdo Kew Bridge
- Millbrook Park
- Oxbow (Aberfeldy Village)
- Barking Wharf
- Acton Lodge*
- Two Bridges*
- Jubilee*
- Kew Stadium*

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

EcoWorld International Australia

- West Village
- Yarra One

* *New properties included for this year's scope of reporting*

REPORTING FRAMEWORK

EcoWorld International's SR has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and aligned with the reporting standards of the Global Reporting Initiative ("**GRI**"). As an improvement to our reporting practices this year, we have incorporated introductory elements of Integrated Reporting ("**IR**") in SR2020. Our initiatives and achievements for FY2020 have been classified according to the **6 Capitals** (i.e. Financial, Human, Manufactured, Intellectual, Natural and Social & Relationship) as prescribed by the International Integrated Reporting Council framework and we have also presented our Value Creation Model in the report.

SUSTAINABILITY STATEMENT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

For our maiden Sustainability Statement in 2017, we adopted six United Nations Sustainable Development Goals ("**UNSDGs**") that have and continue to reflect our operations and contributions towards sustainability. Every year since, we have worked towards improving our performance in support of these UNSDGs and in 2020, we adopted one new goal, UNSDG 13: Climate Action, as EcoWorld International strives to mitigate climate change by reducing greenhouse gas emissions and consumption of natural resources.

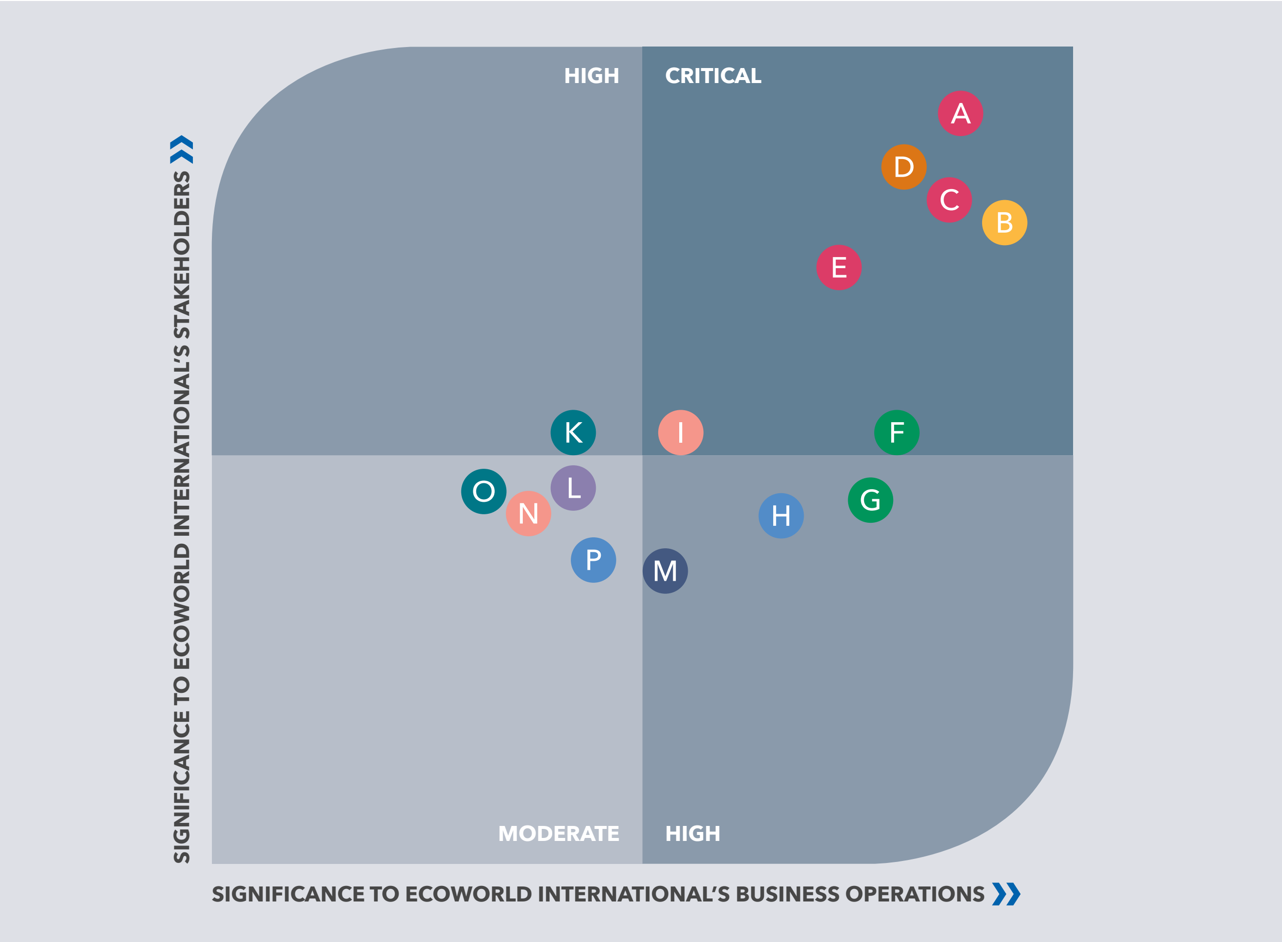
OUR STAKEHOLDERS

We conduct frequent stakeholder engagement programmes to keep abreast of the latest concerns of our stakeholders and address them accordingly. As we gain more traction in UK and Australia, we have given our website at www.ecoworldinternational.com a fresh updated look, so that the public can engage with us safely and more effectively in a virtual space.

- **Employees**
- **Customers**
- **Investors**
- **Regulatory Agencies and Statutory Bodies**
- **Vendors/ Suppliers**
- **Media**
- **Non-Governmental Organisations**
- **Contractors**
- **Joint Venture Partners**

MATERIAL SUSTAINABILITY MATTERS

EcoWorld International has maintained its 16 material sustainability matters from the previous year, however this year we have condensed the 16 matters into just 9 areas to enable better reporting focus. The materiality matrix has been maintained from 2019 and is shown below with the alphabets indicating the material sustainability matter and the colour representing the related focus area:



Sustainability Focus Areas

- Corporate Governance and Transparency
- Occupational Health and Safety
- Customer Satisfaction and Brand Reputation
- Talent Management
- Supply Chain Management
- Environmental Impacts
- Building Innovation
- Green Design and Construction
- Community Enrichment

Material Sustainability Matters for FY2020

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

SUSTAINABILITY STATEMENT

The correlation between the focus areas for 2020 with the corresponding material sustainability matters, capitals, stakeholder representation and the related UNSDGs is shown below:

FY2020 Focus Areas	Material Sustainability Matters	Capitals	Relevant Stakeholders	UNSDGs
Corporate Governance and Transparency	Regulatory Compliance Ethics and Integrity Corporate Governance and Transparency	Financial Human	• Employees • Investors • Regulatory Agencies and Statutory Bodies	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Customer Satisfaction and Brand Reputation	Customer Satisfaction and Brand Reputation	Financial Social and Relationship	• Customers • Investors • Media	8 Decent Work and Economic Growth
Occupational Health and Safety	Occupational Health and Safety	Human	• Employees • Regulatory Agencies and Statutory Bodies	3 Good Health and Well-Being 8 Decent Work and Economic Growth
Talent Management	Employee Well-Being Talent Retention Training and Development	Financial Human	• Employees	3 Good Health and Well-Being 5 Gender Equality 8 Decent Work and Economic Growth
Supply Chain Management	Contractor Management Vendor and Supplier Development	Financial Social and Relationship	• Vendors/ Suppliers • Contractors	8 Decent Work and Economic Growth 11 Sustainable Cities and Communities
Environmental Impacts	Energy Saving Initiatives Waste Management	Natural	• Regulatory Agencies and Statutory Bodies	11 Sustainable Cities and Communities 13 Climate Action
Building Innovation	Building Innovation	Financial Intellectual	• Contractors • Customers • Investors	9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities
Green Design and Construction	Green Design and Construction	Financial Manufactured	• Contractors • Customers • Investors	9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities
Community Enrichment	Community Development Infrastructure Investment and Development	Financial Social and Relationship	• Non-Governmental Organisations	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities 16 Peace, Justice and Strong Institutions

SUSTAINABILITY KEY PERFORMANCE INDICATORS

We introduced 14 Sustainability KPIs last year which the Sustainability Committee has reviewed for effectiveness in arriving at the KPIs for FY2020. Due to the COVID-19 pandemic, the KPI on Community Development was frozen across all three countries of operations. The KPIs for FY2020 are detailed below:

Embassy Gardens, London

Sustainability Focus Areas	Target	Achievement
EcoWorld International Malaysia		
SOCIAL		
Talent Management	80% of all employees (employed by 1st November 2019) to complete at least 16 hours of job-related training**	**FY2020: 55% of employees** FY2019: 100% of employees
	Target for no greater than 13% turnover in employees	**FY2020: Turnover rate of 7.23%** FY2019: Turnover rate of 15.6%

Sustainability Focus Areas	Target	Achievement
EcoWorld International UK		
OPERATIONS		
Corporate Governance and Transparency	Target all schemes to achieve a CCS (Considerate Constructors Scheme) score of 37 and above	**FY2020: CCS score of 41.8 out of 50** FY2019: CCS score of 39
Environmental Impacts	Production and sign off of an MMP (Materials Management Plan) for every scheme prior to start of work on site*	**FY2020: Achieved (Jubilee Leisure Centre Phase 2)**
	85% of all construction waste diverted from landfill*	**FY2020: 99% of construction waste diverted from landfill**

* *New KPI for FY2020*
** *KPI scores for employee training are low due to the lockdown restrictions brought upon by the pandemic*

SUSTAINABILITY STATEMENT

Sustainability Focus Areas	Target	Achievement
ECONOMIC		
Supply Chain Management	90% of all supply chain procurement contracts signed in FY2020 by value to be with UK domestic companies	**FY2020: 100%** FY2019: 94%
	40% annual construction spend on SMEs*	**FY2020: 46% of construction budget spent on SMEs**
	Supporting/creating at least 3 local social enterprises*	**FY2020: Supported 3 local social enterprises**
SOCIAL		
Talent Management	80% of all employees (employed by 1st November 2019) to complete at least 16 hours of job-related training**	**FY2020: 42% of employees** FY2019: 84% of employees
	Target for no greater than 23% turnover in employees*	**FY2020: Turnover rate of 26%**

Sustainability Focus Areas	Target	Achievement
EcoWorld International Australia		
OPERATIONS		
Environmental Impacts	85% of all construction waste diverted from landfill*	**FY2020: 91% of construction waste diverted from landfill**
ECONOMIC		
Environmental Impacts	20% reduction of printing costs across Australia offices	**FY2020: Reduction in printing cost by 29%** FY2019: Reduction in printing cost by 21%
	40% overall reduction in travelling costs	**FY2020: Reduction in travelling costs by 35%** FY2019: Reduction in travelling costs by 37%
SOCIAL		
Talent Management	All employees (employed by 1st November 2019) to complete at least 16 hours of job-related training per annum**	**FY2020: 86%** FY2019: 100% of employees

* *New KPI for FY2020*
** *KPI scores for employee training are low due to the lockdown restrictions brought upon by the pandemic*

Across the board, KPI achievements for employee training in all three countries were lower than targeted due to the lockdown restrictions brought upon by the COVID-19 pandemic.

Achieved
RM1.4 billion in Sales

FINANCIAL CAPITAL

While the COVID-19 pandemic brought major disruption to business operations the world over, EcoWorld International recorded strong sales of RM1.40 billion, 25% higher than in FY2019. The substantially stronger sales clearly reaffirm that London remains as one of the world's preferred property investment destinations for global property investors.

Our team has taken proactive steps throughout the year, mainly through innovative marketing and sales strategy with greater use of technology whilst continually reinvent and relearn the way we do business. EcoWorld International generated a total of RM2.90 billion in revenue (including share of joint venture revenue) during the year with future revenue of RM2.87 billion as at 31 October 2020. The Group's gross and net gearing levels remain low at 0.45x and 0.35x respectively.

Future Revenue stands at
RM2.9 billion

HUMAN CAPITAL

CORPORATE GOVERNANCE AND TRANSPARENCY

EcoWorld International places great emphasis on maintaining good governance. We introduced the Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**") in March 2020 to set out the Group's approach in combatting bribery and corruption. The ABC Policy was also distributed to all employees and business partners for awareness and it has also been made available on the Group's corporate website and intranet for ease of reference.

Anti-Bribery and Anti-Corruption Policy established in March 2020

At EcoWorld International UK, some of the measures we have put in place to safeguard our operations include the following:

Anti-Money Laundering and Terrorist Finance Policies, Controls and Procedures
(Established in June 2020)

Corporate Criminal Offence Policy
(Established in June 2020)

Modern Slavery and Human Trafficking Statement
(Established in April 2019)

SUSTAINABILITY STATEMENT

OCCUPATIONAL HEALTH AND SAFETY

At EcoWorld, we care about the well-being of our employees who may be exposed to occupational hazards in the workplace. Therefore, we have taken proactive steps in getting our operations certified according to international health and safety standards.

With the additional safety concerns brought about by the pandemic, the Group went the extra mile to ensure that the right precautions are taken to prevent infection. We performed risk assessments across all our activities, ranging from sales to construction, to identify potential risks to the workplace resulting from the COVID-19 outbreak. The assessments allowed us to develop Return to Work Plans and implement mitigative actions for the risks identified. We monitor compliance to the COVID-19 Standard Operating Policies ("**SOPs**") in place and any non-compliance will result in disciplinary action.

All EcoWorld International operations are
OHSAS 18001:2007
certified

Strict COVID-19 SOPs in place

Two Bridges, London

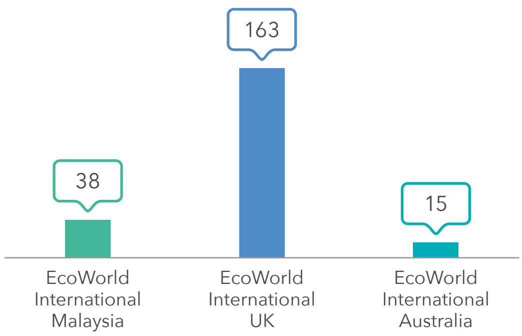
Kew Bridge, London

TALENT MANAGEMENT

Our team of employees around the world is our most valuable asset. With operations in three countries, the diversity of our employees is a given. Our hiring practices are non-discriminatory and are based on experience, talent and professionalism. With equal opportunity at our core, reward and recognition systems are based solely on meritorious grounds.

We have a total headcount of 216, with 75% of our employees being in the UK. The employee distribution is 57% men and 43% women, a slight difference from our 55:45 distribution of men to women in FY2019. In the UK and Australia, most of our employees are men whereas in Malaysia, women form the majority of our workforce. Women make up 40% of our Key Senior Management positions and 30% (rounded to the nearest ten percentile) of our Board of Directors, proving that EcoWorld International provides a place for anyone who has the skills and experience for the job.

Total Workforce



43%
women in the workforce

40%
women in Key Senior Management positions

30%
women representation on the Board

MANUFACTURED CAPITAL

GREEN DESIGN AND CONSTRUCTION

EcoWorld International is committed to building sustainably, incorporating new technology and materials that help us achieve our desired outcome. We benchmark our construction methodologies against various certification programmes to ensure that we are constructing according to industry best practices.

In the UK

- Code for Sustainable Homes
- Building Research Establishment Environment Assessment Method

In Australia

- Green Star (Yarra One, Melbourne)
- Building Sustainability Index (West Village, Sydney)

Further details on the features of our green design can be found in our SR.

West Village, Sydney

Yarra One, Melbourne

INTELLECTUAL CAPITAL

BUILDING INNOVATION

EcoWorld International believes in the power of innovation to give us the competitive edge. We promote the use of technology and encourage our employees to put forth any ideas they may have in any discipline that they think will help to continuously improve our processes and methodologies.

Our site at Oxbow uses Buildots, a quality checking system that rapidly identifies site installed errors. Videos captured of the site are analysed against the original building design to identify errors or outstanding works. Buildots provides accurate records of site progress and a better understanding when reviewing the building model.

To inspire our employees to generate bold new ideas, EcoWorld London and EcoWorld Management & Advisory Services (UK) formed a cross-functional team to participate in the EcoWorld Group's Innovation Challenge themed "EcoWorld Sales to Handover Journey". In addition, EcoWorld London conducted the Lockdown IDEAS Challenge during the COVID-19 lockdown to generate improvement ideas in all areas of our business to meet the requirements of the 'new normal'.

SUSTAINABILITY STATEMENT

NATURAL CAPITAL

ENVIRONMENTAL IMPACTS

In doing our part in the global movement on climate change, we have put in place various measures to reduce our footprint on the environment by maximising energy efficiency at our sites while reducing the use of non-renewable sources of energy. This year, EcoWorld International UK has initiated discussions with a utility broker to provide renewable energy for sites in the UK while EcoWorld International Australia has installed solar panels that can generate up to 12,000 kWh of renewable energy per annum for on-site use.

Exploring renewable energy sources in UK & Australia

We have also begun tracking and disclosing our Scope 2 carbon emissions (derived from consumption of purchased electricity) consumed from our Kew Bridge site in UK, and offices in Malaysia and Australia. However, the electricity consumption data for this reporting period may not reflect our "normal" consumption due to site and office closures for long periods during the COVID-19 lockdowns. We are further exploring how to enhance our methodology in calculating our emissions so that it presents a more comprehensive and accurate view of our carbon footprint and will work towards including factors such as fuel consumption in the future.

CO_2

Commenced reporting on Scope 2 emissions

In terms of managing our waste output from construction activities, we have put in place robust waste management plans at our sites in UK and Australia to mitigate the impact of our waste on the environment. Through the data analytics and tracking methods we employ, we have identified points for improvement and acted on them by implementing further measures to minimise waste. As a result, we have successfully achieved recycling rates of more than 90% and successfully diverted waste from landfills in both UK and Australia.

More than 90% waste diverted from landfills

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER SATISFACTION AND BRAND REPUTATION

In order to improve our engagement with existing and prospective customers, the Group collects customer satisfaction scores to evaluate customer experience and identify improvement areas. This year, EcoWorld International UK has gone a step further by introducing a Customer Relations Manager role under the Resident Experience Team to improve customer engagement processes.

SUPPLY CHAIN MANAGEMENT

EcoWorld International UK established its Sustainable Procurement Policy in 2019 that encourages ethical and environmentally-friendly purchasing. 100% of procurement contracts signed by EcoWorld London is by UK domestic companies and 46% of the procurement budget was spent on vendors and suppliers from Small & Medium Enterprises. In Australia, 88% of the procurement budget was spent on local suppliers.

100% of procurement contracts signed by EWL is by UK domestic companies

COMMUNITY ENRICHMENT

During the COVID-19 lockdowns, both our teams in UK and Australia conducted various virtual campaigns, including home improvement, health and well-being related sessions with famous internet personalities to alleviate boredom and "cabin fever" arising from long periods of being cooped up indoors.

In Malaysia, EcoWorld International contributes towards the Eco World Foundation's efforts, thereby helping in its mission to provide avenues to enable equal access to education for the underprivileged, carry out conservation activities as well as make donations towards health causes. Due to the COVID-19 pandemic, the Foundation's community-facing activities have been limited but it continued to fund the education of nearly 3,000 children through its main thrust, the Students Aid Programme ("**SAP**"). The SAP has enabled 75 students to obtain tertiary education, 45 of whom have completed their degree programmes and entered the workforce.

With our industry knowledge, we have also developed and enhanced the infrastructure for the local communities in and around our developments in the UK and Australia. We support the community by providing affordable and social housing units to boost homeownership. We provide ample recreational facilities and green spaces as well as improve connectivity which greatly benefit not just those living in our developments, but the community at large.

Lockdown virtual campaigns held to engage with the public

The Eco World Foundation funded education for nearly 3,000 students

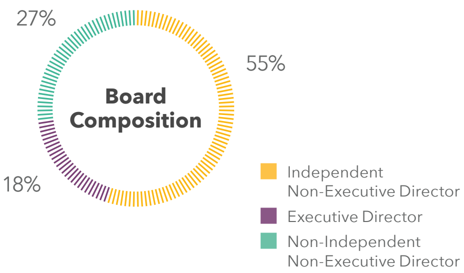
Improvement of infrastructure and facilities in our communities

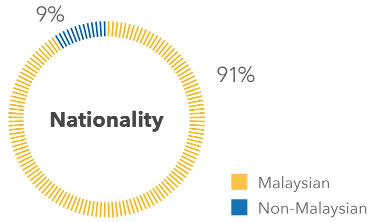
CONCLUSION

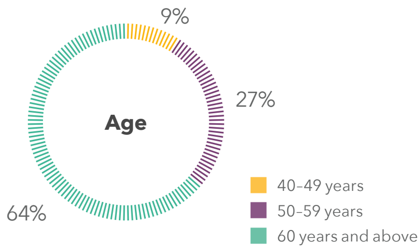
2020 has been a difficult year to navigate, but with the sheer grit and commitment of our teams worldwide at EcoWorld International, we have remained resilient in our quest to be a socially and environmentally responsible property developer while adding value to all our stakeholders. We truly appreciate the efforts of our employees in seeing us through the storm and the support we have received from our investors and stakeholders as we strengthen our growth and progress towards greater sustainability.

