

14. ACCOUNTANTS' REPORT

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
(HISTORICAL FINANCIAL INFORMATION)
FOR THE PERIOD/YEARS ENDED 31 OCTOBER 2014,
31 OCTOBER 2015 AND 31 OCTOBER 2016

14. ACCOUNTANTS' REPORT (Cont'd)


M A Z A R S
23 FEB 2017

The Board of Directors
 Eco World International Berhad
 Lot 6.05, Level 6, KPMG Tower
 8 First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan

Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE HISTORICAL FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT ("REPORT") OF ECO WORLD INTERNATIONAL BERHAD

We have audited the accompanying historical financial information of Eco World International Berhad ("EWI" or the "Company"), which comprises:

- (i) the consolidated statement of financial position of the Company and its subsidiaries and joint ventures ("EWI Group") as at 31 October 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the EWI Group for the financial year ended ("FYE") 31 October 2016;
- (ii) the statements of financial position of the Company as at 31 October 2015 and 31 October 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the FYE 31 October 2015 and the financial period from 28 August 2013 (date of incorporation) to 31 October 2014 ("FPE 31 October 2014"); and
- (iii) a summary of significant accounting policies and other explanatory information;

as set out in pages 4 to 74.

This Report is prepared in accordance with the *Prospectus Guidelines* issued by the Securities Commission Malaysia solely for inclusion in the prospectus of the Company in connection with the initial public offering and listing of and quotation for the entire enlarged issued and paid-up share capital and warrants of the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Prospectus"), and should not be used or relied upon for any other purposes. We do not assume responsibility to any other person for the content of this Report.

With effect from 17 February 2017, Mazars, a conventional partnership, was converted to Mazars PLT (LLP0010622-LCA), a limited liability partnership.

WISMA SELANGOR DREDGING, 11TH FLOOR, SOUTH BLOCK, 142-A, JALAN AMPANG, 50450 - KUALA LUMPUR - MALAYSIA
 TEL: +60 (3) 2161 5222 - FAX : +60 (3) 2161 3909 - contact@mazars.my - www.mazars.my

MAZARS PLT (LLP0010622-LCA) (AF 001954)
 CHARTERED ACCOUNTANTS



Praxity
 GLOBAL ALLIANCE OF
 INDEPENDENT FIRMS

14. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Eco World International Berhad

Directors' Responsibility for the Financial Information

The directors of the Company are responsible for preparing the historical financial information contained in the Accountants' Report in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards for the FYE 31 October 2016, FYE 31 October 2015 and the FPE 31 October 2014. The directors of the Company are also responsible for such internal control as the directors determine is necessary to enable the preparation of historical financial information that are free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility for the Audit of Financial Information

Our responsibility is to express an opinion, as required by the *Prospectus Guidelines*, on the historical financial information based on our audit. We conducted our work in accordance with the approved standards on auditing in Malaysia. We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical financial information. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the historical financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the historical financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the historical financial information, for the purposes of inclusion in the Prospectus, gives a true and fair view of:

- (i) the financial position of the EWI Group as at 31 October 2016 and its financial performance and cash flows for the FYE 31 October 2016 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards; and
- (ii) the financial position of the Company as at 31 October 2015 and 31 October 2014, and its financial performance and cash flows for the FYE 31 October 2015 and the FPE 31 October 2014 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

14. ACCOUNTANTS' REPORT (Cont'd)

 M A Z A R S

The Board of Directors
Eco World International Berhad

Emphasis of Matter

The directors of the Company have prepared the consolidated financial statements of the EWI Group for the FYE 31 October 2016 by applying the going concern assumption, notwithstanding that, the EWI Group reported deficit in its operating cash flows of RM39,159,000 for the FYE 31 October 2016; and the EWI Group's current liabilities exceeded its current assets by RM899,924,000 as of 31 October 2016. These conditions and other matters set out in note 2 to the historical financial information indicate the existence of uncertainty that may cast doubt about the EWI Group's ability to continue as a going concern.

We consider that appropriate disclosure has been made by the directors of the Company in the consolidated financial statements of the EWI Group, and our opinion is not qualified in this respect.



MAZARS PLT
LLP0010622-LCA
AF: 001954
Chartered Accountants



CHONG FAH YOW
03004/07/2018 J
Chartered Accountant

14. ACCOUNTANTS' REPORT (Cont'd)

M A Z A R S**ECO WORLD INTERNATIONAL BERHAD**
(Incorporated in Malaysia)**STATEMENTS OF FINANCIAL POSITION**

		EWI Group	EWI	EWI
		31 October	31 October	31 October
		2016	2015	2014
	<i>Note</i>	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Plant and equipment	4	2,299	-	-
Goodwill	5	126,302	-	-
Investment in a joint venture	6	127,646	-	-
Amount owing by a joint venture	7	745,417	-	-
Deferred tax assets	8	12,757	-	-
		-----	-----	-----
		1,014,421	-	-
		-----	-----	-----
Current assets				
Properties under development for sale	9	174,040	-	-
Trade receivables	10	289	-	-
Other receivables and prepayments	11	6,883	-	83
Deferred expenditure	12	10,638	3,027	2,223
Current tax assets		628	-	-
Cash and bank balances	13	18,573	164	36,055
		-----	-----	-----
		211,051	3,191	38,361
		-----	-----	-----
TOTAL ASSETS		1,225,472	3,191	38,361
		=====	=====	=====
EQUITY AND LIABILITIES				
Equity				
Share capital	14	246,541	750	*
Share premium	15	49,158	-	-
Exchange translation reserve		34,698	-	-
(Accumulated losses)/Retained earnings		(222,514)	(2,421)	48
		-----	-----	-----
		107,883	(1,671)	48
Non-controlling interests		4,788	-	-
		-----	-----	-----
TOTAL EQUITY/ (CAPITAL DEFICIENCY)		112,671	(1,671)	48
		-----	-----	-----

14. ACCOUNTANTS' REPORT (Cont'd)

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ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

		EWI Group	EWI	EWI
		31 October	31 October	31 October
		2016	2015	2014
	Note	RM'000	RM'000	RM'000
Current liabilities				
Trade payables	16	1,699	-	-
Other payables and accruals	17	14,641	4,152	797
Redeemable convertible preference shares	18	-	-	37,500
Amounts owing to former holding companies	19	12,954	634	-
Amounts owing to a shareholder	20	144,234	56	-
Amount owing to a former shareholder of a subsidiary	21	10,660	-	-
Borrowings	22	923,867	-	-
Current tax liabilities		2,920	20	16
		1,110,975	4,862	38,313
Non-current liability				
Deferred tax liabilities	8	1,826	-	-
		1,826	-	-
TOTAL LIABILITIES		1,112,801	4,862	38,313
TOTAL EQUITY AND LIABILITIES		1,225,472	3,191	38,361

* Insignificant amount due to rounding effect.

14. ACCOUNTANTS' REPORT (Cont'd)


ECO WORLD INTERNATIONAL BERHAD
 (Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME

		EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
Revenue	23	683	-	-
Direct expenses		(5,016)	-	-
Gross loss		(4,333)	-	-
Other income	24	5,629	786	83
Marketing expenses		(2,132)	-	-
Administrative and general expenses		(36,743)	(3,086)	(19)
Unrealised loss on foreign exchange		(74,940)	-	-
Finance costs	25	(52,823)	-	-
Share of loss in a joint venture		(53,927)	-	-
(Loss)/Profit before tax	26	(219,269)	(2,300)	64
Taxation	27	2,153	(169)	(16)
(Loss)/Profit for the year/period		(217,116)	(2,469)	48
Other comprehensive income, net of tax:				
<i>Item that may be reclassified to profit or loss subsequently:</i>				
Exchange differences on translation of foreign operations		33,866	-	-
Total comprehensive (loss)/income for the year/period		(183,250)	(2,469)	48
(Loss)/Profit for the year/period attributable to:				
Owners of the Company		(220,093)	(2,469)	48
Non-controlling interests		2,977	-	-
		(217,116)	(2,469)	48

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M A Z A R S
ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)
STATEMENTS OF COMPREHENSIVE INCOME

	<u>EWI Group</u>	<u>EWI</u>	<u>EWI</u>
	FYE	FYE	FPE
	31 October	31 October	31 October
	2016	2015	2014
<i>Note</i>	RM'000	RM'000	RM'000
Total comprehensive (loss)/income for the year/period attributable to:			
Owners of the Company	(185,395)	(2,469)	48
Non-controlling interests	2,145	-	-
	<u>(183,250)</u>	<u>(2,469)</u>	<u>48</u>
Loss per share:			
Basic and diluted (sen)	28	<u>(98.62)</u>	

14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →						
	Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
EWI Group							
At 1 November 2015	750	-	-	(2,421)	(1,671)	-	(1,671)
Total other comprehensive income/(loss) for the year	-	-	34,698	-	34,698	(832)	33,866
(Loss)/Profit for the year	-	-	-	(220,093)	(220,093)	2,977	(217,116)
Total comprehensive income/(loss) for the year	-	-	34,698	(220,093)	(185,395)	2,145	(183,250)
<i>Transactions with owners of the Company:</i>							
Issuance of ordinary shares	14	245,791	49,158	-	294,949	-	294,949
Acquisition of a subsidiary	33	-	-	-	-	2,643	2,643
At 31 October 2016	246,541	49,158	34,698	(222,514)	107,883	4,788	112,671