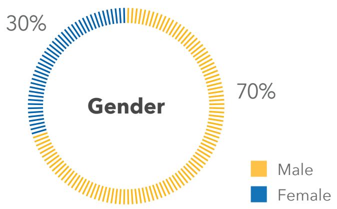
BOARD OF DIRECTORS' PROFILE

The summary of Board composition as at 31 October 2020 is set out below:









Board Committees:

Chairman/Chairperson

Member

AC Audit Committee
RMC Risk Management Committee
NRC Nomination & Remuneration Committee
WBC Whistleblowing Committee

Declaration:
Save as disclosed, the Directors have (i) no family relationship with any Director and/or major shareholder of EcoWorld International; (ii) no conflict of interest with EcoWorld International; (iii) not been convicted of any offence within the past 5 years (other than traffic offences, if any); and (iv) not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Note:
* The list of disclosures are non-exhaustive, only significant directorship(s) and/or appointment(s) in the past years are disclosed

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

Nationality | Gender | Age 70

Attendance 7/7

AC RMC NRC

Date of Appointment:
12 September 2014

Academic/Professional Qualifications:
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Other Present Directorship(s) and/or Appointment(s):

Listed Companies
- RHB Bank Berhad (Non-Independent Non-Executive Chairman)
- Malaysian Resources Corporation Berhad (Independent Non-Executive Chairman)
- Kuala Lumpur Kepong Berhad (Independent Non-Executive Director)

Public Companies
- RHB Investment Bank Berhad (Non-Independent Non-Executive Chairman)
- Rashid Hussain Berhad *(In Members' Voluntary Liquidation)* (Non-Independent Non-Executive Director)
- Yayasan Astro Kasih (Chairman/Trustee)
- OSK Foundation (Trustee)

Other
- Financial Reporting Foundation (Chairman)

Past Directorship(s) and/or Appointment(s)*:
- RHB Capital Berhad (Non-Independent Non-Executive Chairman)
- Grand-Flo Berhad (Independent Non-Executive Chairman)
- Jardine Cycle & Carriage Limited (Director)
- Employees Provident Fund (Chief Executive Officer)
- AmBank Berhad (Managing Director)
- AmFinance Berhad (Managing Director)

TAN SRI DATO' SRI LIEW KEE SIN

Executive Vice Chairman/
Executive Director

Nationality | Gender | Age 62

Attendance 7/7

Date of Appointment:
12 September 2014

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

Other Present Directorship(s) and/or Appointment(s):

Listed Company
- Eco World Development Group Berhad (Executive Chairman), a major shareholder of EcoWorld International

Public Company
Nil

Past Directorship(s) and/or Appointment(s)*:
- Battersea Project Holding Company Limited (Chairman)
- S P Setia Berhad Group (President & Chief Executive Officer/ Group Managing Director)
- Syarikat Kemajuan Jerai Sdn Bhd (Founder)
- Asiavest Merchant Bankers (M) Berhad (Banker)

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), the Ernst & Young World Entrepreneur of the Year Awards
- Numerous corporate and industry awards for entrepreneurship, philanthropy and for showing exemplary leadership in building business and creating value

DATO' TEOW LEONG SENG

President & Chief Executive Officer/
Executive Director

Nationality | Gender | Age 62

Attendance 7/7

RMC

Date of Appointments:
12 September 2014 - Executive Director
13 October 2014 - President & Chief Executive Officer

Academic/Professional Qualifications:
- Master of Business Administration, University of Strathclyde Graduate School of Business, Glasgow
- Fellow of the Chartered Institute of Management Accountants, United Kingdom
- Chartered Global Management Accountant
- Chartered Accountant of the Malaysian Institute of Accountants
- Diploma in Commerce, Tunku Abdul Rahman University College, Malaysia

Other Present Directorship(s) and/or Appointment(s):

Listed Company
Nil

Public Company
Nil

Past Directorship(s) and/or Appointment(s)*:
- Battersea Power Station Development Company Limited (Chairman)
- S P Setia Berhad Group (Executive Director and Chief Financial Officer)
- Citibank N.A. (Director/Vice President)
- Metroplex Berhad (Accountant)
- Hong Leong Group (Accountant)

BOARD OF DIRECTORS' PROFILE

CHEAH TEK KUANG

Senior Independent
Non-Executive Director

Nationality | Gender | Age 73

Attendance 7/7

RMC NRC WBC

Date of Appointments:
12 September 2014 - Independent Non-Executive Director
27 April 2017 - Senior Independent Non-Executive Director

Academic/Professional Qualifications:
- Bachelor of Economics (Honours), University of Malaya, Malaysia
- Fellow Chartered Banker of the Asian Institute of Chartered Bankers

Other Present Directorship(s) and/or Appointment(s):

Listed Companies
- UPA Corporation Berhad (Independent Non-Executive Director)
- IOI Corporation Berhad (Independent Non-Executive Director)

Public Companies
- Berjaya Hartanah Berhad *(formerly known as Berjaya Golf Resort Berhad)* (Director)
- Malaysian Institute of Art (Director)
- Yayasan Bursa Malaysia (Governor)

Other:
- Bursa Malaysia Securities Berhad (Member of Appeals Committee)

Past Directorship(s) and/or Appointment(s)*:
- Velesto Energy Berhad *(formerly known as UMW Oil & Gas Corporation Berhad)* (Independent Non-Executive Director)
- Berjaya Sports Toto Berhad (Chairman)
- Malaysia Nuclear Power Corporation (Director)
- Danajamin Nasional Berhad (Independent Non-Executive Director)
- Cagamas Holdings Berhad (Non-Executive Director)
- Kumpulan Wang Persaraan (Diperbadankan) (Member of Investment Panel)
- Bursa Malaysia Berhad (Independent Non-Executive Director)
- AMMB Holdings Berhad Group (Group Managing Director)
- Employees Provident Funds (Director & Member of Investment Panel)
- Arab Malaysian Merchant Bank Berhad *(now known as AmInvestment Bank Berhad)* (Chief Executive Officer & Group Managing Director)
- Federal Industrial Development Authority *(now known as Malaysian Industrial Development Authority)* (Economist)

DATO' CHANG KHIM WAH

Non-Independent
Non-Executive Director

Nationality | Gender | Age 56

Attendance 3/3

Date of Appointment:
25 June 2020

Academic/Professional Qualifications:
- 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) and/or Appointment(s):

Listed Company
- Eco World Development Group Berhad (Executive Director/ President & Chief Executive Officer), a major shareholder of EcoWorld International

Public Companies
- Eco World Capital Assets Berhad (Director)
- Eco World Capital Services Berhad *(formerly known as EF Development Sdn Bhd)* (Director)

Past Directorship(s) and/or Appointment(s)*:
- S P Setia Berhad Group (Director & Executive Vice President)
- KTA-Tenaga Sdn Bhd (Civil Engineer)
- Lyall & Macoun Consulting Engineers (Consultant Engineer)

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

CHOONG YEE HOW

Non-Independent
Non-Executive Director

Nationality	Gender	Age
		64

Attendance 7/7

CHENG HSING YAO

Non-Independent
Non-Executive Director

Nationality	Gender	Age
		49

Attendance 7/7

CHOONG YEE HOW

Date of Appointment:
27 April 2017

Academic/Professional Qualifications:
- Master of Business Administration, University of Otago, New Zealand
- Bachelor of Science in Biochemistry Degree, University of Otago, New Zealand

Other Present Directorship(s) and/or Appointment(s):

Listed Company
- GuocoLand (Malaysia) Berhad (Chairman/Non-Independent Non-Executive Director)

Public Company
Nil

Others
- GuocoLand Limited (Non-Independent Executive Director & Group President & Chief Executive Officer)
- GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust (Non-Independent Non-Executive Chairman)

Past Directorship(s) and/or Appointment(s)*:
- Hong Leong Financial Group Berhad (President & Chief Executive Officer)
- Hong Leong Asset Management Berhad (Chairman)
- Hong Leong Bank (Cambodia) PLC (Chairman)
- Hong Leong Assurance Berhad (Non-Independent Non-Executive Director)
- Hong Leong MSIG Takaful Berhad (Non-Independent Non-Executive Director)
- Hong Leong Investment Bank Berhad (Non-Independent Non-Executive Director)
- Citibank Savings Inc, Philippines (President & Chief Executive Officer)

CHENG HSING YAO

Date of Appointment:
27 April 2017

Academic/Professional Qualifications:
- Master of Design Studies, Harvard University, United States of America
- Bachelor of Architecture Degree, Newcastle University, United Kingdom

Other Present Directorship(s) and/or Appointment(s):

Listed Company
Nil

Public Company
Nil

Others
- GuocoLand Singapore (Group Managing Director)
- GuocoLand Limited (Country Head of Singapore)
- Nominated Member of Parliament of Singapore
- National Parks Board Singapore (Board Member)
- Urban Land Institute Singapore (Member, Executive Committee)

Past Directorship(s) and/or Appointment(s)*:
- GuocoLand Limited (Managing Director, Group Project Office)
- GuocoLand Singapore (Chief Operating Officer)
- Centre for Liveable Cities, Ministry of National Development, Singapore (Deputy Executive Director)
- Urban Redevelopment Authority, Singapore (Deputy Director)

Award:
- Real Estate Personality of the Year 2020, Asia Property Awards (Singapore)

BOARD OF DIRECTORS' PROFILE

TAN SRI DATUK DR REBECCA FATIMA STA MARIA

Independent Non-Executive Director

Nationality	Gender	Age
		63

Attendance 7/7

NRC

Date of Appointment:
27 April 2017

Academic/Professional Qualifications:
- Doctor of Philosophy, University of Georgia in Athens, United States of America
- Master of Science in Counselling, Universiti Putra Malaysia, Malaysia
- Bachelor of Arts (Honours) in English Literature, University of Malaysia, Malaysia

Other Present Directorship(s) and/or Appointment(s):

Listed Companies
- Sunway Berhad (Independent Non-Executive Director)
- Hartalega Holdings Berhad (Senior Independent Non-Executive Director)
- RHB Bank Berhad (Senior Independent Non-Executive Director)

Public Companies
- Institute for Democracy and Economic and Affairs Berhad (Director)
- MyKasih Foundation (Member, Board of Trustees)

Other
- Asia-Pacific Economic Cooperation Secretariat (Executive Director)

Past Directorship(s) and/or Appointment(s)*:
- RHB Investment Bank Berhad (Independent Non-Executive Director)
- Lafarge Malaysia Berhad (Independent Non-Executive Director)
- Sunway Construction Group Berhad (Independent Non-Executive Director)
- Ministry of International Trade and Industry (Secretary-General)
- Economic Research Institute for ASEAN and East Asia (Senior Policy Fellow)
- The ASEAN Plant Quarantine and Training Centre (Chief Administration and Procurement Officer)
- Ministry of Trade and Industry (Secretary-General)
- The Malaysian Administrative and Diplomatic Service (Secretary-General, Ministry of Trade and Industry)

DATO' SIOW KIM LUN

Independent Non-Executive Director

Nationality	Gender	Age
		70

Attendance 7/7

AC NRC WBC

Date of Appointment:
12 September 2014

Academic/Professional Qualifications:
- Master Degree in Business Administration, Catholic University of Leuven, Belgium
- Bachelor of Economics (Honours), Universiti Kebangsaan Malaysia, Malaysia
- Advanced Management Programme, Harvard Business School, United States of America

Other Present Directorship(s) and/or Appointment(s):

Listed Companies
- Eita Resources Berhad (Independent Non-Executive Chairman)
- Sunway Construction Group Berhad (Independent Non-Executive Director)
- Radiant Globaltech Berhad (Independent Non-Executive Chairman)

Public Company
- RHB Bank Investment Berhad (Independent Non-Executive Director)

Past Directorship(s) and/or Appointment(s)*:
- Hong Leong Assurance Berhad (Independent Non-Executive Director)
- Citibank Berhad (Independent Non-Executive Director)
- UMW Holdings Berhad (Senior Independent Non-Executive Director)
- Kumpulan Wang Persaraan (Diperbadankan) (Director)
- Securities Commission Malaysia (Director of Issues & Investment Division/Director of the Market Supervision Division/Executive Director, Office of the Chairman)
- Permata Chartered Merchant Bank Berhad *(now known as Affin Hwang Investment Bank Berhad)* (Divisional Head, Corporate Finance Division)
- Malaysian International Bankers Berhad (Manager, Corporate Finance Division)

DATO' KONG SOOI LIN
Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Female	59

Attendance 7/7

AC WBC

Date of Appointment:
1 April 2019

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

Other Present Directorship(s) and/or Appointment(s):

Listed Company
- AMMB Holdings Berhad (Independent Non-Executive Director)

Public Companies
- AmInvestment Bank Berhad (Independent Non-Executive Director)
- Malaysia Venture Capital Management Berhad (Independent Non-Executive Director)

Past Directorship(s) and/or Appointment(s)*:
- CIMB Group Holdings Berhad Group (Chief Executive Officer)
- Bumiputra Merchant Bankers Berhad (Deputy Manager, Corporate Banking)
- Arthur Anderson & Co (Senior, Corporate Recovery Division)
- Ernst & Whinney (Staff Consultant, Advisory Department)

PAULINE WONG WAN VOON
Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Female	53

Attendance 7/7

RMC

Date of Appointment:
2 April 2018

Academic/Professional Qualifications:
- Bachelor of Laws (Honours), University of Leicester, United Kingdom
- Certificate in Legal Practice, Malaysia
- Certified Fraud Examiner
- Member of the Association of Certified Fraud Examiners

Other Present Directorship(s) and/or Appointment(s):

Listed Company
Nil

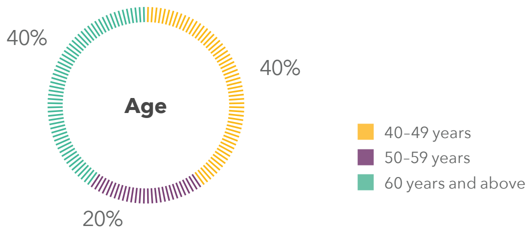
Public Company
Nil

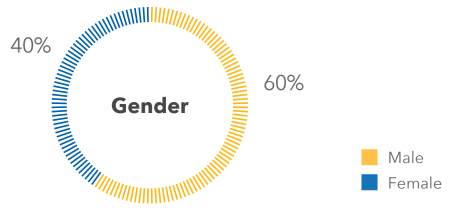
Other
- Malaysian Investment Banking Association (Executive Director)

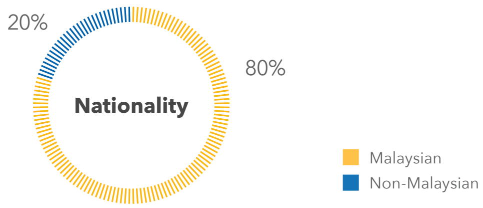
Past Directorship(s) and/or Appointment(s)*:
- TA Securities Berhad (Assistant Manager)
- Suhaimi Khor Zulkifli & Chang, Advocates & Solicitors (Legal Counsel)

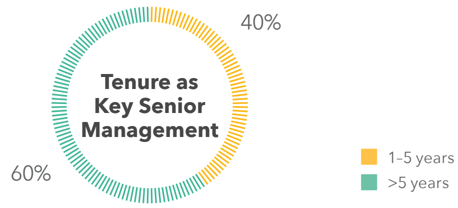
PROFILE OF KEY SENIOR MANAGEMENT

The summary of Key Senior Management as at 31 October 2020 is set out below:









Declaration:

Save as disclosed, the Key Senior Management has (i) no family relationship with any Director and/or major shareholder of EcoWorld International; (ii) no conflict of interest with EcoWorld International; (iii) not been convicted of any offence within the past 5 years (other than traffic offences, if any); and (iv) not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

MELISSA TAN SWEE PENG
Chief Financial Officer

Nationality | Gender | Age
47

Date of Appointment:
1 September 2016

Academic/Professional Qualification:
Bachelor of Arts in Accounting, University of Bedfordshire, United Kingdom

Past Working Experience:
- Head, Corporate Finance Department, Eco World Development Group Berhad
- Head, Corporate Finance Department, S P Setia Berhad
- Senior Manager, Corporate Finance Department, Aseambankers Malaysia Berhad
- Senior Executive, Internal Audit Department, Sunway Holdings Berhad

Present Directorship(s) and/or Appointment(s) in Public Companies:
Nil

TAN CHENG YONG
Head of Global Development Operations

Nationality	Gender	Age
		64

Date of Appointments:
1 January 2016 - Chief of Design & Planning
1 March 2018 - Head of Global Development Operations

Academic/Professional Qualifications:
- Bachelor of Arts in Architecture (Royal Institute of British Architects ("**RIBA**") Part I), Leeds Metropolitan University, United Kingdom
- Diploma in Architecture (RIBA Part II), Leeds Metropolitan University, United Kingdom
- Chartered Member of RIBA Part III, University of Westminster, United Kingdom

Past Working Experience:
- Member of Tender Committee & Chief Design Review Officer, Battersea Power Station Development Company Limited
- Senior Project Director, S P Setia Berhad
- General Manager, Commercial and Integrated Developments Division, Lion Group
- Architect, Chapman Taylor Partners
- Architect, Michael Haskoll Associates
- Architect, Greater London Council

Present Directorship(s) and/or Appointment(s) in Public Companies:
Nil

DATO' NORHAYATI BINTI SUBALI
Chief of Global Sales & Marketing

Nationality	Gender	Age
		56

Date of Appointments:
1 August 2015 - Chief of Sales & Marketing
1 March 2018 - Chief of Global Sales & Marketing

Academic/Professional Qualification:
- Bachelor of Science (Honours) Degree in Urban Estate Management, Liverpool John Moores University, United Kingdom

Past Working Experience:
- Managing Director, Battersea Power Station Malaysia Sdn Bhd
- Divisional General Manager, Group Marketing and International Properties, S P Setia Berhad
- Assistant Manager, Sales and Marketing, Syarikat Kemajuan Jerai Sdn Bhd
- Marketing Executive, Juru Bena Tenaga Sdn Bhd

Present Directorship(s) and/or Appointment(s) in Public Companies:
Nil

PROFILE OF KEY SENIOR MANAGEMENT

CHEONG HENG LEONG
Chief Executive Officer, International Business (UK)

Nationality	Gender	Age
		40

Date of Appointment:
1 October 2015

Academic/Professional Qualifications:
- Master of Science Real Estate Economics and Finance, London School of Economics and Political Science, United Kingdom
- Bachelor of Arts in Economics and Management, University of Oxford, United Kingdom

Past Working Experience:
- Chief Executive Officer, Eco World Management & Advisory Services (UK) Ltd
- Chief Strategic Relations Officer, Battersea Power Station Development Company Limited
- General Manager, Property UK, S P Setia Berhad

Present Directorship(s) and/or Appointment(s) in Public Companies:
Nil

YAP FOO LEONG
Chief Executive Officer, International Business (Australia)

Nationality	Gender	Age
		62

Date of Appointment:
1 July 2014

Academic/Professional Qualifications:
- Licensed Real Estate Agent (LREA), Australia
- Chartered Institute of Management Accountants (CIMA), United Kingdom
- Diploma in Business (Real Estate Management), Macleay College, Australia

Past Working Experience:
- Director, Dealruby Pty Ltd
- Senior Manager, Finance, Syarikat Pengeluar Air Sungai Selangor
- Finance Manager, Gamuda Berhad
- Finance Manager, Hume Fibreboard Sdn Bhd
- Financial Analyst, Hong Leong Group

Present Directorship(s) and/or Appointment(s) in Public Companies:
Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("**Board**") of Eco World International Berhad ("**EcoWorld International**" or "**Company**") recognises that raising the bar on Corporate Governance ("**CG**") is essential in building a sustainable business and creating long-term value for the shareholders and stakeholders. To uphold the commitment in maintaining its high standards of CG throughout the Company, its subsidiaries and joint-ventures ("**Group**"), the Board devotes considerable effort to identify and formalise best CG practices as they believe upholding sound and effective practices is fundamental to the operations of the Group and its ability to increase investors' confidence and protect long-term shareholders and stakeholders' interests.

This statement is prepared to provide our shareholders and stakeholders with an overview of the CG practices of the Group for FY2020 based on the principles set out in the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia ("**SC**") and in compliance with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

This statement is to be read together with the CG Report 2020 of the Company which is available on the Company's corporate website at https://ecoworldinternational.com/investor-relations/#corporategovernancereports.

As part of the continuing efforts to adopt the best CG practices, a gap analysis report with the benchmarking studies against CG Monitor 2020 published by SC and ASEAN CG Scorecard issued by Minority Shareholders Watchdog Group (MSWG) was prepared by the Company Secretary and presented to the Board in December 2020 to determine the level of adherence and identify the gaps by setting the milestones or deadlines for the Company to further raise the bar on CG.

As at the date of this statement, EcoWorld International has adopted and applied 32 out of 36 practices including 2 step-up practices. The practices that have yet to be applied/adopted are as follows, details of all the practices are set out in our CG Report 2020:

(i) *Practice 4.3*
Policy which limits the tenure of its Independent Directors to 9 years

(ii) *Practice 7.2*
Disclosure on a named basis the top 5 senior management's remuneration in bands of RM50,000

(iii) *Practice 7.3*
Detailed disclosure of the remuneration of each member of senior management on a named basis

(iv) *Practice 11.2*
Adoption of integrated reporting based on a globally recognised framework

FY2020 was a turbulent year caused by the COVID-19 pandemic which had impacted the global economy causing a slowdown in global operations and closure of borders which have created a socio-economic crisis resulting in challenges to the business. The key focus areas of the Board for the year under review were to ensure long-term sustainability of the business, commitment to complete and deliver the projects as scheduled and ensuring the well-being and safety of our employees. The Board noted that the market changes rapidly, hence, business needs to be agile to respond to such uncertainty and tough business environment. In order to cope with the current challenging environment, a three-year New Business Plan and Budget was approved by the Board to allow the Management to work towards a dividend plan to reward shareholders.

EXTERNAL RECOGNITION

2019
Minority Shareholders Watchdog Group (MSWG)
New Company Excellence Award

2020
National Annual Corporate Report Awards (NACRA)
Excellence Award (Silver)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

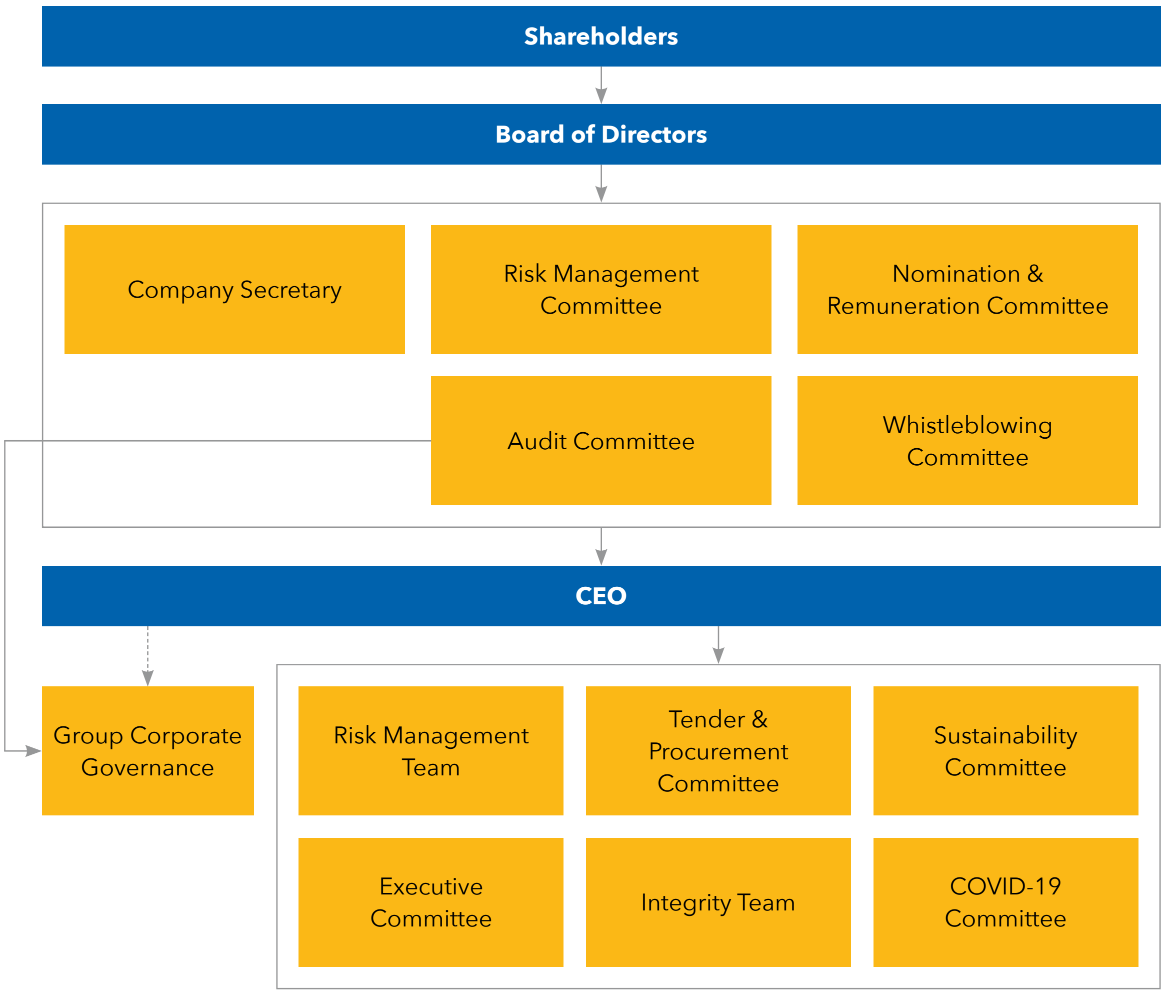
(i) Board Responsibilities

The Board is collectively responsible for the overall strategic plans and long-term success of the Group and provides oversight of Management's performance, risk management and internal control as well as compliance with regulatory requirements.