14. ACCOUNTANTS' REPORT (Cont'd)

M A Z A R S**ECO WORLD INTERNATIONAL BERHAD**
(Incorporated in Malaysia)**STATEMENT OF CHANGES IN EQUITY**

EWI	<i>Note</i>	Share capital RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000
At 28 August 2013 (date of incorporation)		*	-	*
Total comprehensive income for the period		-	48	48
At 31 October 2014		*	48	48
Issuance of ordinary shares	14	750	-	750
Total comprehensive loss for the year		-	(2,469)	(2,469)
At 31 October 2015		750	(2,421)	(1,671)

* Insignificant amount due to rounding effect.

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M A Z A R S
ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

	EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax	(219,269)	(2,300)	64
Adjustments for:			
Interest income	(86)	(786)	(83)
Deferred expenditure written off	-	1,287	-
Allowance for doubtful debts	207	-	-
Loss on disposal of plant and equipment	16	-	-
Depreciation	908	-	-
Share of loss in a joint venture	53,927	-	-
Finance costs	52,823	-	-
Gain on bargain purchase arising from acquisition of a subsidiary	(5,540)	-	-
Listing expenses	290	505	-
Landholder duty	8,691	-	-
Unrealised loss on foreign exchange	74,940	-	-
Operating loss before working capital changes	(33,093)	(1,294)	(19)
Changes in properties under development for sale	(8,251)	-	-
Changes in receivables	(137)	-	-
Changes in deferred expenditure	-	-	(2,223)
Changes in payables	4,353	759	797
Cash used in operations	(37,128)	(535)	(1,445)
Interest received	47	870	-
Net tax paid	(2,078)	(166)	-
Net cash (used in)/generated from operating activities	(39,159)	169	(1,445)

14. ACCOUNTANTS' REPORT (Cont'd)


ECO WORLD INTERNATIONAL BERHAD
 (Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

	EWI Group	EWI	EWI
	FYE	FYE	FPE
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	(711)	-	-
Proceeds from disposal of plant and equipment	6	-	-
Advances to a joint venture	(244,662)	-	-
Acquisition of subsidiaries (Note 33 (c))	6,517	-	-
Placements of deposits, debt service reserve and interest service reserve accounts	(965)	-	-
Landholder duty	(8,691)	-	-
Interest received	39	-	-
Net cash used in investing activities	(248,467)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
(Redemption)/Issuance of RCPS	-	(37,500)	37,500
Drawdown of borrowings	330,547	-	-
Proceeds from issuance of ordinary shares	119,249	750	-
Advances from a shareholder	21,457	56	-
(Repayment to)/Advances from former holding company	(4)	634	-
Repayment to a former holding company of a subsidiary	(113,548)	-	-
Finance costs	(51,170)	-	-
Listing expenses	(7,762)	-	-
Net cash generated from/(used in) financing activities	298,769	(36,060)	37,500
NET CHANGES IN CASH AND CASH EQUIVALENTS	11,143	(35,891)	36,055
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	164	36,055	-
EFFECT OF EXCHANGE RATE CHANGES	(3,588)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD (NOTE 13)	7,719	164	36,055

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**

(Incorporated in Malaysia)

HISTORICAL FINANCIAL INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2016, FINANCIAL YEAR ENDED 31 OCTOBER 2015 AND THE FINANCIAL PERIOD FROM 28 AUGUST 2013 (DATE OF INCORPORATION) TO 31 OCTOBER 2014

ABBREVIATIONS

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation shall apply throughout this report:

ACE Capital Act	ACE Capital S.à.r.l Companies Act 1965 as amended from time to time and any re-enactment thereof
AUD	Australian Dollar
Bursa Securities CA 2016	Bursa Malaysia Securities Berhad Companies Act 2016
EW ACE	Eco World ACE Co Ltd
EW Berhad	Eco World Development Group Berhad
EW International Marketing	Eco World International Marketing Sdn Bhd
EW Investment	Eco World Investment Co Ltd
EW Management	Eco World Management & Advisory Services (UK) Limited
EW Sydney Development	Eco World Sydney Development Pty Ltd
EW-Ballymore Arrowhead	Eco World-Ballymore Arrowhead Quay Company Limited
EW-Ballymore Embassy Gardens	Eco World-Ballymore Embassy Gardens Company Limited
EW-Ballymore Holding	Eco World-Ballymore Holding Company Limited
EW-Ballymore Holding Group	Eco World-Ballymore Holding and its subsidiaries
EW-Ballymore London City	Eco World-Ballymore London City Island Company Limited
EWI	Eco World International Berhad
EWI Group	EWI and its subsidiaries
EWDSB	Eco World Development Sdn Bhd
EWIPM	EWI Project Management Sdn Bhd
Fortune Quest	Fortune Quest Group Ltd
FPE 31 October 2014	Financial period from 28 August 2013 (date of incorporation of EWI) to 31 October 2014
FYE	Financial year ended
GBP	Great Britain Pound
IC	Interpretation Committee
IFRS	International Financial Reporting Standards
LIBOR	London Interbank Offered Rate

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**
(Incorporated in Malaysia)**NOTES TO THE HISTORICAL FINANCIAL INFORMATION**

Listing	Listing of and quotation for the entire enlarged issued and paid up share capital of EWI and warrants in EWI on the Main Market of Bursa Malaysia Securities Berhad
MASB	Malaysian Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
RCPS	Redeemable convertible preference shares
RM and sen	Ringgit Malaysia and sen
SC	Securities Commission Malaysia
Tan Sri Liew	Tan Sri Liew Dato' Sri Liew Kee Sin
USD	United States Dollar

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**

(Incorporated in Malaysia)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1. GENERAL INFORMATION**

EWI was incorporated in Malaysia under the Act as a private limited company on 28 August 2013 under the name of Eco World International Sdn Bhd. On 14 October 2014, EWI was converted into a public limited company under the name of Eco World International Berhad. EWI was converted back into a private limited company on 7 August 2015 under the name of Eco World International Sdn Bhd. On 11 January 2016, EWI was converted into a public limited company under its present name.

The registered address of the EWI is Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

EWI is principally an investment holding company whilst the principal activities of its subsidiaries and joint venture are set out below.

Name	Issued and paid-up share capital at 31 October 2016	Effective equity interest			Place and date of incorporation	Principal activities
		31 October 2014	31 October 2015	31 October 2016		
<i>Subsidiaries of EWI</i>						
EW Investment	GBP10	-	-	100%	Jersey 18 November 2014	Investment holding
Fortune Quest	USD1	-	-	100%	British Virgin Islands 8 August 2013	Investment holding
EW Management	GBP500,000	-	-	75%	United Kingdom 13 October 2014	Provision of advisory and project monitoring services
<i>Subsidiaries of EW Investment</i>						
EW International Marketing	RM250,000	-	-	100%	Malaysia 10 March 2015	Promoting and marketing services for international projects
EW ACE	GBP1	-	-	100%	Jersey 18 November 2014	Investment holding

14. ACCOUNTANTS' REPORT (Cont'd)


ECO WORLD INTERNATIONAL BERHAD
 (Incorporated in Malaysia)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Name	Issued and paid-up share capital at 31 October 2016	Effective equity interest			Place and date of incorporation	Principal activities
		31 October 2014	31 October 2015	31 October 2016		
<i>Subsidiary of Fortune Quest</i>						
EW Sydney Development	AUD1	-	-	100%	Australia 29 April 2014	Property development
<i>Joint venture of EW ACE</i>						
EW-Ballymore Holding	GBP50,000,000	-	-	75%	Jersey 17 December 2014	Investment holding
<i>Subsidiaries of EW-Ballymore Holding</i>						
ACE Capital	GBP10,000	-	-	75%	Luxembourg 16 April 2015	Investment holding
EW-Ballymore London City	GBP2	-	-	75%	Jersey 17 December 2014	Property development
EW-Ballymore Embassy Gardens	GBP2	-	-	75%	Jersey 17 December 2014	Property development
EW-Ballymore Arrowhead	GBP2	-	-	75%	Jersey 17 December 2014	Property development

2. BASIS OF PREPARATION

The historical financial information of EWI for the FPE 31 October 2014 and for the FYE 31 October 2015 has been prepared in accordance with MFRS, IFRS and the requirements of the Act; and the historical financial information of the EWI Group for the FYE 31 October 2016 has been prepared in accordance with MFRS, IFRS and the requirements of the Act.

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which CA 2016 comes into operation except section 241 and Division 8 of Part III. EWI shall prepare its financial statements for the year ending 31 October 2017 in accordance with the requirements of CA 2016.

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Pursuant to CA 2016:

- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value. Where a share is issued before the commencement of CA 2016, the amount paid on the share shall be the sum of all amounts paid to EWI at any time for the share, but not including any premium.
- Upon commencement of CA 2016, any amount standing to the credit of EWI's share premium account shall become part of EWI's share capital.
- However, EWI may, within 24 months upon the commencement of CA 2016, use the amount standing to the credit of its share premium account for specific purposes set out in the transitional provisions of CA 2016. Thereafter, any unutilised credit balance in the share premium account shall be transferred and credited to share capital of EWI.

For the purpose of preparing and presenting the historical financial information, uniform accounting policies, which are consistent with MFRS and/or IFRS, have been applied by the EWI Group.

The measurement bases applied in the preparation of the financial information include historical cost, recoverable value, realisable value and fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market between market participants at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using a valuation technique. A fair value measurement of a non-financial asset 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.

The historical financial information of EWI and EWI Group is presented in RM, which is also the functional currency of EWI.

All figures in this report are rounded to the nearest thousand, unless otherwise stated.

14. ACCOUNTANTS' REPORT (Cont'd)


ECO WORLD INTERNATIONAL BERHAD
 (Incorporated in Malaysia)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION
Going Concern

The EWI Group reported net cash outflow in respect of its operating activities amounting to RM39,159,000 for the FYE 31 October 2016. The EWI Group's current liabilities exceeded its current assets by RM899,924,000 as at 31 October 2016. Although these conditions indicate the existence of an uncertainty which may cast doubt about the EWI Group's ability to continue as a going concern, the directors of EWI have prepared the consolidated financial statements on the basis of accounting principles applicable to a going concern in view of the continuous support from lenders and shareholders and EWI's ongoing plans to raise additional funding for working capital purposes, including the proposed initial public offering. The directors of EWI believe that the funding raised from these sources is sufficient to meet the working capital requirements of the EWI Group in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES
(a) Standards issued that are not yet effective

The EWI Group has not applied the following new standards, amendments and interpretation that have been issued by the MASB, which may be relevant to the EWI Group's operations, but are not yet effective:

New MFRSs, Amendments to MFRS and Interpretation		Effective for annual periods beginning on or after
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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ECO WORLD INTERNATIONAL BERHAD
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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

New MFRSs, Amendments to MFRS and Interpretation		Effective for annual periods beginning on or after
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The above new standards, amendments and interpretation are not expected to have any significant financial impact on the EWI Group upon their initial application except for MFRS 9, MFRS 15 and MFRS 16 discussed as follows:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories; i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch.

MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The EWI Group is currently assessing MFRS 9's full impact and intends to apply MFRS 9 when it is effective.

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**ECO WORLD INTERNATIONAL BERHAD**

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION*MFRS 15 Revenue from Contracts with Customers*

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for the Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 31 *Revenue – Barter Transactions Involving Advertising Services*. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The EWI Group is currently assessing the impact to the financial statements upon adopting MFRS 15 on the mandatory effective date.

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto the statements of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 *Leases*, IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The EWI Group is currently assessing the impact to the financial statements upon adopting MFRS 16 on the mandatory effective date.

(b) Significant accounting judgements and estimates

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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Although these estimates are based on the management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the EWI Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

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

Critical Judgements

In the process of applying the EWI Group's accounting policies, the management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements of the EWI Group:

Revenue from sale of properties

The management of the EWI Group exercises judgement in recognising revenue from sale of properties. Revenue from sale of properties is recognised when all conditions set out in the EWI Group's revenue recognition policy are fulfilled. Thus, the EWI Group's management judgement is involved in assessing the timing when all those conditions are met. The EWI Group's management considers those terms set out in the agreements with purchasers as well as other factors relevant to the property sale transactions, when applying the revenue recognition policy.

From an accounting perspective, revenue from the sale of property in the United Kingdom and Australia can only be recognised by the EWI's subsidiary and joint venture when the risks and rewards of the property sold have been fully transferred to the purchaser, which is upon physical completion and handover of vacant possession of the property. Accordingly, EWI's subsidiary and joint venture will not recognise the deposits received from purchasers or development progress of property for which a sales contract has been signed as revenue until the physical completion and handover of vacant possession of the property.

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In Australia, where EWI Group's property development projects are currently undertaken through our wholly-owned subsidiary, our revenue on a year-to-year basis will fluctuate depending on the number of projects completed in each financial year. In the United Kingdom, where EWI Group's property development projects are currently undertaken through our joint ventures, the revenue of these companies on a year-to-year basis will fluctuate as well, depending on the number of projects completed in each financial year, which will, in turn, cause EWI's share of profits from each of these joint ventures to fluctuate as well.