The functions of the Board and the Management are clearly defined to ensure the effectiveness of the Group's business and operations. The Board provides leadership and direction to the operations of the Group while the Management is accountable for the execution of policies and meeting corporate objectives.

(ii) Governance Model

In order to ensure effective discharge of the roles and responsibilities, the Board has in place a Governance Model for the Group and delegated specific authorities to the Board Committees and President & Chief Executive Officer ("**CEO**") as set out below:



The roles and responsibilities of the Board are clearly defined in the Board Charter which is subject to periodic review and revised as and when required. The revised Board Charter was approved by the Board in February 2020 whereby the revisions were to allow the retention of an Independent Director up to a consecutive/cumulative term of not exceeding 12 years and to align with the Anti-Bribery and Anti-Corruption ("**ABC**") Policy which was adopted by the Board in December 2019.

In order to retain control of key decisions and ensure a clear division of responsibilities, the Board Charter also sets out the matters reserved for Board's decision. The Board Charter is available on the Company's corporate website.

The Board is committed to comply with all applicable laws and regulations of the countries in which it operates and to apply high standards of conduct and integrity in our business activities whether within or outside Malaysia. As the Group reinforces its principle towards zero-tolerance approach to bribery and corruption in all its forms, a ABC Policy was adopted by the Board in December 2019 which came into effect in March 2020. The Group has taken proactive actions to strengthen the Group's internal processes and practices during the financial year to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct. Amongst others, the Group conducted risk assessment and gap analysis exercises in compliance with the relevant requirements and standards set out in the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group will review the ABC policy and programme periodically to assess the performance, efficiency and effectiveness of the Group's anti-bribery and anti-corruption processes and risk management system.

In addition, the Code of Conduct and Business Ethics ("**Code of Conduct**") which shall be observed by Directors, employees of the Group and other third parties engaged to act on behalf of the Group and plays an important role in how the Company conducts its business was revised in March 2020 to align with the Group's ABC Policy. Both the ABC Policy and the Code of Conduct are available on the Company's corporate website.

The Board has in place a Whistleblowing Policy which demonstrates high standards of ethical behaviour and integrity. A platform was provided for its employees, business associates and members of the public who have concerns on suspected misconduct (including fraud, bribery, theft, abuse of power and violation of laws and regulations) to report the suspected incident directly to the Whistleblowing Committee. In March 2020, the said policy was amended and approved by the Board to allow any allegation to be made anonymously. Through this policy, the Group can preserve its culture of openness, accountability and integrity to enable whistleblowers to express their concerns without fear of punishment or unfair treatment.

Each Board Committee has its own Terms of Reference ("**ToR**") which clearly outlines its objectives, composition, roles and responsibilities, authority and procedures. The ToRs are reviewed periodically by each Board Committee and endorsed by the Board to ensure effective and efficient decision-making within the Group. The ToRs of the respective Board Committees are set out as appendices to the Board Charter and are available on the Company's corporate website.

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

With the measures imposed by the UK Government to combat the COVID-19 pandemic and the enforcement of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Governance Model was revised with the establishment of:

(i) COVID-19 Committees under the joint-venture entities (EcoWorld-Ballymore and EcoWorld London). These Committees are responsible for implementing the regulations of the UK Government with regards to the measures imposed on the offices and sites of our UK operations.

(ii) Integrity Team under the purview of the Risk Management Committee ("**RMC**"). This team is responsible for overseeing all bribery and corruption matters across the Group.

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

The Board is supported by the Company Secretaries who are qualified under the Companies Act 2016 and both of them are Fellow Members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretaries advise the Board on CG related matters and ensure the Board adheres to the relevant rules and regulatory requirements as well as Board policies and procedures.

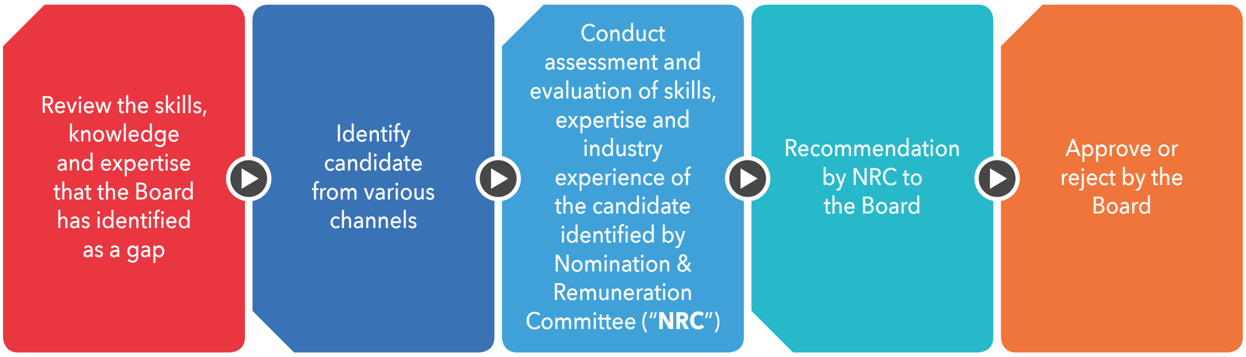
CORPORATE GOVERNANCE OVERVIEW STATEMENT

(iii) Board Composition

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

During the year under review, Dato' Chang Khim Wah was appointed as Non-Independent Non-Executive Director of the Company effective 25 June 2020 following the resignation of Dato' Voon Tin Yow on 28 February 2020. In order for Dato' Chang Khim Wah as a new Director of the Company to carry out his roles and duties effectively, documents such as disclosure obligations and schedule of meetings were furnished to him.

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



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

As at the date of this statement, the Board comprises 6 Independent Non-Executive Directors, 3 Non-Independent Non-Executive Directors and 2 Executive Directors. With the current composition of the Board, the Company has complied with Paragraph 15.02 of the MMLR of Bursa Securities which stipulates that at least 2 Directors or 1/3 of the Board, whichever is higher must be Independent Directors. The women representation on the Board has achieved 27% and in practical terms, the Board has deemed the 30% threshold recommended by the MCCG as met. The Board is satisfied with the current composition as this size is optimum and would enable effective oversight and delegation of responsibilities. The women representation in Key Senior Management has also achieved the 30% threshold.

The Board through NRC conducts an annual review on the effectiveness of the Board, Board Committees and individual Directors through online questionnaires for FY2020. The assessment was conducted by Boardroom Corporate Services Sdn Bhd, the external corporate secretarial service provider of the Company. Based on the review, the Board is satisfied with the performance of the Board, Board Committees and individual Directors.

The details of the activities carried out by the NRC in FY2020 are set out in the CG Report 2020.

(iv) Board Meetings

The Board schedules meetings on a quarterly basis and additional meetings which require the Board's deliberation and approval will be held in between the scheduled meetings. A total of 7 Board meetings were held in FY2020.

In order to ensure all the Directors are able to attend the Board and Board Committees meetings, the calendar for the Board and Board Committees meetings is circulated in advance before the commencement of the financial year which allows the Directors to plan their schedules. The Board is also mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills. In this respect, none of the Directors hold more than 5 directorships in listed corporations.

The Board and Board Committees have discharged their roles and responsibilities by attending the Board and Board Committees meetings held during FY2020. The Board is satisfied with the level of commitment given by the Directors in carrying out their responsibilities which is evidenced by the attendance record of the Directors set out in the table below:

Name of Directors	Board	AC	RMC	NRC	WBC
Tan Sri Azlan Bin Mohd Zainol	7/7	4/5	3/4	3/3	-
Tan Sri Dato' Sri Liew Kee Sin	7/7	-	-	-	-
Dato' Teow Leong Seng	7/7	-	4/4	-	-
Cheah Tek Kuang	7/7	-	4/4	3/3	1/1
Dato' Chang Khim Wah^	3/3	-	-	-	-
Choong Yee How	7/7	-	-	-	-
Cheng Hsing Yao	7/7	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	7/7	-	-	2/3	-
Dato' Siow Kim Lun	7/7	5/5	-	3/3	1/1
Dato' Kong Sooi Lin	7/7	5/5	-	-	1/1
Pauline Wong Wan Voon	7/7	-	4/4	-	-
Dato' Voon Tin Yow*	2/2	-	-	-	-

AC - Audit Committee
RMC - Risk Management Committee
NRC - Nomination & Remuneration Committee
WBC - Whistleblowing Committee

^ *Appointed on 25 June 2020*
* *Resigned on 28 February 2020*

(v) Remuneration

The Board has in place Remuneration Policies for Directors and Key Senior Management which have been designed to attract and retain the right talent in line with the Group's business strategies. The Remuneration Policies are available on the Company's corporate website.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

(i) Audit Committee

The AC comprises 3 members who are Independent Non-Executive Directors. The Chairman of the AC, Dato' Siow Kim Lun is not the Chairman of the Board and all members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC.

The AC has a policy that requires a former key audit partner to observe a cooling-off period of at least 4 years before being appointed as a member of the AC and such practice was formalised and incorporated in the ToR of the AC.

An annual assessment on KPMG Malaysia was conducted in September 2020 in accordance with the criteria set out in the External Auditors Policy of the Company. The AC was satisfied with the performance of KPMG Malaysia and has recommended to the Board to put forth the proposal for re-appointment of KPMG Malaysia as External Auditors of the Company for FY2021 to the shareholders for approval at the upcoming 7th Annual General Meeting ("**AGM**").

Assurance from the External Auditors has been received by the Board confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements for the year under review.

(ii) Risk Management and Internal Control

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

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

The Board concluded that the risk management and internal control framework of the Group is generally adequate and effective for FY2020.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(i) Communication with Stakeholders

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

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

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

(ii) Conduct of General Meetings

The AGM of the Company serves as the principal forum that provides the opportunity for shareholders to raise concerns or questions. EcoWorld International has conducted its first fully virtual AGM during the period of Conditional Movement Control Order (CMCO) on 19 May 2020. All the Directors attended the fully virtual 6th AGM. The conduct of the fully virtual 6th AGM is in compliance with the Constitution of the Company which allows General Meetings to be held using any technology or electronic means.

However, due to the restrictions imposed by the Malaysian Government, only limited essential individuals such as the Chairman, Executive Vice Chairman, CEO, Chief Financial Officer and Company Secretary were allowed to be physically present at the broadcast venue while the rest of the Directors and meeting participants participated in the AGM remotely.

During the AGM, shareholders took the opportunity to raise questions on the agenda items of the AGM as well as the current developments of the Group. The Chairman, Executive Vice Chairman and the CEO responded to all questions raised and provided clarification as required by shareholders.

In line with good CG practices, the notice of the AGM was circulated at least 28 days before the date of the AGM to enable shareholders to make the necessary arrangements to attend the AGM. As a precautionary measure amid COVID-19 and in accordance with the Guidance Note issued by SC, the notification of postponement of the 6th AGM and the notification of a fully virtual 6th AGM were issued to the shareholders on 20 April 2020 and 12 May 2020 respectively to keep shareholders informed on the changes to the conduct of the AGM.

To strengthen transparency and efficiency in the voting process, the Company adopted electronic poll voting at its 6th AGM. An independent scrutineer for the electronic poll voting process was appointed to validate all the votes. The scrutineer announced the voting results and results of the voting were displayed on the screen before the closure of the AGM. Subsequently, the poll results were announced via Bursa LINK on the same day.

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

FUTURE PRIORITIES

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

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the CG Report 2020.

This CG Overview Statement together with the CG Report 2020 were approved by the Board on 4 February 2021.

AUDIT COMMITTEE REPORT

COMPOSITION

As at the end of financial year 2020 ("**FY2020**"), the Audit Committee ("**AC**") comprises 3 members, all of whom are Independent Non-Executive Directors and 2 of the AC members are members of the Malaysian Institute of Accountants (MIA). Tan Sri Azlan Bin Mohd Zainol is also a Fellow Member of the Institute of Chartered Accountants in England and Wales and Dato' Kong Sooi Lin is a Fellow Member of Certified Practising Accountant (CPA) Australia. Hence, the Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Step-Up Practice 8.4 of Malaysian Code on Corporate Governance.

The current composition of the AC is set out below:

Name	Designation	Directorship
Dato' Siow Kim Lun	Chairman	Independent Non-Executive Director
Tan Sri Azlan Bin Mohd Zainol	Member	Independent Non-Executive Director
Dato' Kong Sooi Lin	Member	Independent Non-Executive Director

TRAINING

The training programmes attended by each AC member during the financial year are set out in the Corporate Governance Report 2020.

TERM OF OFFICE & PERFORMANCE

In order to assess the term of office of the AC members and performance of the AC in accordance with the Listing Requirements, each of the AC members has performed the self and peer evaluation assessment and the results were tabled to the Nomination & Remuneration Committee for review and discussion prior to presenting the reports to the Board for evaluation. The Board was satisfied with the performance of the AC and confirmed that they have carried out their duties and responsibilities effectively in accordance with the Terms of Reference ("**ToR**").

TERMS OF REFERENCE

To be in line with Malaysian Code on Corporate Governance, the ToR of the AC was reviewed and amended in December 2019 by including additional responsibilities of the AC in respect of the internal audit function as follows:

(i) review the budget and ensure sufficient resources are allocated to the internal audit function; and

(ii) approve the appointment or termination of the Chief Audit Executive.

The ToR of the AC is available on the Company's corporate website.

MEETINGS

A total of 5 meetings were held in FY2020. The AC members' attendance is disclosed in the Corporate Governance Overview Statement of this Annual Report.

The President & Chief Executive Officer, Chief Financial Officer together with the relevant personnel from the Management were invited to brief and provide clarifications on the agenda items.

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

In FY2020, the AC had 2 private sessions with the External Auditors without the presence of Executive Board members and Management to facilitate discussions on key audit challenges. The Group Corporate Governance ("**GCG**") team (in-house internal audit function) also met privately with the AC twice in FY2020 for discussions on internal audit related matters without the presence of Executive Board members and Management. The Internal Auditors of the joint-venture ("**JV**") entities were also invited to brief the AC via videoconferencing.

SUMMARY OF WORK

At as the date of this Report, the AC has undertaken the following work:

External Audit

- Discussed the audit status in relation to the Audited Financial Statements ("**AFS**") for FY2020 of the Company, subsidiaries and JVs ("**Group**") with KPMG Malaysia twice a year. KPMG Malaysia also confirmed that they are independent of the Group and have fulfilled their other ethical responsibilities in accordance with the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

- Met with the External Auditors, KPMG Malaysia on 22 June 2020 and 14 December 2020 without the presence of the Executive Board members and Management.

- Monitored and approved the non-audit services provided/to be provided by the External Auditors and their affiliates to the Group. The AC having considered the nature, scope and amount of non-audit fees, was satisfied that there was no conflict of interest and that the non-audit services would not impair the independence of the External Auditors. The details of the audit and non-audit services rendered by the External Auditors and their affiliates for FY2020 are disclosed in Additional Compliance Information of this Annual Report.

- Approved the Audit Plan and Strategy FY2020 which outlined the materiality, audit scope, audit methodology, timing of audit, involvement of component auditors, significant accounting policies, audit focus areas, key milestones, COVID-19 pandemic as well as the audit fees of KPMG Malaysia.

- Assessed the independence and effectiveness of the External Auditors of the Group, namely KPMG Malaysia, KPMG Dublin and BDO London based on the feedback from Management. The AC recommended the re-appointment of KPMG Malaysia as External Auditors of the Company for financial year ending 31 October 2021. The re-appointment of KPMG Malaysia is subject to shareholders' approval being sought at the upcoming Annual General Meeting ("**AGM**").

Financial Reporting

- Reviewed the quarterly results with Management for recommendation to the Board for approval and release to Bursa Securities.

- Reviewed the AFS for FY2020 with Management and External Auditors and recommended to the Board for approval and subsequent tabling at the upcoming AGM.

Related Party Transactions

- Reviewed related party transactions to be entered into by the Group to ensure that the transactions entered into were on arm's length basis and normal commercial terms.

- Reviewed the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions before tabling to the Board for recommendation to the shareholders for approval.

Internal Audit

- Reviewed the Internal Audit Reports on the Malaysian and Australian operations for FY2020 by GCG.

- Reviewed the Internal Audit Reports of Eco World-Ballymore Holding Company Limited ("**EcoWorld-Ballymore**") for FY2020 by BDO LLP ("**BDO**"), the Internal Auditors of EcoWorld-Ballymore.

- Reviewed the Internal Audit Reports of Eco World London Holdings Limited ("**EcoWorld London**") for FY2020 by PricewaterhouseCoopers LLP ("**PwC**"), the Internal Auditors of EcoWorld London.

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

- Met with the GCG team to discuss any issues and significant matters without the presence of the Executive Board members and Management on 22 June 2020 and 14 December 2020.

AUDIT COMMITTEE REPORT

- Reviewed the Quality Assurance and Improvement Programme (QAIP). This was a self-assessment of GCG with regards to the ongoing assignments and periodic assessment based on the International Professional Practices Framework's standards issued by the Institute of Internal Auditors ("**IPPF Standards**").
- Approved the Internal Audit Strategic Plan from FY2021 to FY2023 and the Internal Audit Plan for FY2021 of GCG which covers the operations in Malaysia and Australia to ensure adequate scope and coverage of the Group's activities based on the identified and assessed key risk areas and also considered the adequacy of the manpower resources of GCG to carry out the activities envisaged in the Internal Audit Plan.
- Reviewed the Internal Audit Plan for FY2021 of EcoWorld-Ballymore by BDO and EcoWorld London by PwC to ensure adequate scope and coverage of the JVs' activities in the UK based on the identified and assessed key risk areas.
- Reviewed the revised Internal Audit Charter of GCG which was prepared based on IPPF Standards.
- Evaluated the capability and competency of GCG as well as their ability to serve the Group.
- Assessed the performance of the Chief Audit Executive.
- Assessed the performance of BDO and PwC with the input from GCG.

Other Activities

- Reviewed and recommended to the Board for approval of the revised ToR.
- Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, AC Report, Additional Compliance Information and Statement on Risk Management and Internal Control (SORMIC) to the Board for approval and inclusion in the Annual Report 2020.

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and undertaken by GCG which is headed by the Chief Audit Executive, Mr Santosh P. Govindan Kutty Nair ("**Santosh**"). Santosh has a Master in Business Administration (Australia) and is a Chartered Member of the Institute of Internal Auditors Malaysia (IIAM), member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). Santosh has 19 years of internal audit experience.

GCG is staffed with 3 members and the Chief Audit Executive reports directly to the AC and administratively to the President & Chief Executive Officer. GCG is guided by International Standards for Professional Practice of Internal Auditing laid down in the IPPF and its main responsibility is to provide an objective and independent evaluation of the adequacy and efficiency of the Group's risk management, internal control and governance processes implemented by Management. GCG personnel have also declared that they are free from any relationships and conflicts of interest, which could impair their objectivity and independence in the AC meeting held in September 2020.

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

GCG carries out its review based on the approved risk-based Internal Audit Plan. During the year under review, the following activities have been carried out by GCG:

- Reviewed and tested the system of internal controls and key operating processes to enhance the Group's governance, risk management and internal control processes;
- Issued and tabled the detailed Internal Audit Reports to the AC subsequent to the audit engagements with the auditees;
- Follow-ups on the implementation status of previously agreed audit action plans; and
- Reviewed the related party transactions on a quarterly basis.

The total cost incurred for the internal audit function for FY2020 was approximately RM2.2 million (2019: RM3 million) which included the fees incurred for the UK internal audit function amounting to RM908,445.

This AC report was approved by the Board on 4 February 2021.

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 2020, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

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

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

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

MANAGEMENT RESPONSIBILITY

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

- Identifying and evaluating the risks relevant to the Group's business, and the achievement of business objectives and strategies.
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite.
- Designing, implementing and monitoring the effective implementation of the risk management and internal control system.
- Implementing the policies approved by the Board.
- Implementing remedial actions to address the control design gaps and compliance deficiencies as directed by the Board.
- Reporting in a timely manner to the Board any changes to the 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 ongoing process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the year under review. The framework also categorises the risks in relation to strategic, operational, financial and compliance matters based on the Group business objectives. The framework is incorporated into the risk management policy and guideline document that has been approved by the Board.

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

Framework Elements	Description
Risk Governance	Establish an approach in developing, supporting, and embedding the risk 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 an organisation faces as it seeks to create value.

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

The risk organisational structure of the Group as illustrated in Diagram 1 is established for effective risk management.

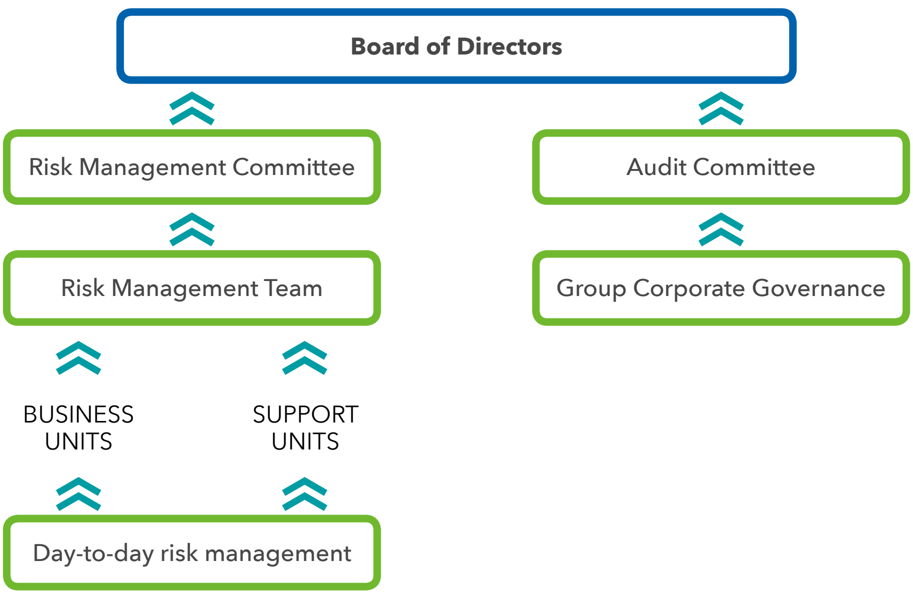


Diagram 1

Risk Management Oversight

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

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

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

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

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

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

Risk Management Process

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

All key risks identified are captured in a risk template and reviewed by the respective Heads of Department from the Support Units and General Managers of Business 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 the risks are consolidated and presented for deliberation during the quarterly Risk Management Team meetings. Subsequently, these are also presented to the Risk Management Committee and the Board to ensure its continued application and relevance.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Appetite and Tolerance

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

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

KEY RISKS

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

1 Weak Market Sentiment

The Group is dependent on the performance of the real estate industry in which the Group operates, namely in the United Kingdom and Australia. The demand for real estate among others, could be affected by the weakness in the domestic and international economic environment, changes in Government policies, bank tightening lending policies, oversupply of certain products in the market and market risks triggered by the COVID-19 pandemic. The residential units in the projects are currently sold on a "sell-then-build" basis. As such there may be a long period of time between the exchange of the sale and purchase agreement when a deposit is paid, and the completion of the contract when the balance of the selling price is paid upon handover of the residential unit. In that duration, there may be material changes to the real estate market and purchaser's own financial situation, which may give rise to the risk that some purchasers may not be able to complete the purchase.