Joint arrangement

The management of EWI has assessed and concluded that the EWI has joint control, together with its joint venture partner, over EW-Ballymore Holding. Based on the contractual agreement, the EWI Group requires unanimous consent with the joint venture partner for all significant decisions over the relevant activities of EW-Ballymore Holding and its subsidiaries. Accordingly, this arrangement is classified as a joint venture.

In the historical consolidated financial statements, EWI's 75% interest in EW-Ballymore Holding Group is accounted for not as a subsidiary but as a joint venture using the equity method of accounting. Accordingly, this arrangement is classified as a joint venture. As a result, EWI Group's consolidated revenue, direct expenses and each of the other line items in the historical consolidated statement of comprehensive income above the line item, "*Share of profit/(loss) in a joint venture*" are not impacted by and do not reflect the results of the EW-Ballymore Holding Group. Instead, EWI's 75% interest in the results of the EW-Ballymore Holding Group is reflected in the historical consolidated statement of comprehensive income in the line item "*Share of profit/(loss) in a joint venture*".

Similarly, the assets and liabilities of the EW-Ballymore Holding Group are not directly reflected in the historical consolidated statement of financial position. However, EWI's investment in the EW-Ballymore Holding Group is accounted for in our asset line items, "*Investment in a joint venture*".

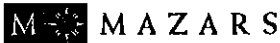
EWI Group is developing three of its four current projects through the EW-Ballymore Holding Group, being all three of its property development projects in the United Kingdom.

RCPS

On 22 September 2014, EWI entered into a RCPS subscription agreement ("*RCPS Subscription Agreement*") with its then holding company, EWIPM, as further elaborated in note 18.

The directors of EWI have assessed and concluded that the issuance of the RCPS is within the scope of MFRS 2 *Share-based Payments* as the RCPS entitle the Management

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Team (as defined in note 18) to ordinary shares and warrants of EWI which are linked to the services to be provided by the Management Team for the activities leading to an initial public offering of EWI as a Special Purpose Acquisition Company (“SPAC”), as defined in the Equity Guidelines issued by the SC, and the subsequent identification of the qualifying acquisition for the approval of the shareholders of EWI, which is no longer being pursued. The directors of EWI have also determined the grant date to be the date the RCPS are issued as that is the date where there is a shared understanding of the terms and conditions of the RCPS and EWI confers on EWIPM the rights to the shares and warrants of EWI.

The directors of EWI have estimated the fair value of the RCPS at grant date to be the same as the cash consideration paid by EWIPM as EWI was dormant, had no staff, had not entered into any commercial contracts and its assets were substantially the cash considerations it received. Consequently, there was no financial impact to EWI’s historical consolidated financial statements.

The directors of EWI have also assessed and concluded that the RCPS is a financial liability.

During the FYE 31 October 2015, EWI redeemed in full its RCPS.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

Impairment of goodwill

The management of EWI perform a goodwill impairment test annually, or more frequently if events or changes in circumstances indicate that the carrying amount of goodwill may be impaired. This requires an estimation of the value-in-use of the cash generating unit (“CGU”) to which the goodwill is allocated.

Estimating value-in-use requires the management of EWI to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The value-in-use calculation is based on a discounted cash flow model.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION*Impairment of non-financial assets (other than goodwill)*

The management of the EWI Group assesses whether there are any indicator of impairment for a non-financial asset at each reporting date. A non-financial asset is tested for impairment when there is indicator that the carrying amount of the non-financial asset may not be recoverable. When value in use calculation is undertaken, the management of the EWI Group estimates the expected future cash flows from the asset or CGU and chooses a suitable discount rate in order to calculate the present value of those cash flows. The value-in-use calculation is based on a discounted cash flow model.

Impairment of loans and receivables

The management of the EWI Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the management of the EWI Group considers factors such as the probability of insolvency or significant financial difficulties of a debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit characteristics.

Impairment of properties under development for sale

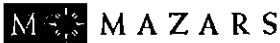
Properties under development for sale are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of estimating the net realisable value of the properties under development for sale is subject to the EWI Group's management judgement and the effect of assumptions in respect of development plan, timing of sale and the prevailing market conditions. The EWI Group has engaged cost consultants to perform cost studies and evaluate estimates on its development projects, taking into account the costs incurred to-date, the development status and costs to complete the development projects. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the properties.

Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

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The management of the EWI Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recognition of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant judgement of the EWI Group's management is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Business combination

The management of EWI exercises judgement in determining the acquisition date of an acquisition, which is the date on which EWI obtains control of an acquiree.

As of the acquisition date, the management of EWI recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in an acquiree. The management of EWI exercises judgement in identifying and estimating the fair value of assets acquired and liabilities assumed. The management of EWI carries out purchase price allocation exercise to identify and measure those assets acquired and liabilities assumed, and eventually deriving the goodwill on acquisition or gain on bargain purchase.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and of all its subsidiaries controlled by the parent made up to the end of the financial period.

The parent controls an entity if and only if the parent has all the following:

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

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All subsidiaries are consolidated on the purchase method of accounting from the date of acquisition, being the date on which the parent obtains control, and continue to be consolidated until the date that such control ceases. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The parent attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The parent also attributes total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Change in ownership interest which does not result in a loss of control is accounted for within equity. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in profit or loss.

Under the purchase method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets transferred, liabilities incurred and equity instruments issued at the date of exchange. Any consideration transferred is to be measured at fair value as of the acquisition date.

For each business combination, the EWI Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the acquiree's identifiable net assets at fair value.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

- (a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the EWI Group's previously held equity interest in the entity.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the EWI Group recognises the resulting gain (i.e. "negative goodwill") directly in profit or loss on the acquisition date.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION**(d) Interest in joint venture**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in a joint venture is accounted for using the equity method from the date on which the EWI obtains joint control until the date the EWI ceases to have a joint control over the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the EWI.

When the EWI's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the EWI has legal or constructive obligations or has made payment on behalf of the joint venture.

When EWI transacts with the joint venture, profits and losses resulting from the transactions with the joint venture are recognised in the EWI's consolidated financial statements only to the extent of the EWI's interest in the joint venture.

(e) Plant and equipment*(i) Measurement basis*

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

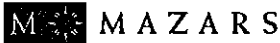
The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the EWI Group and the cost of the asset can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

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(ii) *Depreciation*

Work-in-progress is not depreciated.

Depreciation is calculated to write off the depreciable amount of plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Furniture and fittings	10%
Office equipment	20%
Computers	20%-33%
Renovations	20%
Motor vehicles	16%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(f) **Lease**

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the EWI Group's incremental borrowing rate is used.

Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

14. ACCOUNTANTS' REPORT (Cont'd)

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION**(g) Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when and only when, the EWI Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

*(ii) Financial instrument categories and subsequent measurement*Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate.

The management of EWI determines the classification of the financial assets as set out below upon initial recognition. The EWI Group only has financial assets categorised as loans and receivables.

Loans and receivables

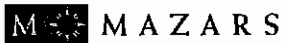
This category comprises debt instruments that are not quoted in an active market, trade and other receivables, amount owing by a joint venture and cash and cash equivalents.

They are included in current assets, except for maturities longer than 12 months after reporting period, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in profit or loss.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

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Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The EWI Group only has financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method.

(iii) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised 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 the obligation specified in the contract is discharged, cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Impairment of financial assets

The management of EWI assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the management of EWI considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payment.

If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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The carrying amount of the financial asset is reduced through the use of an allowance account. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(h) Equity instrument

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are deducted from equity in the period in which they are paid or payable.

Preference shares are classified as equity instruments if they are irredeemable or redeemable only at discretion of issuer; and dividend is at discretion of the issuer. Dividend thereon is accounted in equity.

Preference shares are classified as financial liabilities if they are redeemable on a specific date, redeemable at discretion of the holders, and/or dividend is obligatory. Dividend thereon is accounted for in profit or loss.

(i) Impairment of non-financial assets

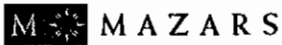
Non-financial assets are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the asset.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss.

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Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(j) Properties under development for sale

Properties under development for sale comprise land costs, development costs and finance costs capitalised. Properties under development for sale are expected to be sold within the EWI Group's normal operating cycle and are classified as current assets. Properties under development for sale are measured at the lower of cost and net realisable value.

(k) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the EWI Group and the amount can be measured reliably. Revenue is measured at fair value of consideration received or receivable.

- (i) Revenue from sale of properties is recognised when significant risks and rewards of development units are transferred to purchasers.
- (ii) Revenue earned from promoting and marketing services is recognised when the services are rendered.
- (iii) Interest income is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

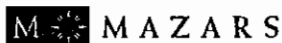
(l) Employee benefits**(i) Short-term employee benefits**

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Post-employment benefits

The EWI Group makes contributions to the respective countries' statutory pension schemes where its group entities are located. The legal or constructive obligation of the EWI Group is limited to the amount that it requires to contribute to such defined contribution plans. The EWI Group's contributions to such defined contribution plans are recognised in profit or loss in the period to which they relate.