During the financial year, the Group continued to face challenges in the United Kingdom and Australian real estate market due to the outbreak of the COVID-19 pandemic and Brexit related uncertainty in the United Kingdom. While demand and supply factors remain key components of the real estate market, the demand for real estate is affected by negative macroeconomic and market conditions, speculations and currency exchange fluctuations.

The Group reassesses its risk exposure and seeks to optimise the balance between opportunities and risks, both in its operations and strategic direction in the United Kingdom and Australian real estate markets. The Group has embarked to supply Build-to-Rent ("**BtR**") homes in London as part of realising the Group's ambitions of becoming a market leader in the BtR segment and expand its presence in the real estate management business in the UK. The implementation of the COVID-19 measures at construction sites had caused slower construction progress resulting in lower number of units being completed and handed over as compared to the target set.

The Group believes that the demand for London real estate will remain strong. Real estate agents are expecting the acute undersupply of residential properties in London to worsen in the coming years due to reduced supply as a result of disruptions caused by COVID-19. This will continue to provide support to London's real estate prices and rental rates. More importantly, undersupply of homes will sustain the demand for rental properties and attract more investment into the UK's BtR sector.

In Australia, major local banks are predicting a recovery in housing sentiment on the back of improved economic conditions in 2021. A rollout of the COVID-19 vaccine may also enable cross-border travel to resume which could improve the buying interest of foreign purchasers.

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

2 Health, Safety and Environment

The Group is potentially exposed to health, safety and environment risk at our project sites. Any health, safety and environment incident at our project sites could have a significant impact on the Group. This risk is managed through several initiatives such as the development of health, safety and environment policy plan, site inspections by Health and Safety Officers and site briefings to trade contractors to promote health and safety measures on-site which include safety awareness and training initiatives. Environmental plan surveys and processes are also in place to monitor pollution, waste, dust, noise and vibration.

During the COVID-19 pandemic, the Group activated the crisis management plan in all Business Units and implemented emergency response systems as well as workstreams and protocols on staffing guidelines in response to the crisis to ensure business continuity and compliance with directives from the various governments. To safeguard the health and safety of the employees during the outbreak of COVID-19, the Group has implemented guidelines and standard operating procedures in line with the guidelines set by the local authorities' requirements for workplaces in Malaysia, United Kingdom and Australia. Temperature checks, social distancing and sanitisation procedures were among the measures taken in accordance with the health authorities to protect the safety of the employees, customers and service providers at our offices and project sites.

3 Adverse Currency Exchange Rate

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

4 Regulatory

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5 Non-Performing Contractors

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

Due diligence is performed before selecting contractors and senior management plays an active role such as being members of the tender and procurement committee of the business units for the selection of contractors.

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

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

6 Liquidity

The Group has an obligation to fulfil the funding requirements of the land costs, development costs, administrative costs, overhead costs and financing costs to be incurred by the projects in United Kingdom and Australia and investment companies. The equity raised from the Initial Public Offering has been fully utilised and therefore the Group is dependent on a combination of short-term and long-term borrowings to fund its operations. Apart from cash generated from sales revenue, the Group is reliant on a combination of both equity and borrowings to fund its operations and may be adversely affected by a shortfall in anticipated cash flows. The Group continues to strengthen its treasury function to monitor the Group's cash flow requirement and ensure the adequacy of financing facilities to support the Group's current and future needs. The networking with key bankers is on a continuous basis to keep track of the respective bank lending appetite and to explore new funding opportunities. The Group also monitors its borrowing repayment maturity profiles and financial covenants and to ensure that its gearing is within acceptable levels. The Group has also embarked on a major cost rationalisation exercise to reduce the overall overhead costs.

7 Talent Management

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

8 Cyber Security

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

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

INTERNAL CONTROL

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

Integrity and Ethical Values

The Group is committed to upholding a strong culture of integrity and ethical values, as emphasised in the Code of Conduct and Business Ethics which shall be observed by Directors and Employees of the Group. The Group's Code of Conduct and Business Ethics of Directors and Employees ("**Code**") was approved on 14 June 2017 and was revised on 26 March 2020.

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

Organisation Structure

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

Limits of Authority

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

Policies and Procedures

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

Compliance Framework

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

Talent Management

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

Financial Budgeting

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

Performance Review

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

Investor Relations

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

Information Technology Management

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

Whistleblowing Policy

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Anti-Bribery and Anti-Corruption Policy

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

Board Committees

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

INTERNAL AUDIT FUNCTION

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

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

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

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

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

A description of the activities of GCG during the financial year ended 31 October 2020 can be found in the Audit Committee Report included in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("**AAPG**") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("**MIA**") for inclusion in the annual report of the Group for the year ended 31 October 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually not accurate.

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

CONCLUSION

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

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

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

This statement was approved by the Board of Directors on 4 February 2021.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

There were no proceeds raised from corporate proposals during the financial year.

AUDIT AND NON-AUDIT FEES

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

	Group (RM)	Company (RM)
Audit Fees	588,000	85,000
Non-Audit Fees	15,000*	15,000*
Total	**603,000**	**100,000**

* *Consists of review work on Statement on Risk Management and Internal Control*

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period except as disclosed in Note 30 of the audited financial statements for FY2020.

Iconic Skypool of Embassy Gardens at the docks on River Thames, London

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

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

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

In preparing the financial statements, the Directors have:

(i) adopted appropriate accounting policies and applied them consistently;

(ii) made judgements and estimates that are reasonable and prudent; and

(iii) adhered to all applicable approved accounting standards in Malaysia.

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

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

FINANCIAL REPORTS

04 FINANCIAL STATEMENTS

05 ADDITIONAL INFORMATION

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and joint ventures are disclosed in Notes 6 and 7 respectively of the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit/(Loss) for the year attributable to:		
Owners of the Company	80,326	(61,871)
Non-controlling interests	2,254	-
	82,580	(61,871)

RESERVES AND PROVISIONS

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

DIVIDENDS

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

DIRECTORS OF THE COMPANY

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

Tan Sri Azlan Bin Mohd Zainol	
Tan Sri Dato' Sri Liew Kee Sin*	
Dato' Teow Leong Seng*	
Cheah Tek Kuang	
Dato' Chang Khim Wah	(Appointed on 25 June 2020)
Choong Yee How*	
Cheng Hsing Yao*	
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	
Dato' Siow Kim Lun	
Dato' Kong Sooi Lin	
Pauline Wong Wan Voon	
Dato' Voon Tin Yow	(Resigned on 28 February 2020)

** These Directors are also Directors of certain subsidiaries*

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

DIRECTORS OF THE SUBSIDIARIES

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

Cheong Heng Leong
Lord Jonathan Marland
Anita Hughes (Appointed on 27 January 2021)
Stephen Anthony Rae McGrath
Edward Michael Fletcher
Yap Foo Leong
Ong Wee Ting
Tan Swee Peng (Alternate Director to Dato' Teow Leong Seng)

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES			
	AT 1.11.2019/ DATE OF APPOINTMENT	ACQUIRED	SOLD	AT 31.10.2020
The Company				
Direct interest				
Tan Sri Azlan Bin Mohd Zainol	5,120,000	-	-	**5,120,000**
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	-	-	**246,540,798**
Dato' Teow Leong Seng	15,263,000	-	-	**15,263,000**
Cheah Tek Kuang	3,000,000	-	-	**3,000,000**
Dato' Chang Khim Wah[(1)]	1,471,400	-	-	**1,471,400**
Dato' Siow Kim Lun	2,000,000	-	-	**2,000,000**
Deemed interest				
Tan Sri Azlan Bin Mohd Zainol[(2)]	67,200	-	-	**67,200**
Tan Sri Dato' Sri Liew Kee Sin[(3)]	45,700,000	-	-	**45,700,000**
Tan Sri Datuk Dr Rebecca Fatima Sta Maria[(4)]	5,000,000	-	-	**5,000,000**

	NUMBER OF WARRANTS 2017/2022			
	AT 1.11.2019/ DATE OF APPOINTMENT	ACQUIRED	EXERCISED/ DISPOSED	AT 31.10.2020
The Company				
Direct interest				
Tan Sri Azlan Bin Mohd Zainol	2,048,000	-	-	**2,048,000**
Tan Sri Dato' Sri Liew Kee Sin	98,616,319	-	-	**98,616,319**
Dato' Teow Leong Seng	6,105,200	-	-	**6,105,200**
Cheah Tek Kuang	1,200,000	-	-	**1,200,000**
Dato' Chang Khim Wah[(1)]	8,000	-	-	**8,000**
Dato' Siow Kim Lun	800,000	-	-	**800,000**
Deemed interest				
Tan Sri Azlan Bin Mohd Zainol[(2)]	27,280	-	-	**27,280**
Tan Sri Dato' Sri Liew Kee Sin[(3)]	18,280,000	-	-	**18,280,000**

(1) *Appointed on 25 June 2020*
(2) *Deemed to have interest through his child pursuant to Section 59(11)(c) of the Companies Act 2016*
(3) *Deemed to have interest through his spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016*
(4) *Deemed to have interest through her spouse pursuant to Section 59(11)(c) of the Companies Act 2016*

Other than as disclosed above, none of the other Directors holding office as at 31 October 2020 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those disclosed in Note 30 to the financial statements.

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

ISSUE OF SHARES AND DEBENTURES

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

WARRANTS 2017/2022

The salient terms of the Warrants 2017/2022 are disclosed in Note 18.1 to the financial statements.

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group are RM50,000,000 and RM51,500 respectively.

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

OTHER STATUTORY INFORMATION

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

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

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

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

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

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 October 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT DURING THE YEAR

The significant event is as disclosed in Note 35 to the financial statements.

AUDITORS

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

The auditors' remuneration is disclosed in Note 27 to the financial statements.

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

Tan Sri Dato' Sri Liew Kee Sin
Director

Dato' Teow Leong Seng
Director

Petaling Jaya,
Date: 4 February 2021

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Assets					
Plant and equipment	3	**3,098**	4,243	**554**	717
Right-of-use assets	4	**4,449**	-	**-**	-
Goodwill	5	**10,669**	109,527	**-**	-
Investments in subsidiaries	6	**-**	-	**3,464,080**	3,361,731
Investments in joint ventures	7	**672,993**	505,773	**-**	-
Inventories	8	**132,264**	122,163	**-**	-
Amounts owing by joint ventures	9	**739,835**	-	**-**	-
Deferred tax assets	10	**8,894**	20,066	**-**	-
Total non-current assets		**1,572,202**	761,772	**3,464,634**	3,362,448
Inventories	8	**652,243**	909,964	**-**	-
Amounts owing by joint ventures	9	**1,491,755**	2,101,102	**-**	-
Trade receivables	11	**1,666**	1,275	**-**	-
Other receivables, deposits and prepayments	12	**51,304**	124,157	**6**	6
Contract costs	13.1	**11,069**	23,661	**-**	-
Amounts owing by subsidiaries	14	**-**	-	**484**	322
Current tax assets		**722**	917	**191**	385
Derivative financial assets	15	**2,487**	-	**2,487**	-
Cash, bank balances and deposits	16	**284,014**	439,995	**120,894**	356,386
Total current assets		**2,495,260**	3,601,071	**124,062**	357,099
Total assets		**4,067,462**	4,362,843	**3,588,696**	3,719,547

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Equity					
Share capital	17	**2,592,451**	2,592,451	**2,592,451**	2,592,451
Warrants reserve	18.1	**276,418**	276,418	**276,418**	276,418
Hedging reserve	18.2	**(329)**	(2,011)	**(329)**	(2,011)
Exchange translation reserve	18.3	**(73,451)**	(44,874)	**-**	-
Accumulated losses		**(56,017)**	(136,343)	**(218,684)**	(156,813)
Total equity attributable to owners of the Company		**2,739,072**	2,685,641	**2,649,856**	2,710,045
Non-controlling interests		**9,074**	8,896	**-**	-
Total equity		**2,748,146**	2,694,537	**2,649,856**	2,710,045
Liabilities					
Borrowings	19	**448,371**	1,356,665	**448,371**	882,600
Lease liabilities		**3,668**	-	**-**	-
Deferred tax liabilities	10	**2,576**	1,800	**-**	-
Derivative financial liabilities	15	**602**	2,205	**602**	2,205
Total non-current liabilities		**455,217**	1,360,670	**448,973**	884,805
Trade payables	20	**6,742**	59,865	**-**	-
Other payables and accruals	21	**18,194**	25,832	**8,881**	17,617
Contract liabilities	13.2	**47,500**	113,884	**-**	-
Borrowings	19	**779,988**	107,080	**479,951**	107,080
Finance lease liabilities	22	**-**	130	**-**	-
Lease liabilities		**1,070**	-	**-**	-
Current tax liabilities		**9,570**	845	**-**	-
Derivative financial liabilities	15	**1,035**	-	**1,035**	-
Total current liabilities		**864,099**	307,636	**489,867**	124,697
Total liabilities		**1,319,316**	1,668,306	**938,840**	1,009,502
Total equity and liabilities		**4,067,462**	4,362,843	**3,588,696**	3,719,547

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2020

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Revenue	23	**672,985**	478	**6,098**	3,947
Cost of sales		**(572,995)**	-	**-**	-
Gross profit		**99,990**	478	**6,098**	3,947
Other income	24	**26,122**	19,227	**11,545**	18,656
Marketing expenses		**(26,438)**	(4,569)	**-**	-
Administrative and general expenses		**(39,326)**	(61,659)	**(19,814)**	(30,645)
Impairment losses on goodwill	5	**(83,000)**	-	**-**	-
Unrealised gain/(loss) on foreign exchange		**960**	(1,817)	**1,023**	(2,976)
Finance costs	25	**(41,264)**	(57,780)	**(60,723)**	(57,772)
Share of profit of joint ventures		**176,847**	296,425	**-**	-
Profit/(Loss) before tax		**113,891**	190,305	**(61,871)**	(68,790)
Tax expense	26	**(31,311)**	(23)	**-**	-
Profit/(Loss) for the year	27	**82,580**	190,282	**(61,871)**	(68,790)
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Hedge of net investment		**1,682**	(2,001)	**1,682**	(2,001)
Exchange differences on translation of foreign operations		**(28,636)**	28,917	**-**	-
Other comprehensive (loss)/income for the year, net of tax		**(26,954)**	26,916	**1,682**	(2,001)
Total comprehensive income/(loss) for the year		**55,626**	217,198	**(60,189)**	(70,791)
Profit/(Loss) for the year attributable to:					
Owners of the Company		**80,326**	187,004	**(61,871)**	(68,790)
Non-controlling interests		**2,254**	3,278	**-**	-
		82,580	190,282	**(61,871)**	(68,790)
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		**53,431**	213,786	**(60,189)**	(70,791)
Non-controlling interests		**2,195**	3,412	**-**	-
		55,626	217,198	**(60,189)**	(70,791)
Earnings per ordinary share (sen):					
Basic earnings per share	28	**3.35**	7.79		
Diluted earnings per share	28	**3.35**	7.79		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2020

		ATTRIBUTABLE TO OWNERS OF THE COMPANY							
		NON-DISTRIBUTABLE							
	NOTE	SHARE CAPITAL RM'000	WARRANTS RESERVE RM'000	HEDGING RESERVE RM'000	EXCHANGE TRANSLATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Group									
At 1 November 2018		2,592,451	276,418	(10)	(72,716)	(321,122)	2,475,021	16,807	2,491,828
Other comprehensive (loss)/income for the year:									
- Hedge of net investment		-	-	(2,001)	-	-	(2,001)	-	(2,001)
- Exchange differences on translation of foreign operations		-	-	-	28,783	-	28,783	134	28,917
Profit for the year		-	-	-	-	187,004	187,004	3,278	190,282
Total comprehensive (loss)/income for the year		-	-	(2,001)	28,783	187,004	213,786	3,412	217,198
Dividends declared to non-controlling interests of a subsidiary		-	-	-	-	-	-	(1,333)	(1,333)
Acquisition of non-controlling interests in a subsidiary	31	-	-	-	(941)	(2,225)	(3,166)	(9,990)	(13,156)
At 31 October 2019		2,592,451	276,418	(2,011)	(44,874)	(136,343)	2,685,641	8,896	2,694,537
		Note 17	Note 18.1	Note 18.2	Note 18.3				

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

		ATTRIBUTABLE TO OWNERS OF THE COMPANY							
		NON-DISTRIBUTABLE							
	NOTE	SHARE CAPITAL RM'000	WARRANTS RESERVE RM'000	HEDGING RESERVE RM'000	EXCHANGE TRANSLATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Group									
At 1 November 2019		2,592,451	276,418	(2,011)	(44,874)	(136,343)	2,685,641	8,896	2,694,537
Other comprehensive income/(loss) for the year:									
- Hedge of net investment		-	-	1,682	-	-	1,682	-	1,682
- Exchange differences on translation of foreign operations		-	-	-	(28,577)	-	(28,577)	(59)	(28,636)
Profit for the year		-	-	-	-	80,326	80,326	2,254	82,580
Total comprehensive income/(loss) for the year		-	-	1,682	(28,577)	80,326	53,431	2,195	55,626
Dividends declared to non-controlling interests of a subsidiary		-	-	-	-	-	-	(2,017)	(2,017)
At 31 October 2020		**2,592,451**	**276,418**	**(329)**	**(73,451)**	**(56,017)**	**2,739,072**	**9,074**	**2,748,146**
		Note 17	Note 18.1	Note 18.2	Note 18.3				

		NON-DISTRIBUTABLE				
	NOTE	SHARE CAPITAL RM'000	WARRANTS RESERVE RM'000	HEDGING RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
Company						
At 1 November 2018		2,592,451	276,418	(10)	(88,023)	2,780,836
Other comprehensive loss for the year						
- Hedge of net investment		-	-	(2,001)	-	(2,001)
Loss for the year		-	-	-	(68,790)	(68,790)
Total comprehensive loss for the year		-	-	(2,001)	(68,790)	(70,791)
At 31 October 2019/ 1 November 2019		2,592,451	276,418	(2,011)	(156,813)	2,710,045
Other comprehensive income for the year						
- Hedge of net investment		-	-	1,682	-	1,682
Loss for the year		-	-	-	(61,871)	(61,871)
Total comprehensive income/ (loss) for the year		-	-	1,682	(61,871)	(60,189)
At 31 October 2020		**2,592,451**	**276,418**	**(329)**	**(218,684)**	**2,649,856**
		Note 17	Note 18.1	Note 18.2		

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		**113,891**	190,305	**(61,871)**	(68,790)
Adjustments for:					
Interest income	24	**(12,746)**	(14,595)	**(11,545)**	(13,897)
Dividend income	23	**-**	-	**(6,098)**	(3,947)
Loss on disposal of plant and equipment	27	**29**	-	**-**	-
Plant and equipment written off	27	**51**	1	**-**	1
Depreciation of plant and equipment	3	**1,780**	2,161	**168**	190
Depreciation of right-of-use assets	4	**1,213**	-	**-**	-
Share of profit of joint ventures		**(176,847)**	(296,425)	**-**	-
Finance costs	25	**41,264**	57,780	**60,723**	57,772
Unrealised (gain)/loss on foreign exchange		**(960)**	1,817	**(1,023)**	2,976
Impairment loss on goodwill	5	**83,000**	-	**-**	-
Operating gain/(loss) before working capital changes		**50,675**	(58,956)	**(19,646)**	(25,695)
Changes in inventories		**308,928**	(566,656)	**-**	-
Changes in receivables and other current assets		**85,081**	(112,651)	**-**	(1)
Changes in payables and other current liabilities		**(56,970)**	35,688	**(8,371)**	(2,178)
Changes in contract liabilities		**(66,384)**	113,884	**-**	-
Cash generated from/(used in) operations		**321,330**	(588,691)	**(28,017)**	(27,874)
Interest received		**6,456**	5,979	**5,494**	5,632
Tax paid		**(10,402)**	(2,308)	**(191)**	(385)
Tax refunded		**385**	680	**385**	680
Net cash generated from/(used in) operating activities		**317,769**	(584,340)	**(22,329)**	(21,947)
Cash flows from investing activities					
Purchase of plant and equipment		**(839)**	(63)	**(5)**	(20)
Proceeds from disposal of plant and equipment		**91**	-	**-**	-
Net (advances to)/repayment by joint ventures		**(144,253)**	46,424	**-**	-
Investments in joint ventures		**-**	(611)	**-**	-
Net advances and equity contribution to subsidiaries		**-**	-	**(102,511)**	(204,258)
Acquisition of non-controlling interests	31	**-**	(13,156)	**-**	-
Placement of restricted cash and bank balances		**6,336**	(11,012)	**1,966**	(11,152)
Dividends received		**-**	-	**6,098**	3,947
Interest received		**6,290**	8,616	**6,051**	8,265
Net cash (used in)/generated from investing activities		**(132,375)**	30,198	**(88,401)**	(203,218)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Cash flows from financing activities					
Drawdown of borrowings	a	**387,356**	758,090	**133,271**	360,429
Repayment of borrowings	a	**(642,616)**	(123,470)	**(197,139)**	(123,470)
Repayment to a corporate shareholder of a subsidiary	a	**-**	(15,137)	**-**	-
Dividends paid to non-controlling interests of a subsidiary		**(2,017)**	(1,333)	**-**	-
Repayment of finance lease liabilities	a	**-**	(47)	**-**	-
Repayment of lease liabilities	a	**(1,048)**	-	**-**	-
Interest paid in relation to lease liabilities	25	**(263)**	-	**-**	-
Interest paid		**(74,598)**	(65,631)	**(58,194)**	(51,854)
Net cash (used in)/generated from financing activities		**(333,186)**	552,472	**(122,062)**	185,105
Net decrease in cash and cash equivalents		**(147,792)**	(1,670)	**(232,792)**	(40,060)
Cash and cash equivalents at the beginning of the year		**419,620**	427,597	**344,208**	389,426
Effect of exchange rate changes		**(1,853)**	(6,307)	**(734)**	(5,158)
Cash and cash equivalents at the end of the year	16	**269,975**	419,620	**110,682**	344,208

Cash outflows for leases as a lessee

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	27	**1,877**	-	**180**	-
Payment relating to leases of low-value assets	27	**72**	-	**28**	-
Included in net cash from financing activities:					
Interest paid in relation to lease liabilities	25	**263**	-	**-**	-
Repayment of lease liabilities		**1,048**	-	**-**	-
Total cash outflows for leases		**3,260**	-	**208**	-

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

Note a

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

GROUP	BORROWINGS RM'000	FINANCE LEASE LIABILITIES RM'000	LEASE LIABILITIES RM'000	AMOUNT OWING TO A CORPORATE SHAREHOLDER OF A SUBSIDIARY RM'000	TOTAL RM'000
At 1 November 2018	836,078	182	-	15,465	851,725
Net changes from financing cash flows					
Drawdown of borrowings	758,090	-	-	-	758,090
Repayment of borrowings	(123,470)	-	-	-	(123,470)
Repayment of finance lease liabilities	-	(47)	-	-	(47)
Repayment to a corporate shareholder of a subsidiary	-	-	-	(15,137)	(15,137)
Other changes					
Amortisation of facility fee on borrowings	(751)	-	-	-	(751)
Foreign exchange movements	(6,202)	(5)	-	(328)	(6,535)
At 31 October 2019	1,463,745	130	-	-	1,463,875
Adjustment on initial application of MFRS 16	-	(130)	5,792	-	5,662
At 1 November 2019	1,463,745	-	5,792	-	1,469,537
Net changes from financing cash flows					
Drawdown of borrowings	387,356	-	-	-	387,356
Repayment of borrowings	(642,616)	-	-	-	(642,616)
Repayment of lease liabilities	-	-	(1,048)	-	(1,048)
Other changes					
Amortisation of facility fee on borrowings	2,899	-	-	-	2,899
Foreign exchange movements	16,975	-	(6)	-	16,969
At 31 October 2020	**1,228,359**	**-**	**4,738**	**-**	**1,233,097**

COMPANY	BORROWINGS RM'000
At 1 November 2018	757,862
Net changes from financing cash flows	
Drawdown of borrowings	360,429
Repayment of borrowings	(123,470)
Other changes	
Amortisation of facility fee on borrowings	(751)
Foreign exchange movements	(4,390)
At 31 October 2019/1 November 2019	989,680
Net changes from financing cash flows	
Drawdown of borrowings	133,271
Repayment of borrowings	(197,139)
Other changes	
Amortisation of facility fee on borrowings	2,899
Foreign exchange movements	(389)
At 31 October 2020	**928,322**

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

The consolidated financial statements of the Company as at and for the financial year ended 31 October 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in joint ventures.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 4 February 2021.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

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

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases - Interest Rate Benchmark Reform - Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

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

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

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

- from the annual period beginning on 1 November 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020 and 1 June 2020;
- from the annual period beginning on 1 November 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021;
- from the annual period beginning on 1 November 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022;
- from the annual period beginning on 1 November 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - measurement of the recoverable amounts of cash-generating units
- Note 8 - valuation of inventories
- Note 10 - valuation of deferred tax assets

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES

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

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to lease contracts entered into by the Group entities as compared to those applied in previous financial statements. The impact arising from the changes is disclosed in Note 36.

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

(ii) Business combinations

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

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

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

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) Acquisitions of non-controlling interests

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iv) Joint arrangements

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

A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

(v) Non-controlling interests

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

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

(vi) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

In consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

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

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

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

(c) Financial instruments

(i) Recognition and initial measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(b) Fair value through profit or loss

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

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

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

Financial liabilities

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

(a) Fair value through profit or loss

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

(b) Amortised cost

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

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

(iii) Financial guarantee contracts

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

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

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

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

(iv) Hedge accounting

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

Hedge of a net investment

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

(v) Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(vi) Offsetting

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

(d) Plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 November 2019. Accordingly, the comparative information presented for 31 October 2019 has not been restated – i.e. it is presented, as previously reported under MFRS 117, *Leases* and related interpretations.

Current financial year

(i) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured 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 estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement (continued)

As a lessee (continued)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

As a lessee

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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is 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 an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Previous financial year

As a lessee

(i) Finance lease

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

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

(ii) Operating lease

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goodwill

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

Amortisation

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

(g) Inventories

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

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

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

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

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

(i) Contract cost

(i) Incremental cost of obtaining a contract

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

(ii) Cost to fulfill a contract

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

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

(j) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment

(i) Financial assets

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(n) Provisions

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

(o) Revenue and other income

(i) Revenue from contracts with customers

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

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

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

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

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

(ii) Dividend income

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

(iii) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowing costs

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

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

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

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

(q) Income tax

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Earnings per ordinary share

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

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

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

(s) Operating segments

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

(t) Fair value measurements

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

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

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

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

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

Level 3: unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS

3. PLANT AND EQUIPMENT

GROUP	FURNITURE AND FITTINGS RM'000	OFFICE EQUIPMENT RM'000	COMPUTERS RM'000	MOTOR VEHICLES RM'000	RENOVATION AND SHOW UNIT RM'000	WORK-IN-PROGRESS RM,000	TOTAL RM'000
Cost							
At 1 November 2018	1,874	919	855	235	8,409	-	12,292
Additions	31	1	31	-	-	-	63
Write off	-	-	(6)	-	-	-	(6)
Effect of movement in exchange rates	15	-	(10)	(6)	(60)	-	(61)
At 31 October 2019/ 1 November 2019	1,920	920	870	229	8,349	-	12,288
Additions	-	20	20	-	770	29	839
Disposal	-	-	-	(196)	-	-	(196)
Write off	-	-	-	-	(2,283)	-	(2,283)
Effect of movement in exchange rates	(7)	-	5	(11)	54	(1)	40
At 31 October 2020	**1,913**	**940**	**895**	**22**	**6,890**	**28**	**10,688**
Accumulated depreciation							
At 1 November 2018	443	429	635	44	4,375	-	5,926
Charge for the year	313	194	147	37	1,470	-	2,161
Write off	-	-	(5)	-	-	-	(5)
Effect of movement in exchange rates	9	-	(9)	(1)	(36)	-	(37)
At 31 October 2019/ 1 November 2019	765	623	768	80	5,809	-	8,045
Charge for the year	312	144	63	17	1,244	-	1,780
Disposal	-	-	-	(76)	-	-	(76)
Write off	-	-	-	-	(2,232)	-	(2,232)
Effect of movement in exchange rates	(3)	-	5	(4)	75	-	73
At 31 October 2020	**1,074**	**767**	**836**	**17**	**4,896**	**-**	**7,590**
Carrying amount							
At 1 November 2018	1,431	490	220	191	4,034	-	6,366
At 31 October 2019/ 1 November 2019	1,155	297	102	149	2,540	-	4,243
At 31 October 2020	**839**	**173**	**59**	**5**	**1,994**	**28**	**3,098**

NOTES TO THE FINANCIAL STATEMENTS

3. PLANT AND EQUIPMENT (CONTINUED)

COMPANY	FURNITURE AND FITTINGS RM'000	OFFICE EQUIPMENT RM'000	COMPUTERS RM'000	MOTOR VEHICLES RM'000	RENOVATION RM'000	TOTAL RM'000
Cost						
At 1 November 2018	18	165	284	18	814	1,299
Additions	-	1	19	-	-	20
Write off	-	-	(6)	-	-	(6)
At 31 October 2019/1 November 2019	18	166	297	18	814	1,313
Additions	-	-	5	-	-	5
At 31 October 2020	**18**	**166**	**302**	**18**	**814**	**1,318**
Accumulated depreciation						
At 1 November 2018	4	70	145	8	184	411
Charge for the year	2	33	71	3	81	190
Write off	-	-	(5)	-	-	(5)
At 31 October 2019/1 November 2019	6	103	211	11	265	596
Charge for the year	2	33	49	3	81	168
At 31 October 2020	**8**	**136**	**260**	**14**	**346**	**764**
Carrying amount						
At 1 November 2018	14	95	139	10	630	888
At 31 October 2019/1 November 2019	12	63	86	7	549	717
At 31 October 2020	**10**	**30**	**42**	**4**	**468**	**554**

At 31 October 2020, the net carrying amount of leased motor vehicle of the Group was nil (2019: RM135,000). The leased motor vehicle secures lease obligations (see Note 22).

4. RIGHT-OF-USE ASSETS

GROUP	OFFICE RM'000
At 1 November 2019	5,662
Depreciation	(1,213)
At 31 October 2020	**4,449**

The Group leases an office for six years, with an option to renew the lease for one year before the end of the non-cancellable contract period. Lease payments are increased every year to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.1 Extension option

The lease contains an extension option exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension option held is exercisable only by the Group and not by the lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

GROUP	LEASE LIABILITIES RECOGNISED (DISCOUNTED) RM'000	POTENTIAL FUTURE LEASE PAYMENTS NOT INCLUDED IN LEASE LIABILITIES (DISCOUNTED) RM'000
Leasehold office	5,662	-

4.2 Judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension option. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Group first determined the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

5. GOODWILL

	2020 RM'000	2019 RM'000
Group		
Goodwill on consolidation	**109,527**	109,527
Impairment loss for the year	**(83,000)**	-
Effect of movement in exchange rates	**(15,858)**	-
Carrying amount	**10,669**	109,527
Goodwill is allocated to the following group of cash-generating units ("CGUs"):		
Eco World Investment Co. Ltd. ("EW Investment") and its subsidiaries ("EW Investment Group")	**8,878**	101,327
Eco World Sydney Development Pty. Ltd. ("EW Sydney Development")	**1,791**	8,200
	10,669	109,527

NOTES TO THE FINANCIAL STATEMENTS

5. GOODWILL (CONTINUED)

EW Investment Group

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

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

- Cash flows were projected based on the business plans for years 2021 and 2022 (2019: 2020 and 2021), adjusted for past experience and actual operating results.
- The projected cash flows are driven by expected collections from the completion of existing sales and sales of unsold units based on planned selling prices at specific timeframes.
- A post-tax discount rate of 6.92% (2019: 6.50%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry average weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of the property market in the United Kingdom, which includes consideration of impacts arising from the COVID-19 pandemic, and are based on both external sources and internal sources (historical data).

The goodwill allocated to EW Investment Group was impaired during the year because its net assets have increased due to additional share of profit from joint ventures, and together with the allocated goodwill, exceeded its recoverable amount.

EW Sydney Development

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

6. INVESTMENTS IN SUBSIDIARIES

	2020 RM'000	2019 RM'000
Company		
Unquoted ordinary shares, at cost	**50,047**	50,047
Equity contribution to subsidiaries	**3,414,033**	3,311,684
	3,464,080	3,361,731

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

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2020 %	2019 %
Eco World Investment Co. Ltd. ("EW Investment")*	Jersey	Investment holding	**100**	100
Fortune Quest Group Ltd. ("Fortune Quest")#	British Virgin Islands	Investment holding	**100**	100
Eco World Management & Advisory Services (UK) Limited ("EW Management")*	United Kingdom	Provision of advisory and project monitoring services	**75**	75
Subsidiaries of EW Investment				
Eco World International Marketing Sdn. Bhd. ("EW International Marketing")	Malaysia	Promoting and marketing services for international projects	**100**	100
Eco World ACE Co. Ltd. ("EW ACE")*	Jersey	Investment holding	**100**	100
Eco World Be Co. Ltd. ("EW Be")*	Jersey	Investment holding	**100**	100
Subsidiaries of Fortune Quest				
Eco World Sydney Development Pty. Ltd. ("EW Sydney Development")*	Australia	Property development	**100**	100
Eco World Yarra One Pty. Ltd. ("EW Yarra One")*Ω	Australia	Property development	**100**	100
Eco World (Macquarie) Pty. Ltd. ("EW Macquarie")*	Australia	Property development	**100**	100

* *Audited by other member firms of KPMG PLT.*
\# *Consolidated based on management accounts. Contributions are not material to the Group.*
Ω *On 24 April 2019, Fortune Quest acquired the remaining 20% equity interest in EW Yarra One.*

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

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES

	2020 RM'000	2019 RM'000
Group		
Unquoted shares, at cost	**292,144**	293,994
Share of post-acquisition reserves	**380,849**	211,779
	672,993	505,773

Details of the joint ventures are as follows:

NAME OF JOINT VENTURE	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST 2020 %	2019 %
Joint ventures of EW ACE				
Eco World-Ballymore Holding Company Limited ("EW Ballymore")*	Jersey	Investment holding	**75**	75
Joint ventures of EW Be				
Be Eco World Investment Company Limited ("Be EW Investment")#	Jersey	Investment holding	**70**	70
Eco World London Development Company Limited ("EW London DMCo")#	United Kingdom	Property development and project management	**70**	70

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

Nature of relationship with the Group

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

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

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information

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

2020	EW BALLYMORE RM'000	BE EW INVESTMENT RM'000	EW LONDON DMCo RM'000	TOTAL RM'000
Percentage of ownership interest and voting interest	**75%**	**70%**	**70%**	
Summarised financial information as at 31 October				
Non-current assets	**230,665**	**122,052**	**19,200**	
Current assets	**5,552,579**	**1,997,869**	**45,372**	
Cash and cash equivalents	**813,102**	**118,210**	**2,057**	
Non-current liabilities	**(1,464,994)**	**(469,273)**	**(17,938)**	
Current liabilities	**(3,491,720)**	**(1,486,779)**	**(45,265)**	
Financial liabilities (excluding trade and other payables and provisions)				
- Non-current	**(1,393,501)**	**(441,635)**	**-**	
- Current	**(2,907,317)**	**(1,139,261)**	**-**	
Year ended 31 October				
Profit and total comprehensive income for the year	**142,889**	**59,684**	**830**	
Included in the total comprehensive income:				
Revenue	**2,153,411**	**855,378**	**108,871**	
Depreciation	**-**	**-**	**(5,111)**	
Interest income	**1,276**	**3,150**	**65**	
Interest expense	**(73,497)**	**(8,365)**	**(1,538)**	
Taxation	**(46,782)**	**(15,089)**	**(99)**	
Reconciliation of net assets to carrying amount as at 31 October				
Group's share of net assets	**619,898**	**114,708**	**958**	**735,564**
Elimination of unrealised profits	**(57,676)**	**(4,895)**	**-**	**(62,571)**
Carrying amount in the statement of financial position	**562,222**	**109,813**	**958**	**672,993**
Group's share of results for the year ended 31 October				
Group's share of profit and total comprehensive income for the year	**107,167**	**41,779**	**581**	**149,527**
Realisation of unrealised profits previously eliminated	**26,829**	**491**	**-**	**27,320**
Group's share of profit and total comprehensive income in the statement of profit or loss and other comprehensive income	**133,996**	**42,270**	**581**	**176,847**

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information (continued)

2019	EW BALLYMORE RM'000	BE EW INVESTMENT RM'000	EW LONDON DMCo RM'000	TOTAL RM'000
Percentage of ownership interest and voting interest	75%	70%	70%	
Summarised financial information as at 31 October				
Non-current assets	213,256	118,746	4,227	
Current assets	6,735,857	1,488,476	56,675	
Cash and cash equivalents	860,395	79,128	10,042	
Non-current liabilities	(3,502,440)	(302,210)	-	
Current liabilities	(2,752,640)	(1,199,758)	(60,362)	
Financial liabilities (excluding trade and other payables and provisions)				
- Non-current	(3,358,372)	(255,052)	-	
- Current	(1,998,889)	(837,145)	-	
Year ended 31 October				
Profit and total comprehensive income for the year	316,043	50,023	530	
Included in the total comprehensive income:				
Revenue	2,493,602	996,653	133,494	
Depreciation	-	-	(1,019)	
Interest income	1,883	3,315	51	
Interest expense	(29,657)	(23,725)	(427)	
Taxation	(73,219)	(13,744)	(156)	
Reconciliation of net assets to carrying amount as at 31 October				
Group's share of net assets	520,521	73,678	378	594,577
Elimination of unrealised profits	(83,449)	(5,355)	-	(88,804)
Carrying amount in the statement of financial position	437,072	68,323	378	505,773
Group's share of results for the year ended 31 October				
Group's share of profit and total comprehensive income for the year	237,032	35,016	371	272,419
Realisation of unrealised profits previously eliminated	23,354	652	-	24,006
Group's share of profit and total comprehensive income in the statement of profit or loss and other comprehensive income	260,386	35,668	371	296,425

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Commitments

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

GROUP	2020 RM'000	2019 RM'000
Share of capital commitments of the joint ventures	**326,062**	584,241

The capital commitments are expected to be incurred in year 2021 and 2022.

8. INVENTORIES

GROUP	2020 RM'000	2019 RM'000
Non-current		
Land held for development	**132,264**	122,163
Current		
Properties under development	**481,948**	909,964
Developed properties	**170,295**	-
	652,243	909,964
	784,507	1,032,127
Inventories pledged as securities for borrowings (Note 19)		
- Properties under development	**124,126**	252,652

Management is of the view that the expected net realisable value for the inventories are above their carrying amounts, hence these inventories have not been written down. The expected net realisable value is determined after considering recent transacted prices for the developed properties, volume and pricing of other development within the vicinity and the current and future market conditions in the property development industry.

9. AMOUNTS OWING BY JOINT VENTURES

GROUP	2020 RM'000	2019 RM'000
Non-current	**739,835**	-
Current	**1,491,755**	2,101,102
	2,231,590	2,101,102

The amounts owing by joint ventures represent advances that are unsecured, interest free and are repayable once the bank facilities of the joint ventures have been settled.

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

GROUP	ASSETS 2020 RM'000	ASSETS 2019 RM'000	LIABILITIES 2020 RM'000	LIABILITIES 2019 RM'000	NET 2020 RM'000	NET 2019 RM'000
Contract costs	**-**	-	**(3,154)**	(7,779)	**(3,154)**	(7,779)
Inventories	**-**	-	**(11,652)**	(12,976)	**(11,652)**	(12,976)
Other items	**141**	902	**-**	-	**141**	902
Plant and equipment	**-**	348	**(103)**	-	**(103)**	348
Tax loss carry-forwards	**21,086**	37,744	**-**	-	**21,086**	37,744
Capital allowances carry-forwards	**-**	27	**-**	-	**-**	27
Tax assets/(liabilities)	**21,227**	39,021	**(14,909)**	(20,755)	**6,318**	18,266
Set off of tax	**(12,333)**	(18,955)	**12,333**	18,955	**-**	-
Net tax assets/(liabilities)	**8,894**	20,066	**(2,576)**	(1,800)	**6,318**	18,266

In 2019, tax loss of RM1,311,000 will expire in 2026 under the tax legislation of Malaysia. There is no tax loss recognised under tax legislation of Malaysia as deferred tax assets at 31 December 2020. The tax losses recognised by the Group under tax jurisdictions other than Malaysia do not have expiry dates. The Group has considered that there will be sufficient future taxable profits that will be available against which they can be utilised.

Unrecognised deferred tax assets

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

	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Tax loss carry-forwards	**9,395**	8,689	**-**	-
Capital allowance carry-forwards	**222**	110	**-**	-
Right-of-use assets	**(4,449)**	-	**-**	-
Lease liabilities	**4,738**	-	**-**	-
Other items	**140**	125	**-**	-
	10,046	8,924	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets (continued)

Under the tax legislation of Malaysia, the unrecognised tax loss carry-forwards will expire as follows:

GROUP	2020 TAX LOSS RM'000	2020 EXPIRY YEAR	2019 TAX LOSS RM'000	2019 EXPIRY YEAR
YA 2018	**6,995**	**2025**	6,995	2025
YA 2019	**1,694**	**2026**	1,694	2026
YA 2020	**706**	**2027**	-	-
	9,395		8,689	

Movement in temporary differences during the year

GROUP	AT 1.11.2018 RM'000	RECOGNISED IN PROFIT OR LOSS (NOTE 26) RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATES RM'000	AT 31.10.2019 RM'000	ADJUSTMENT ON INITIAL APPLICATION OF MFRS 16 RM'000	AT 1.11.2019 RM'000	RECOGNISED IN PROFIT OR LOSS (NOTE 26) RM'000	EFFECT OF MOVEMENT IN EXCHANGE RATES RM'000	AT 31.10.2020 RM'000
Contract costs	(7,093)	(626)	(60)	(7,779)	-	(7,779)	4,785	(160)	**(3,154)**
Inventories	(7,851)	(5,609)	484	(12,976)	-	(12,976)	1,660	(336)	**(11,652)**
Other items	1,357	(451)	(4)	902	-	902	(759)	(2)	**141**
Plant and equipment	93	266	(11)	348	-	348	(475)	24	**(103)**
Tax loss carry-forwards	30,305	8,255	(816)	37,744	-	37,744	(17,488)	830	**21,086**
Capital allowances carry-forwards	-	27	-	27	-	27	(27)	-	**-**
Right-of-use assets	-	-	-	-	(1,359)	(1,359)	1,359	-	**-**
Lease liabilities	-	-	-	-	1,359	1,359	(1,359)	-	**-**
	16,811	1,862	(407)	18,266	-	18,266	(12,304)	356	**6,318**

11. TRADE RECEIVABLES

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

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

NOTES TO THE FINANCIAL STATEMENTS

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Other receivables		**509**	498	**-**	-
Less: Allowance for impairment loss	a	**(200)**	(198)	**-**	-
		309	300	**-**	-
Pre-sale deposits held by solicitors	b	**47,499**	113,884	**-**	-
Prepayments		**417**	605	**-**	-
Goods and services tax ("GST") recoverable		**1,490**	8,237	**-**	-
Value-added tax ("VAT") recoverable		**66**	81	**-**	-
Sundry deposits		**657**	706	**6**	6
Amount owing by a joint venture	c	**866**	344	**-**	-
		51,304	124,157	**6**	6

Note a

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

GROUP	2020 RM'000	2019 RM'000
At 1 November 2019/2018	**198**	203
Effect of movement in exchange rate	**2**	(5)
At 31 October	**200**	198

Note b

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

Note c

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

13. CONTRACT WITH CUSTOMERS

13.1 Contract costs

GROUP	2020 RM'000	2019 RM'000
Cost to obtain a contract	**11,069**	23,661

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts.

Capitalised commission fees are amortised when the related revenues are recognised. In 2020, the amount of amortisation was RM14,687,000. There was no amortisation recognised during the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

13. CONTRACT WITH CUSTOMERS (CONTINUED)

13.2 Contract liabilities

GROUP	2020 RM'000	2019 RM'000
Contract liabilities	**47,500**	113,884

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

Significant changes to contract liabilities balances during the period are as follows:

GROUP	2020 RM'000	2019 RM'000
Contract liabilities at the beginning of the period recognised as revenue	**76,541**	-

14. AMOUNTS OWING BY SUBSIDIARIES

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

15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2020			2019	
GROUP AND COMPANY	NOTIONAL VALUE RM'000	ASSETS RM'000	LIABILITIES RM'000	NOTIONAL VALUE RM'000	LIABILITIES RM'000
Cross currency swaps - Derivatives used for hedging					
- non-current	**10,935**	**-**	**(602)**	305,312	(2,205)
- current	**327,244**	**2,487**	**(1,035)**	-	-
	338,179	**2,487**	**(1,637)**	305,312	(2,205)

Cross currency swaps are used to manage the foreign currency exposures arising from the Company's equity contributions to subsidiaries denominated in currencies other than the functional currency of the Company. As at 31 October 2020, the Group and the Company entered into cross currency swaps with nominal value of RM338,179,000 to hedge the cash flow risk in relation to foreign currency exchange fluctuation of equity contributions to subsidiaries denominated in GBP and AUD (see Note 33.7).

16. CASH, BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash on hand and at banks	**151,916**	65,573	**19,880**	10,321
Short-term deposits	**132,098**	374,422	**101,014**	346,065
Cash, bank balances and deposits in the statements of financial position	**284,014**	439,995	**120,894**	356,386
Less: Restricted balances	**(14,039)**	(20,375)	**(10,212)**	(12,178)
Cash and cash equivalents in the statements of cash flows	**269,975**	419,620	**110,682**	344,208

Restricted balances relate to bank balances and deposits that must be maintained during the tenure of borrowings and deposits pledged as security for other bank facilities granted to the Group (see Note 19).

NOTES TO THE FINANCIAL STATEMENTS

17. SHARE CAPITAL

Group and Company

	NUMBER OF SHARES 2020 '000	NUMBER OF SHARES 2019 '000	AMOUNT 2020 RM'000	AMOUNT 2019 RM'000
Issued and fully paid shares with no par value classified as equity instruments				
Ordinary shares	**2,400,000**	2,400,000	**2,592,451**	2,592,451

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

18. RESERVES

18.1 Warrants reserve

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

The salient terms of the Warrants are as follows:

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

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

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

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

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

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

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

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

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

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

18.2 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedge instruments used to hedge equity contributions to subsidiaries denominated in GBP and AUD (see Note 33.7).

18.3 Exchange translation reserve

The exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

19. BORROWINGS

		GROUP		COMPANY	
	NOTE	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Secured:					
Term loans	a	**-**	474,065	**-**	-
Unsecured:					
Term loan		**-**	85,894	**-**	85,894
Medium term notes ("MTNs")	b	**448,371**	796,706	**448,371**	796,706
		448,371	1,356,665	**448,371**	882,600
Current					
Secured:					
Term loans	a	**300,037**	-	**-**	-
Unsecured:					
Term loan		**-**	107,080	**-**	107,080
Revolving credit		**130,513**	-	**130,513**	-
Medium term notes ("MTNs")	b	**349,438**	-	**349,438**	-
		779,988	107,080	**479,951**	107,080
		1,228,359	1,463,745	**928,322**	989,680
Represented by:					
- Term loans		**300,037**	667,039	**-**	192,974
- Revolving credit		**130,513**	-	**130,513**	-
- MTNs		**797,809**	796,706	**797,809**	796,706
		1,228,359	1,463,745	**928,322**	989,680
Repayable:					
- not later than 1 year		**779,988**	107,080	**479,951**	107,080
- later than 1 year but not later than 5 years		**448,371**	1,356,665	**448,371**	882,600
		1,228,359	1,463,745	**928,322**	989,680

Note a

The term loans are secured over inventories (see Note 8) and cash, bank balances and deposits (see Note 16) and are guaranteed by the Company.

Note b

The MTNs are issued under an unrated Islamic MTN ("Sukuk Murabahah") Programme of RM800.0 million in nominal value ("Sukuk Murabahah Programme") by the Company. The Sukuk Murabahah Programme has a tenure of twenty (20) years from 27 April 2018. The tenure of each Sukuk Murabahah issued shall be more than one (1) year and up to twenty (20) years, provided that the Sukuk Murabahah matures on or prior to the expiry of the Sukuk Murabahah Programme.

NOTES TO THE FINANCIAL STATEMENTS

19. BORROWINGS (CONTINUED)

Note b (continued)

The proceeds raised from the Sukuk Murabahah shall be utilised by the Company for its general corporate purposes, working capital requirements and/or for future financing of the Company, its subsidiaries and/or joint ventures.

On 27 April 2018, the Company completed an issuance of Sukuk Murabahah of RM180.0 million in nominal value (''First Issuance'') with a tenure of five (5) years from the date of issuance. The Sukuk Murabahah under the First Issuance bears a periodic payment rate of 6.65% per annum and falls due for repayment in April 2023.

On 25 October 2018, the Company completed the second issuance of Sukuk Murabahah of RM350.0 million in nominal value ("Second Issuance") with a tenure of three (3) years from the date of issuance. The Sukuk Murabahah under the Second Issuance bears a periodic payment rate of 6.40% per annum and falls due for repayment in October 2021.

On 24 May 2019, the Company completed the third and final issuance of Sukuk Murabahah of RM270.0 million in nominal value ("Third Issuance") with a tenure of four (4) years from the date of issuance. The Sukuk Murabahah under the Third Issuance bears a periodic payment rate of 6.40% per annum and falls due for repayment in May 2023. The completion of the Third Issuance marks the final tranche under the Sukuk Murabahah Programme of RM800.0 million following the completion of the First Issuance and Second Issuance amounting to RM180.0 million and RM350.0 million on 27 April 2018 and 25 October 2018 respectively.

Note c

The Group entities have complied with the financial ratios of their borrowing facilities during the financial years ended 31 October 2020 and 31 October 2019.

20. TRADE PAYABLES

Included in trade payables of the Group is amount owing to a related company amounting to RM389,000 (2019: RM267,000), which is non-interest bearing and expected to be settled within the normal credit terms.

21. OTHER PAYABLES AND ACCRUALS

		GROUP		COMPANY	
	NOTE	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other payables		**4,571**	1,545	**587**	908
GST payable		**1,144**	198	**-**	-
VAT payable		**275**	127	**-**	-
Accruals	a	**11,538**	22,041	**8,207**	15,445
Amounts owing to joint ventures	b	**16**	261	**16**	261
Amounts owing to related companies	c	**650**	1,660	**71**	1,003
		18,194	25,832	**8,881**	17,617

Note a

Included in accruals of the Group and the Company are finance costs payable of RM8,162,000 and RM7,870,000 (2019: RM9,161,000 and RM8,240,000) respectively.

Note b

The amounts owing to joint ventures represent advances that are unsecured, interest free and are repayable on demand.

Note c

The amounts owing to related companies represent marketing-related expenses paid on behalf of the Group and office expenses payable, which are unsecured, interest free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCE LEASE LIABILITIES

Finance lease liabilities were payable as follows:

GROUP	2020 RM,000	2019 RM'000
Future minimum lease payments		
- not later than one year	**-**	131
Unexpired term charges	**-**	(1)
	-	130
Present value of minimum lease payments		
- not later than one year	**-**	130

23. REVENUE

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers	**672,985**	478	**-**	-
Other revenue				
- Dividend income	**-**	-	**6,098**	3,947
	672,985	478	**6,098**	3,947

23.1 Disaggregation of revenue from contracts with customers

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Primary geographical markets				
Australia	**672,480**	-	**-**	-
United Kingdom	**505**	478	**-**	-
	672,985	478	**-**	-
Major products and services				
Sales of developed properties	**672,480**	-	**-**	-
Sales and marketing services*	**505**	478	**-**	-
	672,985	478	**-**	-
Timing and recognition				
At a point in time	**672,480**	-	**-**	-
Over time	**505**	478	**-**	-
	672,985	478	**-**	-

* *As revenue arising from sales and marketing services rendered is not material, hence no further disclosures are provided.*

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE (CONTINUED)

23.2 Nature of goods

NATURE OF GOODS	TIMING OF RECOGNITION OR METHOD USED TO RECOGNISED REVENUE	SIGNIFICANT PAYMENT TERMS	VARIABLE ELEMENT IN CONSIDERATION	OBLIGATION FOR RETURNS OR REFUNDS	WARRANTY
Sales of developed properties.	Revenue is recognised when vacant possession of the properties is given to the customer.	10% payable upon exchange of contract and remaining 90% payable upon completion.	Not applicable.	If the contract is rescinded due to a breach by the vendor prior to completion, the purchaser is entitled to the refund of deposit and any interest earned.	The purchaser is entitled to one inspection of the property. If the purchaser notifies the vendor in writing of any defects within 90 days after the completion date, the vendor will at its cost make good the defects as soon as reasonably practicable after receipt of the notice.

23.3 Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligation at year end relates to sales of developed properties which will be recognised at point in time in year 2021.

24. OTHER INCOME

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	**12,746**	14,595	**11,545**	13,897
Realised gain on foreign exchange	**-**	4,454	**-**	4,759
Forfeiture of deposits	**11,278**	-	**-**	-
Others	**2,098**	178	**-**	-
	26,122	19,227	**11,545**	18,656

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCE COSTS

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Amortisation of facility fee on borrowings	**2,899**	3,018	**2,899**	3,013
Interest on amount owing to a corporate shareholder of a subsidiary	**-**	691	**-**	-
Interest on borrowings	**73,599**	68,435	**57,824**	54,759
Interest expense on lease liabilities	**263**	-	**-**	-
Interest on finance lease liabilities	**-**	3	**-**	-
	76,761	72,147	**60,723**	57,772
Recognised in profit or loss	**41,264**	57,780	**60,723**	57,772
Capitalised on qualifying assets - inventories	**35,497**	14,367	**-**	-
	76,761	72,147	**60,723**	57,772

The capitalisation rate used to capitalise finance costs on qualifying assets ranges from 2.36% to 6.65% (2019: 2.91% to 4.64%).

26. TAX EXPENSE

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax				
Foreign tax				
- current year	**18,961**	2,001	**-**	-
- prior years	**46**	(116)	**-**	-
	19,007	1,885	**-**	-
Deferred tax (Note 10)				
Malaysian tax				
- current year	**-**	1,316	**-**	-
- prior years	**-**	(2)	**-**	-
- write-down of deferred tax assets	**371**	-	**-**	-
Foreign tax				
- current year	**16,555**	(3,225)	**-**	-
- prior years	**(4,622)**	49	**-**	-
	12,304	(1,862)	**-**	-
	31,311	23	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE (CONTINUED)

The Group operates in a multi-jurisdictional tax environment.

The Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%).

The corporate tax rates of entities within the Group outside Malaysia are as follows:

(a) subsidiaries incorporated in Jersey and the British Virgin Islands: 0% (2019: 0%);

(b) subsidiary incorporated in the United Kingdom: 19% (2019: 19%); and

(c) subsidiaries incorporated in Australia: 30% (2019: 30%).

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the profit/(loss) before tax as a result of the following differences:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/(Loss) before tax	**113,891**	190,305	**(61,871)**	(68,790)
Less: Share of results of joint ventures	**(176,847)**	(296,425)	**-**	-
Loss before tax and share of results in joint ventures	**(62,956)**	(106,120)	**(61,871)**	(68,790)
Tax at applicable tax rates	**16,311**	(19,704)	**(14,849)**	(16,510)
Non-taxable and tax exempted income	**(2,828)**	(2,684)	**(2,828)**	(2,684)
Non-deductible expenses	**21,764**	20,610	**17,677**	19,194
Adjustments attributable to prior years	**(4,576)**	(69)	**-**	-
Write-down of deferred tax assets	**371**	-	**-**	-
Effect of deferred tax assets not recognised	**269**	1,870	**-**	-
	31,311	23	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

27. PROFIT/(LOSS) FOR THE YEAR

	NOTE	GROUP 2020 RM'000	GROUP 2019 RM'000	COMPANY 2020 RM'000	COMPANY 2019 RM'000
Profit/(Loss) for the year is arrived at after charging/(crediting):					
Auditors' remuneration:					
Audit fees					
- current year					
KPMG PLT		**100**	100	**85**	85
Overseas affiliates of KPMG PLT		**488**	433	**-**	-
- prior years					
Overseas affiliates of KPMG PLT		**(18)**	115	**-**	-
Other auditors		**(44)**	84	**(20)**	83
- Non-audit fees					
KPMG PLT		**15**	65	**15**	65
Overseas affiliates of KPMG PLT		**-**	1,162	**-**	-
Material expenses					
Depreciation of plant and equipment	3	**1,780**	2,161	**168**	190
Depreciation of right-of-use assets	4	**1,213**	-	**-**	-
Employee benefits expense (excluding directors but including other key management personnel as disclosed in Note 30)	29	**10,732**	23,849	**3,011**	11,025
Realised loss on foreign exchange		**3,091**	-	**3,185**	-
Loss on disposal of plant and equipment		**29**	-	**-**	-
Plant and equipment written off		**51**	1	**-**	1
Expenses arising from leases					
Expenses relating to short-term leases	a	**1,877**	-	**180**	-
Expenses relating to leases of low-value assets	b	**72**	-	**28**	-
Rental expense:					
- office premises		**-**	2,265	**-**	180
- office equipment		**-**	83	**-**	35

Note a

These are office leases with remaining lease term less than 12 months as at 1 November 2019. The Group and the Company have applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 November 2019.

Note b

The Group and the Company lease office equipment with contract terms of 1 to 5 years. These are leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

28. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 October 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

GROUP	2020	2019
Profit for the year attributable to owners of the Company (RM'000)	**80,326**	187,004
Weighted average number of ordinary shares ('000)	**2,400,000**	2,400,000
Basic earnings per ordinary share (sen)	**3.35**	7.79

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 October 2020 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

For the years ended 31 October 2020 and 31 October 2019, the basic earnings per share is equal to diluted earnings per share as the unexercised Warrants have no dilutive effect on the earnings per share given the Warrants' Exercise Price is higher than the market price per ordinary share.

29. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Salaries, wages, bonuses and allowances	**8,794**	20,023	**2,433**	9,372
Defined contribution plan	**958**	2,628	**279**	1,119
Other staff benefits	**980**	1,198	**299**	534
	10,732	23,849	**3,011**	11,025

30. RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries, joint ventures, related companies and key management personnel. Related companies include the significant investors' subsidiaries and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions

The significant related party transactions of the Group and of the Company are shown below. The terms and balances related to the below transactions are shown in Note 6, Note 7, Note 9, Note 11, Note 12, Note 14, Note 20 and Note 21.

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
A. Joint ventures				
Revenue	**505**	478	**-**	-
Net advances to/(repayment by) joint ventures	**144,253**	(46,424)	**-**	-
B. Subsidiaries				
Dividend income	**-**	-	**6,098**	3,947
Net advances and equity contribution to subsidiaries	**-**	-	**102,511**	204,258
C. Significant investors				
Wholly-owned subsidiaries of Eco World Development Group Berhad ("EW Berhad") where certain directors of the Company are also the directors of EW Berhad				
Agent fees paid or payable	**907**	1,247	**-**	-
Support service fees paid or payable	**140**	115	**140**	115
Rental paid or payable	**157**	-	**157**	-
Joint venture of EW Berhad where certain directors of the Company are also the directors of EW Berhad				
Rental paid or payable	**1,187**	1,101	**-**	-
D. Key management personnel				
Salaries, allowances and bonuses	**13,096**	18,513	**11,329**	13,790
Fees	**1,080**	1,200	**1,080**	1,200
Defined contribution plan	**1,504**	1,811	**1,336**	1,632
Others	**110**	864	**110**	457
Total remuneration to key management personnel	**15,790**	22,388	**13,855**	17,079
Included in remuneration to key management personnel is remuneration to Directors:				
Salaries, allowances and bonuses	**10,253**	14,738	**8,486**	10,015
Fees	**1,080**	1,200	**1,080**	1,200
Defined contribution plan	**1,165**	1,361	**997**	1,182
Others	**86**	840	**86**	433
	12,584	18,139	**10,649**	12,830
Company where a director has interest				
Rental paid or payable	**23**	180	**23**	180
Company where a director of a subsidiary has interest				
Consultancy fees paid or payable	**-**	969	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31. ACQUISITION OF NON-CONTROLLING INTERESTS

On 11 April 2019, the Group entered into a conditional share sale and purchase agreement for the acquisition of 20 ordinary shares and 4,519,549 preference shares in EW Yarra One, representing the remaining 20% interest in EW Yarra One, for a total cash consideration of AUD4,519,569 (equivalent to approximately RM13,156,000). The acquisition was completed on 24 April 2019. As a result, EW Yarra One became a wholly-owned subsidiary of the Group. The carrying amount of EW Yarra One's net assets on the date of the acquisition was RM49,950,000. The Group recognised a decrease in non-controlling interests of RM9,990,000 and an increase in accumulated losses and exchange translation reserve of RM2,225,000 and RM941,000 respectively.

32. SEGMENTAL REPORTING

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they operate at different geographical locations with different social and economic conditions and require different marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- United Kingdom — Includes property development activities and provision of advisory and project monitoring services.
- Australia — Includes property development activities.
- Malaysia — Includes investment holding and promoting and marketing services activities.

Performance is measured based on segment profit after tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total liabilities is used to evaluate the liquidity risk of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

32. SEGMENTAL REPORTING (CONTINUED)

GROUP	UNITED KINGDOM RM'000	AUSTRALIA RM'000	MALAYSIA RM'000	TOTAL RM'000
2020				
Segment profit/(loss)	**92,582**	**42,370**	**(52,372)**	**82,580**
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	**-**	**672,480**	**505**	**672,985**
Inter-segment revenue	**-**	**-**	**127**	**127**
Share of profit of joint ventures	**176,847**	**-**	**-**	**176,847**
Depreciation of plant and equipment and right-of-use assets	**(277)**	**(441)**	**(2,275)**	**(2,993)**
Finance costs	**-**	**(1)**	**(41,263)**	**(41,264)**
Finance income	**243**	**939**	**11,564**	**12,746**
Taxation	**(2,112)**	**(28,828)**	**(371)**	**(31,311)**
Segment assets	**2,948,822**	**984,731**	**133,909**	**4,067,462**
Included in the measure of segment assets are:				
Additions to plant and equipment	**1**	**827**	**11**	**839**
Investments in joint ventures	**672,993**	**-**	**-**	**672,993**
Segment liabilities	**1,606**	**372,381**	**945,329**	**1,319,316**
2019				
Segment profit/(loss)	280,113	(10,972)	(78,859)	190,282
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	-	-	478	478
Inter-segment revenue	-	-	1,790	1,790
Share of profit of joint ventures	296,425	-	-	296,425
Depreciation of plant and equipment	(277)	(668)	(1,216)	(2,161)
Finance costs	-	(8)	(57,772)	(57,780)
Finance income	332	220	14,043	14,595
Taxation	(1,845)	3,135	(1,313)	(23)
Segment assets	2,775,016	1,223,503	364,324	4,362,843
Included in the measure of segment assets are:				
Additions to plant and equipment	31	12	20	63
Investments in joint ventures	505,773	-	-	505,773
Segment liabilities	3,048	654,038	1,011,220	1,668,306

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

(b) Derivatives used for hedging

	CARRYING AMOUNT RM'000	AC RM'000	DERIVATIVES USED FOR HEDGING RM'000
2020			
Financial assets			
Group			
Amounts owing by joint ventures	**2,231,590**	**2,231,590**	**-**
Trade receivables	**1,666**	**1,666**	**-**
Other receivables and deposits	**49,331**	**49,331**	**-**
Derivative financial assets	**2,487**	**-**	**2,487**
Cash, bank balances and deposits	**284,014**	**284,014**	**-**
	2,569,088	**2,566,601**	**2,487**
Company			
Other receivables and deposits	**6**	**6**	**-**
Amounts owing by subsidiaries	**484**	**484**	**-**
Derivative financial assets	**2,487**	**-**	**2,487**
Cash, bank balances and deposits	**120,894**	**120,894**	**-**
	123,871	**121,384**	**2,487**
Financial liabilities			
Group			
Borrowings	**(1,228,359)**	**(1,228,359)**	**-**
Trade payables	**(6,742)**	**(6,742)**	**-**
Other payables and accruals	**(16,775)**	**(16,775)**	**-**
Derivative financial liabilities	**(1,637)**	**-**	**(1,637)**
	(1,253,513)	**(1,251,876)**	**(1,637)**
Company			
Borrowings	**(928,322)**	**(928,322)**	**-**
Other payables and accruals	**(8,881)**	**(8,881)**	**-**
Derivative financial liabilities	**(1,637)**	**-**	**(1,637)**
	(938,840)	**(937,203)**	**(1,637)**

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

	CARRYING AMOUNT RM'000	AC RM'000	DERIVATIVES USED FOR HEDGING RM'000
2019			
Financial assets			
Group			
Amounts owing by joint ventures	2,101,102	2,101,102	-
Trade receivables	1,275	1,275	-
Other receivables and deposits	115,234	115,234	-
Cash, bank balances and deposits	439,995	439,995	-
	2,657,606	2,657,606	-
Company			
Other receivables and deposits	6	6	-
Amounts owing by subsidiaries	322	322	-
Cash, bank balances and deposits	356,386	356,386	-
	356,714	356,714	-
Financial liabilities			
Group			
Borrowings	(1,463,745)	(1,463,745)	-
Finance lease liabilities	(130)	(130)	-
Trade payables	(59,865)	(59,865)	-
Other payables and accruals	(25,507)	(25,507)	-
Derivative financial liabilities	(2,205)	-	(2,205)
	(1,551,452)	(1,549,247)	(2,205)
Company			
Borrowings	(989,680)	(989,680)	-
Other payables and accruals	(17,617)	(17,617)	-
Derivative financial liabilities	(2,205)	-	(2,205)
	(1,009,502)	(1,007,297)	(2,205)

33.2 Net losses arising from financial instruments

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net (losses)/gains on:				
Derivatives used for hedging	**1,682**	(2,195)	**1,682**	(2,195)
Financial assets at amortised cost	**12,549**	9,437	**11,303**	8,739
Financial liabilities at amortised cost	**(42,935)**	(49,791)	**(62,643)**	(50,637)
	(28,704)	(42,549)	**(49,658)**	(44,093)

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

33.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from amounts owing by joint ventures, other receivables and financial guarantees given to banks for credit facilities granted to joint ventures. The Company's exposure to credit risk arises principally from equity contribution to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and joint ventures. There are no significant changes as compared to prior periods.

Amount owing by joint ventures and equity contribution to subsidiaries

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured advances to joint ventures and the Company provides unsecured advances to subsidiaries, which were classified as equity and debt instruments. The Group and the Company monitor the ability of the joint ventures and subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider advances to joint ventures and subsidiaries to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the joint ventures' and subsidiaries' advances when they are payable, the Group and the Company consider the advances to be in default when the joint ventures and subsidiaries are not able to pay when demanded. The Group and the Company consider a joint venture's and subsidiary's advance to be credit impaired when:

- The joint venture or subsidiary is unlikely to repay its advance to the Group or the Company in full;
- The joint venture or subsidiary is continuously loss making and is having a deficit shareholders' fund and is not expected to turnaround its financial performance and position.

The Group and the Company determine the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the advances owing from the joint ventures and subsidiaries have low credit risk and no allowance for impairment loss has been recognised.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Other receivables

Credit risks on other receivables are mainly arising from pre-sale deposits held on behalf of the Group by solicitors in respect of property sales. The pre-sale deposits will be received by the Group upon completion of the property sales.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the impairment allowance recognised by the Group is not significant.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to joint ventures and certain subsidiaries. The Group and the Company monitor the ability of the joint ventures and subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk representing the outstanding banking facilities of the joint ventures and subsidiaries that were supported by the financial guarantees issued by the Group and the Company as at end of the reporting period is as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial guarantees to banks in respect of banking facilities granted to:				
- Joint ventures	**2,430,222**	3,276,723	**2,430,222**	3,276,723
- Subsidiaries	**-**	-	**300,037**	474,065
	2,430,222	3,276,723	**2,730,259**	3,750,788

The financial guarantees are provided as credit enhancements to the joint ventures' and subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Group and the Company assume that there is a significant increase in credit risk when a joint venture's or subsidiary's financial position deteriorates significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

- The joint venture or subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The joint venture or subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any joint ventures or subsidiaries would default on repayment.

The financial guarantees of the Group and the Company have not been recognised since the fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

As of 31 October 2020, the Company's current liabilities exceeded its current assets by RM365,805,000. Nevertheless, the Group is in a net current assets position. With the Group realising its sales proceeds and consequently profits from its projects under its subsidiaries and joint ventures, the Company is expected to receive dividends or repayments from its subsidiaries and joint ventures to meet its liabilities as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE/ DISCOUNT RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
2020						
Group						
Non-derivative financial liabilities						
Term loans	**300,037**	**2.73**	**304,815**	**304,815**	**-**	**-**
Revolving credit	**130,513**	**2.61-2.67**	**133,158**	**133,158**	**-**	**-**
Medium term notes	**797,809**	**6.40-6.65**	**893,855**	**400,072**	**493,783**	**-**
Lease liabilities	**4,738**	**5.00**	**5,217**	**1,283**	**3,934**	**-**
Trade payables	**6,742**	**-**	**6,742**	**6,742**	**-**	**-**
Other payables and accruals	**16,775**	**-**	**16,775**	**16,775**	**-**	**-**
Financial guarantee	**-**	**-**	**2,430,222**	**2,430,222**	**-**	**-**
	1,256,614		**3,790,784**	**3,293,067**	**497,717**	**-**
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	**(338,179)**	**6.40**	**(360,931)**	**(348,888)**	**(12,043)**	**-**
Outflow	**337,329**	**4.50-5.77**	**356,589**	**344,099**	**12,490**	**-**
	1,255,764		**3,786,442**	**3,288,278**	**498,164**	**-**
Company						
Non-derivative financial liabilities						
Revolving credit	**130,513**	**2.61-2.67**	**133,158**	**133,158**	**-**	**-**
Medium term notes	**797,809**	**6.40-6.65**	**893,855**	**400,072**	**493,783**	**-**
Other payables and accruals	**8,881**	**-**	**8,881**	**8,881**	**-**	**-**
Financial guarantees	**-**	**-**	**2,730,259**	**2,730,259**	**-**	**-**
	937,203		**3,766,153**	**3,272,370**	**493,783**	**-**
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	**(338,179)**	**6.40**	**(360,931)**	**(348,888)**	**(12,043)**	**-**
Outflow	**337,329**	**4.50-5.77**	**356,589**	**344,099**	**12,490**	**-**
	936,353		**3,761,811**	**3,267,581**	**494,230**	**-**

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity analysis (continued)

	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATE %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
2019						
Group						
Non-derivative financial liabilities						
Term loans	667,039	2.59-3.86	696,480	128,352	568,128	-
Medium term notes	796,706	6.40-6.65	947,866	51,650	896,216	-
Finance lease liabilities	130	6.60	131	131	-	-
Trade payables	59,865	-	59,865	59,865	-	-
Other payables and accruals	25,507	-	25,507	25,507	-	-
Financial guarantee	-	-	3,276,723	3,276,723	-	-
	1,549,247		5,006,572	3,542,228	1,464,344	-
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	(305,312)	6.40	(344,392)	(19,540)	(324,852)	-
Outflow	307,517	4.50-5.77	334,551	14,548	320,003	-
	1,551,452		4,996,731	3,537,236	1,459,495	-
Company						
Non-derivative financial liabilities						
Term loans	192,974	3.74-3.86	200,027	114,475	85,552	-
Medium term notes	796,706	6.40-6.65	993,415	51,650	941,765	-
Other payables and accruals	17,617	-	17,617	17,617	-	-
Financial guarantees	-	-	3,750,788	3,750,788	-	-
	1,007,297		4,961,847	3,934,530	1,027,317	-
Derivative financial liabilities						
Cross-currency swap (gross settled)						
Inflow	(305,312)	6.40	(344,392)	(19,540)	(324,852)	-
Outflow	307,517	4.50-5.77	334,551	14,548	320,003	-
	1,009,502		4,952,006	3,929,538	1,022,468	-

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

As at the end of the reporting period, the Group and the Company are not exposed to other price risks.

33.6.1 Currency risk

The Group and the Company are mainly exposed to foreign currency risk on equity contribution to subsidiaries and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Great Britain Pound (''GBP'').

Risk management objectives, policies and processes for managing the risk

The Group and the Company closely monitor their exposure to foreign currency risk and the fluctuation in foreign currencies. The Group and the Company use cross-currency swaps to hedge their foreign currency risk. The cross-currency swaps have maturities of one to five years after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	DENOMINATED IN	
	AUD RM'000	GBP RM'000
2020		
Group		
Trade receivables	**-**	**1,666**
Cash, bank balances and deposits	**32**	**3,781**
Derivative financial (liabilities)/assets	**(427)**	**1,277**
Borrowings	**-**	**(130,513)**
Trade payables	**-**	**(165)**
Other payables and accruals	**-**	**(301)**
Net exposure	**(395)**	**(124,255)**
Company		
Cash, bank balances and deposits	**32**	**3,781**
Derivative financial (liabilities)/assets	**(427)**	**1,277**
Borrowings	**-**	**(130,513)**
Other payables and accruals	**-**	**(15)**
Net exposure	**(395)**	**(125,470)**
2019		
Group		
Trade receivables	-	1,275
Cash, bank balances and deposits	3,242	58,581
Borrowings	(85,894)	(107,080)
Other payables and accruals	-	(261)
Derivative financial assets/(liabilities)	451	(2,656)
Net exposure	(82,201)	(50,141)
Company		
Cash, bank balances and deposits	3,242	58,581
Borrowings	(85,894)	(107,080)
Other payables and accruals	-	(261)
Derivative financial assets/(liabilities)	451	(2,656)
Net exposure	(82,201)	(51,416)

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk primarily arises from Group entities which have Ringgit Malaysia as functional currency. The exposure to currency risk of Group entities which do not have a Ringgit Malaysia functional currency is not material and hence, sensitivity analysis is not performed.

A 10% (2019: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased profit or loss by the pre-tax amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant.

	GROUP		COMPANY	
PROFIT OR LOSS	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
AUD	**39**	8,220	**39**	8,220
GBP	**12,426**	5,014	**12,547**	5,142
	12,465	13,234	**12,586**	13,362

A 10% (2019: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown on the above currencies, on the basis that all other variables remain constant.

33.6.2 Interest rate risk

The Group's and the Company's fixed rate deposits held with licensed financial institutions and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company regularly review their debt portfolio and such strategy enables the Group and the Company to source low interest funding from the market and achieve a certain level of protection against interest rate hike. The Group and the Company do not use derivative financial instruments to hedge their debt obligations.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed rate instruments				
Financial assets	**132,098**	374,422	**101,014**	346,065
Financial liabilities	**(797,809)**	(796,706)	**(797,809)**	(796,706)
Lease liabilities	**(4,738)**	-	**-**	-
	(670,449)	(422,284)	**(696,795)**	(450,641)
Floating rate instruments				
Financial liabilities	**(430,550)**	(667,039)	**(130,513)**	(192,974)

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk (continued)

33.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	GROUP		COMPANY	
PROFIT OR LOSS	100 BP INCREASE RM'000	100 BP DECREASE RM'000	100 BP INCREASE RM'000	100 BP DECREASE RM'000
2020				
Floating rate instruments	**(3,272)**	**3,272**	**(992)**	**992**
2019				
Floating rate instruments	(5,069)	5,069	(1,467)	1,467

33.7 Hedging activities

33.7.1 Currency risk - Transactions in foreign currency

The Group and the Company are mainly exposed to foreign currency risk on equity contribution to subsidiaries and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Great Britain Pound ("GBP").

The Group and the Company used cross-currency swaps to hedge their foreign currency risk arising from AUD and GBP denominated equity contribution to subsidiaries, that is a net investment in a foreign operation. The Group and the Company closely monitor their exposure to foreign currency risk and the fluctuation in foreign currencies. The Group and the Company designated cross-currency swaps that are entered specifically to hedge against foreign currency risk from individual equity contribution ("hedge item") as effective hedge. These contracts have a maturity of one to five years from the reporting date.

The Group and the Company had assessed and determined that the critical terms of the cross-currency swap contracts ("hedge instrument") align with the hedged item. In assessing the critical terms of the hedge instrument, the Group and the Company determined the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group and the Company assessed whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's and the Company's own credit risk on the fair value of the cross-currency swap contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates and interest rates; and
- changes in the timing of the hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.7 Hedging activities (continued)

33.7.2 Hedge of net investment in a foreign operation

At 31 October 2020, the Group and the Company held cross currency swaps to hedge exposures to changes in foreign currency arising from AUD and GBP denominated equity contribution to subsidiaries.

The amounts at the reporting date relating to items designated as hedged items were as follows:

GROUP AND COMPANY	CHANGE IN VALUE OF HEDGED ITEMS USED FOR CALCULATION OF HEDGE INEFFECTIVENESS RM'000	HEDGING RESERVE RM'000	BALANCES REMAINING IN THE HEDGING RESERVE FROM HEDGING RELATIONSHIPS FOR WHICH HEDGE ACCOUNTING IS NO LONGER APPLIED RM'000
Foreign currency risk			
2020			
Equity contribution to subsidiaries	**3,431**	**(329)**	**-**
2019			
Equity contribution to subsidiaries	2,225	(2,011)	-

The amounts relating to items designated as hedging instruments are as follows:

GROUP AND COMPANY	NOMINAL AMOUNT RM'000	CARRYING AMOUNT ASSETS RM'000	CARRYING AMOUNT LIABILITIES RM'000	LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION WHERE THE HEDGING INSTRUMENT IS INCLUDED
Foreign currency risk				
2020				
Cross currency swap	**338,179**	**2,487**	**(1,637)**	Derivative financial assets/(liabilities)
2019				
Cross currency swap	305,312	-	(2,205)	Derivative financial liabilities

Included in the carrying amount of hedging instrument of the Group and of the Company is hedge ineffectiveness of RM1,179,000 gain (2019: RM194,000 loss), which has been recognised as unrealised gain/(loss) on foreign exchange in the profit or loss.

33.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE					
2020	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000	TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
Group										
Financial liabilities										
Medium term notes (Non-current)	-	-	-	-	-	466,218	-	466,218	466,218	448,371
Derivative financial liabilities	-	602	-	602	-	-	-	-	602	602
	-	602	-	602	-	466,218	-	466,218	466,820	448,973
Company										
Financial liabilities										
Medium term notes (Non-current)	-	-	-	-	-	466,218	-	466,218	466,218	448,371
Derivative financial liabilities	-	602	-	602	-	-	-	-	602	602
	-	602	-	602	-	466,218	-	466,218	466,820	448,973

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Fair value information (continued)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE					
2019	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000	TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
Group										
Financial liabilities										
Term loans	-	-	-	-	-	-	559,959	559,959	559,959	559,959
Medium term notes	-	-	-	-	-	807,018	-	807,018	807,018	796,706
Derivative financial liabilities	-	2,205	-	2,205	-	-	-	-	2,205	2,205
	-	2,205	-	2,205	-	807,018	559,959	1,366,977	1,369,182	1,358,870
Company										
Financial liabilities										
Term loans	-	-	-	-	-	-	85,894	85,894	85,894	85,894
Medium term notes	-	-	-	-	-	807,018	-	807,018	807,018	796,706
Derivative financial liabilities	-	2,205	-	2,205	-	-	-	-	2,205	2,205
	-	2,205	-	2,205	-	807,018	85,894	892,912	895,117	884,805

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Fair value of information (continued)

Level 2 fair value

Derivatives

The fair value of cross currency swap is estimated by discounting the future contractual cash flows at the current market rate available for similar instruments.

Medium term notes ("MTN")

The fair value of MTN is estimated by discounting the future contractual cash flows based on the effective yield of latest sales and purchases of the MTN at year end.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2019: no transfer in either directions).

Level 3 fair value

Financial instruments not carried at fair value

TYPE	DESCRIPTION OF VALUATION TECHNIQUE AND INPUTS USED
Term loans	Discounted cash flows valuation technique using a rate based on the current market rate of borrowing of the respective group entities at the reporting date.

34. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to support the Group's stability and growth. The principal form of capital is share capital and when necessary, borrowings as included in the statements of financial position.

The Group actively and regularly reviews and manages its capital structure and when necessary, obtains financial support from its lenders, debt and equity capital raising exercises to ensure optimal capital structure and shareholder returns.

The Company and certain group entities are required to maintain a maximum debt-to-equity ratio to comply with bank covenants, failing which, the bank may call an event of default. The Company and these group entities have complied with the respective bank covenants.

NOTES TO THE FINANCIAL STATEMENTS

34. CAPITAL MANAGEMENT (CONTINUED)

The debt-to-equity ratios at 31 October 2020 and at 31 October 2019 were as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Borrowings (Note 19)	**1,228,359**	1,463,745	**928,322**	989,680
Lease liabilities	**4,738**	-	**-**	-
Finance lease liabilities (Note 22)	**-**	130	**-**	-
Less: Cash, bank balances and deposits (Note 16)	**(284,014)**	(439,995)	**(120,894)**	(356,386)
Net debt	**949,083**	1,023,880	**807,428**	633,294
Total equity attributable to owners of the Company	**2,739,072**	2,685,641	**2,649,856**	2,710,045
Debt-to-equity ratio	**0.35**	0.38	**0.30**	0.23

There was no change in the Group's and the Company's approach to capital management during the financial year.

35. SIGNIFICANT EVENT

COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak resulted in travel restrictions, lockdowns and other containment measures imposed in various countries, including Malaysia, United Kingdom and Australia. These containment measures have brought significant economic uncertainties in markets in which the Group operates.

The Group's current financial year results were affected by the pandemic. Due to fluidity of the situation, the COVID-19 pandemic is envisaged to affect the Group's future business operations. The Group is taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

36.1 Adoption of MFRS 16, Leases

During the year, the Group and the Company adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, *Determining whether an Arrangement contains a Lease* were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 November 2019.

As a lessee

Where the Group and the Company are a lessee, the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 November 2019.

At 1 November 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group entities' incremental borrowing rate as at 1 November 2019. The weighted-average rate applied is 5%. Right-of-use assets are measured at an amount equal to the lease liability, discounted using the lessee's incremental borrowing rate at 1 November 2019 and adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied a single discount rate to a portfolio of lease with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 November 2019;
- excluded initial direct costs from measuring right-of-use assets at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

36.1 Adoption of MFRS 16, Leases (continued)

Impacts on financial statements

Since the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 November 2019, there are no adjustments made to the prior period presented.

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 31 October 2019, and lease liabilities recognised in the statement of financial position at 1 November 2019.

	RM'000
Operating lease commitments at 31 October 2019 as disclosed in the Group's consolidated financial statements	7,181
Discounted using the incremental borrowing rate at 1 November 2019	6,429
Finance lease liabilities recognised at 31 October 2019	130
Recognition exemption for short-term leases and low-value assets	(897)
Lease liabilities recognised at 1 November 2019	5,662

36.2 Annual Improvements to MFRS 123, *Borrowing Costs*

The Annual Improvements to MFRS 123 clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Hence, instead of charging the borrowing costs to profit or loss, such borrowing costs are capitalised as part of other qualifying assets.

The Group adopted the amendment prospectively in accordance with the transitional provision of the Annual Improvements to MFRS 123. This has resulted in the capitalisation of finance costs incurred during the financial year by the Group as part of inventories.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 66 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 October 2020 and of their financial performance and cash flows for the financial year then ended.

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

Tan Sri Dato' Sri Liew Kee Sin
Director

Dato' Teow Leong Seng
Director

Petaling Jaya,
Date: 4 February 2021

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Dato' Teow Leong Seng, the Director primarily responsible for the financial management of Eco World International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Dato' Teow Leong Seng, NRIC: 581212-10-6981, MIA CA 3871 at Petaling Jaya in the State of Selangor on 4 February 2021.

Dato' Teow Leong Seng
Director

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eco World International Berhad, which comprise the statements of financial position as at 31 October 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 130.

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 2020, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis 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 auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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 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.

Share of profits of equity-accounted joint ventures

Refer to Note 2(a)(iv) - Significant accounting policy: Joint arrangements and Note 7 - Investments in joint ventures.

The key audit matter

The Group has an equity interest of 75% in Eco World-Ballymore Holding Company Limited and 70% in both Be Eco World Investment Company Limited and Eco World London Development Company Limited at 31 October 2020. For the financial year ended 31 October 2020, the share of profit of joint ventures amounted to RM176.8 million of the Group's profit after tax.

The accounting for the results of the joint ventures is identified as a key audit matter because the share of profit of joint ventures is a significant contributor to the Group's profit after tax.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We communicated continuously with the component auditors of the joint ventures throughout the audit to satisfy our requirements under the international auditing standards;
- We issued group audit instructions to the component auditors to communicate our group audit strategy and directed the scope of work to be performed;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

Share of profits of equity-accounted joint ventures (continued)

How the matter was addressed in our audit (continued)

- We obtained an understanding of the procedures planned to be performed by the component auditors and considered whether the planned procedures were appropriate for the purpose of the audit of the consolidated financial statements;
- We assessed the adequacy of the work performed by the component auditors and the consistent application of the Group's accounting policies;
- We discussed significant matters arising from the audit with the component auditors, in particular on identified significant risks of material misstatements to the Group financial statements; and
- We assessed whether the carrying amounts of the joint ventures are properly accounted for using the equity method, including checking the arithmetic accuracy of the calculation of share of profit of joint ventures and evaluated that the accounting policies of the joint ventures have been aligned to the Group's accounting policies.

Valuation of goodwill

Refer to Note 2(f) - Significant accounting policy: Goodwill, Note 2(k) - Significant accounting policy: Impairment and Note 5 - Goodwill.

The key audit matter

At 31 October 2020, the Group has a goodwill amounting to RM10.7 million. The Group has recognised impairment loss of RM83.0 million (2019: Nil) in respect of goodwill during the year.

Impairment of goodwill is considered to be a key audit matter because of the degree of judgement involved in the assessment of the recoverable amount of each cash-generating unit ("CGU"). The determination of recoverable amount for CGUs is subjected to key assumptions made with regards to future cash flows of the CGUs and the discount rate applied to the future cash flows.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We assessed the Group's key assumptions used to determine the recoverable amount of the CGUs against corroborative evidence, which include checking the assumptions on the projected cash flows against approved business plans and actual sales results achieved to-date audited by the component auditor and evaluating the reasonableness of the industry average weighted average cost of capital used to discount the projected cash flows; and
- We assessed the adequacy of the disclosure of the key assumptions used by the Group in determining the recoverable amount of the CGUs.

Valuation of inventories

Refer to Note 2(g) - Significant accounting policy: Inventories and Note 8 - Inventories.

The key audit matter

Inventories of the Group comprise properties under development amounting to RM481.9 million and developed properties of RM170.3 million from its property development projects of overseas subsidiaries. The determination of the estimated net realisable value for the inventories is dependent upon the Group's expectation of future selling prices.

Valuation of inventories is identified as a key audit matter because of the uncertainty in the global property market and the resultant market volatility, which may lead to downward pressure on transaction volumes and prices. This in turn poses a challenge on the sustainability of expected future selling prices of the Group's properties.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

Valuation of inventories (continued)

How the matter was addressed in our audit

We requested the component auditors to perform the following audit procedures and assessed the adequacy of work performed:

- We compared the actual cost and cost to completion of properties under development against budgeted selling prices to assess whether there are any indications that the net realisable value of properties under development are below their carrying amounts;
- We compared the budgeted selling prices against actual selling prices in signed sale and purchase agreements to assess whether the Group's expected future selling prices are attainable; and
- We evaluated the sale of properties under development achieved by the Group against targeted sales to identify downward pressure on transaction volumes.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the 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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECO WORLD INTERNATIONAL BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Foong Mun Kong
Approval Number: 02613/12/2022 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 4 February 2021

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 OCTOBER 2020

(i) Details of the properties held by the Group are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^ (RM'000)
1	**West Village, Parramatta** Lot 100 in Deposited Plan 792374 Lot 504 in Deposited Plan 701136/ 76-82 and 100, Church Street Parramatta New South Wales 2150 Australia	Developed properties	30 November 2015	4,778	Freehold	170,295
2	**Yarra One, Melbourne** 16-22, Claremont Street South Yarra, Victoria 3141 Australia	Properties under development	10 April 2017	2,128	Freehold	481,948
3	**Macquarie Park** 1-3 Lachlan Avenue Macquarie Park Sydney New South Wales 2113 Australia	Development site for Macquarie Park Project	9 November 2018	2,751	Freehold	132,264

Note:
^ *Based on the exchange rate of AUD1.00 : RM2.9219, being the closing rate for AUD to RM as at 31 October 2020*

(ii) Details of the development properties held by a Joint Venture, EcoWorld-Ballymore are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
1	**Eco World-Ballymore London City Island Company Limited** EGL442847/Land at Middle Wharf Baldwins Upper Wharf and Crown Wharf, Orchard Place London E14 United Kingdom	Development site for the London City Island Phase 2 Project	11 January 2015	23,553	Freehold	475,973
	EGL489449/Land on the west side of Orchard Place London E14 United Kingdom			526	Leasehold Expiring: Year 2130	
2	**Eco World-Ballymore Embassy Gardens Company Limited** TGL423144/Phase 2 Embassy Gardens Nine Elms Lane London SW8 5BL United Kingdom	Development site for the Embassy Garden Phase 2 Project	11 January 2015	22,015	Freehold	2,333,515
3	**Eco World-Ballymore Arrowhead Quay Company Limited** NGL501731 and EGL531989/ Land at South Quay Isle of Dogs London E14 United Kingdom	Development site for the Wardian London Project	11 January 2015	5,463	Freehold	1,556,219

Note:

^ *Based on the exchange rate of GBP1.00 : RM5.3709, being the closing rate for GBP to RM as at 31 October 2020*

These amount represent 100% of the net book value of the properties held by the joint ventures

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 OCTOBER 2020

(iii) Details of the development properties held by the Joint Venture, EcoWorld London are as follows:

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
1	**Be (M&J) LLP** The Quadrant Kilburn Lane London W10 4AH United Kingdom	Development site for Moberly Project (Kensal Rise)	16 March 2016	6,600	Leasehold	87,021
	Jubilee Sports Centre Caird Street London W10 4RR United Kingdom	Development site for Jubilee Project (Maida Hill)	16 March 2016	5,900	Leasehold	N/A~
2	**Prime Place (Millbrook) LLP** Millbrook Park Project Office Inglis Way London NW7 1FJ United Kingdom	Development site for Millbrook Park Project	17 December 2015	10,800	Freehold	278,144
3	**Be Living (Lampton) LLP** Nantly House 33, Lampton Road Middlesex TW3 4DN United Kingdom	Development site under framework agreement with London Borough of Hounslow for Nantly House Project	N/A*	N/A*	N/A*	N/A*
	Be Living (Lampton) LLP Acton Lodge Site 84 London Road Brentford TW8 8JJ	Development site under framework agreement with London Borough of Hounslow	N/A*	N/A*	N/A*	N/A*
4	**Barking Wharf Limited** Abbey Retail Park Abbey Road Barking IG11 7BL United Kingdom	Development site for Barking Wharf Phase 1	23 March 2017	12,800	Freehold	95,935
5	**Be (Barking) LLP** Tesco Car Park Highbridge Rd Barking IG11 7BS United Kingdom	Development site for Barking Tesco Phase 1	7 August 2019	10,000	Freehold	92,690

No.	Location	Description	Date of Acquisition	Land Area (sq. m.)	Tenure	Net Book Value^# (RM'000)
6	**Prime Place (Woking Goldsworth Road North) LLP** 15-29 Goldsworth Road Woking GU21 6JT United Kingdom	Development site for Woking Project	26 January 2016	1,700	Freehold	30,293
7	**Goldsworth Road Development LLP** 30-32 Goldsworth Road Woking GU21 6JT United Kingdom	Development site for Woking Project	12 October 2015	3,885	Freehold	228,738
8	**Aberfeldy New Village LLP** Aberfeldy Marketing Gallery Lighterman Point 2A Abbott Road London E14 0ND United Kingdom	Development site for Aberfeldy Village Project Phase 3 – 6	23 March 2017	66,000	Leasehold	203,626
9	**Kew Bridge Gate Developments LLP** Kew Bridge Community Stadium Brentford Brentford TW8 0EX United Kingdom	Development site for Kew Bridge Project	30 August 2018	47,300	Leasehold	701,347

Notes:

^ *Based on the exchange rate of GBP1.00 : RM5.3709, being the closing rate for GBP to RM as at 31 October 2020*

These amount represent 100% of the net book value of the properties held by the joint ventures

* *Not applicable due to no ownership of land*

~ *Planning obligation to deliver to local council*

ANALYSIS OF SHAREHOLDINGS
AS AT 18 JANUARY 2021

Issued share capital : 2,400,000,000
Class of share : Ordinary shares
Voting rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	19	0.12	369	0.00
100 - 1,000	3,236	19.78	1,959,250	0.08
1,001 - 10,000	7,980	48.79	42,935,649	1.79
10,001 - 100,000	4,450	27.21	148,350,900	6.18
100,001 to less than 5% of issued shares	668	4.08	664,213,034	27.68
5% and above of issued shares	3	0.02	1,542,540,798	64.27
Total	**16,356**	**100.00**	**2,400,000,000**	**100.00**

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	NO. OF ORDINARY SHARES HELD			
NAME	DIRECT	%	INDIRECT	%
Tan Sri Azlan Bin Mohd Zainol	5,120,000	0.21	67,200[(1)]	negligible
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000[(2)]	1.90
Dato' Teow Leong Seng	15,263,000	0.64	-	-
Cheah Tek Kuang	3,000,000	0.13	-	-
Dato' Chang Khim Wah	1,471,400	0.06	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	5,000,000[(3)]	0.21
Dato' Siow Kim Lun	2,000,000	0.08	-	-
Dato' Kong Sooi Lin	-	-	-	-
Pauline Wong Wan Voon	-	-	-	-

(1) *Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
(2) *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act*
(3) *Deemed interested by virtue of her spouse's interest in the Company pursuant to Section 59(11)(c) of the Act*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	NO. OF ORDINARY SHARES HELD			
NAME	DIRECT	%	INDIRECT	%
Tan Sri Dato' Sri Liew Kee Sin	246,540,798	10.27	45,700,000[1]	1.90
Eco World Capital (International) Sdn Bhd	648,000,000	27.00	-	-
GLL EWI (HK) Limited	648,000,000	27.00	-	-
Sinarmas Harta Sdn Bhd	78,726,900	3.28	648,000,000[2]	27.00
Dato' Leong Kok Wah	2,000,000	0.08	726,726,900[3]	30.28
Syabas Tropikal Sdn Bhd	-	-	726,726,900[4]	30.28
Eco World Development Group Berhad	-	-	648,000,000[2]	27.00
Davos Investment Holdings Private Limited	-	-	648,000,000[5]	27.00
Hong Leong Investment Holdings Pte Ltd	-	-	648,000,000[5]	27.00
Kwek Holdings Pte Ltd	-	-	648,000,000[5]	27.00
GLL (Malaysia) Pte Ltd	-	-	648,000,000[5]	27.00
GuocoLand Limited	-	-	648,000,000[5]	27.00
GuocoLand Assets Pte Ltd	-	-	648,000,000[5]	27.00
Guoco Group Limited	-	-	648,000,000[5]	27.00
GuoLine Overseas Limited	-	-	648,000,000[5]	27.00
GuoLine Capital Assets Limited	-	-	648,000,000[5]	27.00
Hong Leong Company (Malaysia) Berhad	-	-	648,000,000[5]	27.00
HL Holdings Sdn Bhd	-	-	648,000,000[5]	27.00
Hong Realty (Private) Limited	-	-	648,000,000[5]	27.00
Kwek Leng Kee	-	-	648,000,000[5]	27.00
Kwek Leng Beng	-	-	648,000,000[5]	27.00
Tan Sri Quek Leng Chan	-	-	648,000,000[5]	27.00

(1) *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
(2) *Deemed interested by virtue of its interest in Eco World Capital (International) Sdn Bhd pursuant to Section 8 of the Act*
(3) *Deemed interested by virtue of his interest in Syabas Tropikal Sdn Bhd pursuant to Section 8 of the Act*
(4) *Deemed interested by virtue of its interest in Sinarmas Harta Sdn Bhd pursuant to Section 8 of the Act*
(5) *Deemed interested by virtue of their interest in GLL EWI (HK) Limited pursuant to Section 8 of the Act*

ANALYSIS OF SHAREHOLDINGS
AS AT 18 JANUARY 2021

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	648,000,000	27.00
2	GLL EWI (HK) LIMITED	648,000,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	246,540,798	10.27
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	119,930,600	5.00
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	49,738,700	2.07
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIEW TIAN XIONG (PB)	40,500,000	1.69
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	28,988,200	1.21
8	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	26,184,400	1.09
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD	22,000,000	0.92
10	TEE TIAM LEE	21,767,400	0.91
11	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOW LEONG SENG	15,200,000	0.63
12	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	15,000,000	0.63
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	7,500,000	0.31
14	ONG AUN KUNG	6,861,600	0.29
15	SIGMA SELEKSI SDN BHD	6,809,200	0.28
16	VOON TIN YOW	6,056,000	0.25
17	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN IMBANG (MIXED ASSET BALANCED) 2	5,642,800	0.24
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH LILY (E-BBB/SNG)	5,200,000	0.22
19	AZLAN BIN MOHD ZAINOL	5,120,000	0.21
20	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	5,000,000	0.21

THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
21	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAYASANKARAN A/L K.K. SANKARAN	5,000,000	0.21
22	KENANGA NOMINEES (TEMPATAN) SDN BHD KHO CHAI YAM	4,341,900	0.18
23	AMANAHRAYA TRUSTEES BERHAD ASN IMBANG (MIXED ASSET BALANCED) 1	3,500,000	0.15
24	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW TIAN XIONG	3,500,000	0.15
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE YONG CHIA	3,380,000	0.14
26	BAKRY BIN HAMZAH	3,000,000	0.12
27	LEE BOON GIAP	3,000,000	0.12
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR CHEAH TEK KUANG (PW-M00833) (421294)	3,000,000	0.12
29	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SONG SOON HEE	2,900,000	0.12
30	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUA SIN MO	2,900,000	0.12
		1,964,561,598	**81.86**

ANALYSIS OF WARRANTHOLDINGS
AS AT 18 JANUARY 2021

Total no. of warrants issued : 960,000,000
Exercise price of warrants : RM1.45
Expiry date : 4 April 2022

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
Less than 100	1,292	13.94	63,144	0.01
100 - 1,000	3,071	33.13	1,304,589	0.13
1,001 - 10,000	2,837	30.60	10,979,584	1.14
10,001 - 100,000	1,570	16.94	59,415,239	6.19
100,001 to less than 5% of issued warrants	497	5.36	288,640,764	30.07
5% and above of issued warrants	3	0.03	599,596,680	62.46
Total	**9,270**	**100.00**	**960,000,000**	**100.00**

DIRECTORS' WARRANTHOLDINGS AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS

	NO. OF WARRANTS HELD			
NAME	DIRECT	%	INDIRECT	%
Tan Sri Azlan Bin Mohd Zainol	2,048,000	0.21	27,280[(1)]	negligible
Tan Sri Dato' Sri Liew Kee Sin	98,616,319	10.27	18,280,000[(2)]	1.90
Dato' Teow Leong Seng	6,105,200	0.64	-	-
Cheah Tek Kuang	1,200,000	0.13	-	-
Dato' Chang Khim Wah	8,000	negligible	-	-
Choong Yee How	-	-	-	-
Cheng Hsing Yao	-	-	-	-
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	-	-	-	-
Dato' Siow Kim Lun	800,000	0.08	-	-
Dato' Kong Sooi Lin	-	-	-	-
Pauline Wong Wan Voon	-	-	-	-

(1) *Deemed interested by virtue of his child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("**Act**")*
(2) *Deemed interested by virtue of his spouse and child's interest in the Company pursuant to Section 59(11)(c) of the Act*

THIRTY (30) LARGEST WARRANTHOLDERS

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANT	%
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - CIMB INVESTMENT BANK BERHAD FOR ECO WORLD CAPITAL (INTERNATIONAL) SDN BHD (SSCA)	259,200,000	27.00
2	GLL EWI (HK) LIMITED	259,200,000	27.00
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KEE SIN	81,196,680	8.46
4	LIEW KEE SIN	17,419,639	1.81
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIEW TIAN XIONG (PB)	16,200,000	1.69
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SINARMAS HARTA SDN BHD	12,987,000	1.35
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SINARMAS HARTA SDN BHD (M09)	11,595,280	1.21
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ECO WORLD DEVELOPMENT HOLDINGS SDN BHD	8,800,000	0.92
9	SINARMAS HARTA SDN BHD	6,908,480	0.72
10	TEOW LEONG SENG	6,105,200	0.64
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHONG YEAN (E-KPG)	5,380,300	0.56
12	ONG AUN KUNG	5,100,000	0.53
13	LOW WEE LI	4,180,700	0.43
14	LEE YONG CHIA	3,800,000	0.40
15	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PHUA SIN MO	2,974,500	0.31
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD YIP SIEW KEE	2,909,900	0.30
17	WONG JEE SHYONG	2,750,000	0.29
18	SIGMA SELEKSI SDN BHD	2,723,680	0.28
19	VOON TIN YOW	2,422,400	0.25
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KWAN SENG (E-BPJ)	2,324,500	0.24

ANALYSIS OF WARRANTHOLDINGS
AS AT 18 JANUARY 2021

THIRTY (30) LARGEST WARRANTHOLDERS (CONTINUED)

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANT	%
21	AZLAN BIN MOHD ZAINOL	2,048,000	0.21
22	LIM MOOI TEAN	2,000,000	0.21
23	CHUA AH HOO	1,890,000	0.20
24	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	1,885,560	0.20
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POH SENG KIAN (TJJ/KEN)	1,810,000	0.19
26	PUA SEW SING	1,650,000	0.17
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU KHENG TONG (E-TCS)	1,600,000	0.17
28	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	1,591,280	0.16
29	TANG CHIN CHUAI	1,520,000	0.16
30	TEE TIAM LEE	1,500,000	0.16
		731,673,099	**76.22**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting ("**7th AGM**") of Eco World International Berhad ("**Company**") will be held as a fully virtual meeting at the broadcast venue at Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia ("**Broadcast Venue**") on Wednesday, 31 March 2021 at 10.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 31 October 2020 together with the Reports of the Directors and Auditors thereon. — **Please refer to the Explanatory Note (i)**

2 To approve the payment of Directors' Fees to the Independent Non-Executive Directors of the Company quarterly in arrears from the 7th AGM until the 8th AGM of the Company. — **Ordinary Resolution 1 [Please refer to the Explanatory Note (ii)]**

3 To approve the payment of Directors' Benefits to the Independent Non-Executive Directors of the Company from the 7th AGM until the 8th AGM of the Company. — **Ordinary Resolution 2 [Please refer to the Explanatory Note (iii)]**

4 To re-elect the following Directors who are retiring pursuant to Clause 114 of the Constitution of the Company:

(i) Mr Choong Yee How — **Ordinary Resolution 3**
(ii) Mr Cheng Hsing Yao — **Ordinary Resolution 4**
(iii) Tan Sri Datuk Dr Rebecca Fatima Sta Maria — **Ordinary Resolution 5**

[Please refer to the Explanatory Note (iv)]

5 To re-elect Dato' Chang Khim Wah who is retiring pursuant to Clause 121 of the Constitution of the Company. — **Ordinary Resolution 6 [Please refer to the Explanatory Note (v)]**

6 To re-appoint KPMG PLT as Auditors of the Company until the conclusion of the 8th AGM of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

7 **Authority to issue and allot shares** — **Ordinary Resolution 8 [Please refer to the Explanatory Note (vi)]**

"THAT subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being."

NOTICE OF ANNUAL GENERAL MEETING

8 **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 9
[Please refer to the Explanatory Note (vii)]

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, the Company and/or its subsidiaries and/or joint ventures ("**Group**") be and is/are hereby authorised to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature of the Group from time to time with related parties who may be a Director, a major shareholder of the Group or a person connected with such a Director and major shareholder, as specified in Section 2.2 of the Company's Circular dated 26 February 2021 which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

9 To transact any other business for which due notice shall have been given in accordance with the Act.

By Order of the Board

TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)
TAN AI NING (SSM PC No. 202008000067) (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
26 February 2021

NOTES

(i) The 7th AGM will be conducted fully virtual 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 SS e-Portal platform ("**SS e-Portal**") at https://sshsb.net.my/login.aspx. Please follow the procedures set out in the Administrative Guide for the 7th AGM to register, attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely via the RPV facilities.

(ii) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act, which stipulates that the Chairman of the meeting shall be present at the main venue of the AGM and in accordance with Clause 78 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present nor admitted at the Broadcast Venue on the day of the 7th AGM.

(iii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 March 2021 (General Meeting Record of Depositors) shall be eligible to participate in the 7th AGM or appoint proxy(ies) to attend and/or vote on his/her behalf.

(iv) A member entitled to attend and vote at the 7th AGM is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead at the same meeting. A proxy may but need not be a member of the Company. There shall be no restriction to the qualification of the proxy. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate and vote at the 7th AGM shall have the same rights as the member to participate at the 7th AGM.

The members, proxies or corporate representatives may submit questions before the 7th AGM to the Chairman or Board of Directors electronically by email to eservices@sshsb.com.my no later than Monday, 29 March 2021 at 10.30 a.m. or via real time submission of typed texts via RPV facilities during the live streaming of the 7th AGM as the primary mode of communication.

(v) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(vi) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the 7th 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.

(vii) The instrument appointing a proxy by a member who is entitled to participate at the AGM, shall be executed by the appointor or of his/her attorney duly authorised in writing or via electronic submission. If the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.

(viii) The appointment of proxy may be made in the form of hardcopy or by electronic means as specified below and must be received by the Poll Administrator, SS E Solutions Sdn Bhd no later than Monday, 29 March 2021 at 10.30 a.m. or any adjournment thereof:

In hardcopy form

Deposited at the office of the Poll Administrator, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

By electronic means

Alternatively, the instrument appointing of proxy may also be lodged electronically via SS e-Portal at https://sshsb.net.my/login.aspx or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

If you have submitted your proxy form(s) prior to the 7th AGM and subsequently decide to appoint another person or wish to personally participate in the 7th AGM via RPV facilities, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy(ies) no later than Monday, 29 March 2021 at 10.30 a.m. or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

(i) Item 1 of the Agenda: Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(ii) Ordinary Resolution 1 – Directors' Fees from the 7th AGM until the 8th AGM of the Company

At the postponed 6th AGM of the Company, the shareholders have approved the payment of RM200,000 per annum for each Independent Non-Executive Director from 1 November 2019 until the 7th AGM of the Company. In cognisance of the current unprecedented challenges posed by COVID-19 pandemic and current uncertain economic environment, the Independent Non-Executive Directors have voluntarily agreed to take a 20% reduction in their fees from 1 May 2020 until the 7th AGM ("**Reduced Directors' Fees**"). The Board has also proposed the Reduced Directors' Fees from the 7th AGM to the 8th AGM to the shareholders for approval, the details of which are set out in the table below and our Corporate Governance Report 2020:

Approval Sought/ To be Sought	Period	Amount of Directors' Fees Approved/ To be Approved	Amount Paid/ To Be Paid
At the postponed 6th AGM held on 19 May 2020	From 1 November 2019 until the 7th AGM	RM1,699,998	RM1,480,002
At the upcoming 7th AGM	From the 7th AGM until the 8th AGM	RM960,000*	-

* *Based on the assumption that the 8th AGM of the Company will be held in March 2022.*

The payment of the Directors' Fees of RM160,000 per annum for each Independent Non-Executive Director from the 7th AGM until the 8th AGM of the Company will only be made quarterly in arrears if the proposed Ordinary Resolution 1 has been passed at the 7th AGM pursuant to Clause 122 of the Constitution of the Company.

(iii) Ordinary Resolution 2 – Directors' Benefits from the 7th AGM until the 8th AGM of the Company

The Directors' Benefits payable to the Independent Non-Executive Directors up to RM230,000 from the 7th AGM until the 8th AGM of the Company will only be made by the Company as and when incurred if the proposed Ordinary Resolution 2 has been passed at the 7th AGM. In determining the estimated total amount of the Directors' Benefits, the Board has considered the number of scheduled and special meetings for the Board and Board Committees as well as the number of Independent Non-Executive Directors involved in the meetings. Details of the Directors' Benefits are available in our Corporate Governance Report 2020.

(iv) Ordinary Resolutions 3 to 5 – Re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda item no. 4 are set out in the Board of Directors' profile of the Annual Report 2020.

(v) Ordinary Resolution 6 – Re-election of Director

The profile of the Director who is standing for re-election as per Agenda item no. 5 is set out in the Board of Directors' profile of the Annual Report 2020.

(vi) Ordinary Resolution 8 – Authority to issue and allot shares

The Company had during its postponed 6th AGM held on 19 May 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. The Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The proposed Ordinary Resolution 8 is a renewal general mandate for issuance of shares by the Company pursuant to Section 76 of the Act, the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities. The mandate, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of funding future investments project(s), working capital and/or acquisitions. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the 8th AGM.

(vii) Ordinary Resolution 9 – Proposed Shareholders' Mandate

The proposed Ordinary Resolution 9, if passed, will allow the Group to enter into the Recurrent Related Party Transactions under the Proposed Shareholders' Mandate pursuant to the provisions of the Main Market Listing Requirements of Bursa Securities and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantially the expenses associated with the convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 26 February 2021 which is available on the Company's website https://ecoworldinternational.com for further information.

PERSONAL DATA PRIVACY

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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PROXY FORM

ECO WORLD INTERNATIONAL BERHAD
Registration No. 201301030020 (1059850-A)
(Incorporated in Malaysia)

I/We, ______________________________ NRIC/Passport/Company No. ____________________
(NAME IN FULL AND BLOCK LETTERS)

of ____
(FULL ADDRESS)

and Telephone No./Email Address ______________________ being a member/members of **ECO WORLD INTERNATIONAL BERHAD** ("**Company**"), hereby appoint ______________________________
(NAME IN FULL AND BLOCK LETTERS)

NRIC/Passport No. ________________ of ______________________________________
(FULL ADDRESS)

______________________________ , ____________________ (Proportion: ______%)
(FULL ADDRESS) (TELEPHONE NO./EMAIL ADDRESS)

and/or failing him/her, ______________________________ NRIC/Passport No. ____________________
(NAME IN FULL AND BLOCK LETTERS)

______________________________ , ____________________ (Proportion: ______%)
(FULL ADDRESS) (TELEPHONE NO./EMAIL ADDRESS)

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Seventh Annual General Meeting ("**7th AGM**") of the Company, to be held as a fully virtual meeting at the broadcast venue at Bukit Bintang City Centre Sales Gallery, No. 2, Jalan Hang Tuah, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia ("**Broadcast Venue**") on Wednesday, 31 March 2021 at 10.30 a.m. and, at any adjournment thereof.

I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval for the payment of Directors' Fees quarterly in arrears from the 7th AGM until the 8th AGM of the Company		
Ordinary Resolution 2	Approval for the payment of Directors' Benefits from the 7th AGM until the 8th AGM of the Company		
Ordinary Resolution 3	Re-election of Mr Choong Yee How		
Ordinary Resolution 4	Re-election of Mr Cheng Hsing Yao		
Ordinary Resolution 5	Re-election of Tan Sri Datuk Dr Rebecca Fatima Sta Maria		
Ordinary Resolution 6	Re-election of Dato' Chang Khim Wah		
Ordinary Resolution 7	Re-appointment of KPMG PLT as Auditors of the Company		
Ordinary Resolution 8	Authority to issue and allot shares		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions		

Signed this ______________ day of ______________, 2021

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as he/she/they may think fit.

If appointment of proxy is under hand .... Signed by individual member/officer or attorney of member/authorised nominee of .... (beneficial owner)	No. of shares held: .... Securities Account No: .... (CDS Account No.) (Compulsory) Date: ....
If appointment of proxy is under seal The Common Seal of .... was hereto affixed in accordance with its Constitution in the presence of: .... Director Director/Secretary In its capacity as member/attorney of member/authorised nominee of .... (beneficial owner)	Seal No. of shares held: .... Securities Account No: .... (CDS Account No.) (Compulsory) Date: ....

Fold this flap for sealing

Then fold here

Affix Stamp

SS E Solutions Sdn Bhd
(Registration No. 202001010461 (1366781-T))

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

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PERSONAL DATA PRIVACY

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www.ecoworldinternational.com

Eco World International Berhad
(201301030020 (1059850-A))

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