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Transactions in foreign currencies during the financial year are converted to the functional currency of an entity at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of an entity at the rates of exchange ruling at the end of the reporting period. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of an entity at the rates of exchange ruling at the date of the transactions. Foreign exchange differences on monetary items that form part of the net investment in the foreign operation are recognised in other comprehensive income and subsequently reclassified to profit or loss on settlement of the monetary items.

(ii) Financial statements of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

(n) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits held with licenced bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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(o) Income tax

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

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

On the statements of financial position, a deferred tax liability is recognised for all taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profits will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

- (i) goodwill; or
- (ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

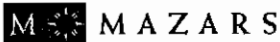
Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

(p) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs ceases when that assets are completed or during extended periods when active development is interrupted.

Other borrowing costs are charged to profit or loss in the period in which they are incurred.

14. ACCOUNTANTS' REPORT (Cont'd)

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

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The EWI Group's operating segments are organised and managed separately according to geographical location.

The chief operating decision-maker of the EWI Group responsible for allocating resources and assessing performance of the operating segments is the management team of EWI.

(s) Goods and Services Tax ("GST") and Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of GST/VAT, unless the GST/VAT is not recoverable from the tax authority. The amount of GST/VAT not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statements of financial position inclusive of GST/VAT recoverable or GST/VAT payable.

GST/VAT recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST/VAT levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

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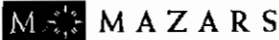
NOTES TO THE HISTORICAL FINANCIAL INFORMATION

4. PLANT AND EQUIPMENT

	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovations RM'000	Work-in-progress RM'000	Total RM'000
EWI Group							
Cost							
At 1 November 2015	-	-	-	-	-	-	-
Acquisition of subsidiaries	318	200	333	-	1,671	-	2,522
Additions	170	31	53	18	214	225	711
Disposals	(26)	-	-	-	-	-	(26)
Foreign exchange adjustments	(13)	-	12	-	3	-	2
At 31 October 2016	449	231	398	18	1,888	225	3,209
Accumulated depreciation							
At 1 November 2015	-	-	-	-	-	-	-
Charge for the year	46	53	168	3	638	-	908
Disposals	(4)	-	-	-	-	-	(4)
Foreign exchange adjustments	-	-	6	-	-	-	6
At 31 October 2016	42	53	174	3	638	-	910
Net carrying amount							
At 31 October 2016	407	178	224	15	1,250	225	2,299

* Insignificant due to rounding effect.

14. ACCOUNTANTS' REPORT (Cont'd)



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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

5. GOODWILL

	EWI Group
	31 October 2016 RM'000
Goodwill on consolidation	126,302

Goodwill on consolidation arises from premium paid over the fair values of net assets of the subsidiaries acquired at their respective acquisition date. Goodwill is mainly attributable to the anticipated profitability of the acquired businesses and the benefit of expected synergies to arise after the combination.

	EWI Group
	31 October 2016 RM'000
Goodwill on consolidation is attributable to the following CGU:	
EW-Ballymore Holding and its subsidiaries	108,000
EW Sydney Development	18,302
	----- 126,302 =====

Impairment test of goodwill

The recoverable amount of the CGU of EW-Ballymore Holding and its subsidiaries was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management of EWI covering for a five-year period and a discount rate of 7.97%.

The recoverable amount of the CGU of EW Sydney Development was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management of EWI covering for a five-year period and a discount rate of 8.11%.

With regard to the assessment of value-in-use, the management of EWI believes that no reasonable possible changes in any of the key assumptions would cause the carrying amounts of the CGU to materially exceed their recoverable amounts as at 31 October 2016.

14. ACCOUNTANTS' REPORT (Cont'd)

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

6. INVESTMENT IN A JOINT VENTURE

	EWI Group
	31 October
	2016
	RM'000
Unquoted ordinary shares, at cost	191,445
Acquisition of a subsidiary	14,885
Less: Group's share of losses	(83,026)
Foreign exchange adjustments	4,342

	127,646
	=====

The joint venture is EW-Ballymore Holding, a company incorporated in Jersey, in which the EWI holds 75% of the equity interest.

However, pursuant to the contractual agreement, the EWI requires unanimous consent with its joint venture partner for all significant decisions over the relevant activities of EW-Ballymore Holding and its subsidiaries. Thus, the EWI and its joint venture partner have joint control over EW-Ballymore Holding. Accordingly, this arrangement is classified as a joint venture, and the investment in EW-Ballymore Holding is accounted for using equity method.

On 31 October 2016, EWI Group converted GBP37,467,000 (equivalent to RM191,445,000 based on exchange rate GBP1: RM5.1097, being the middle rate at 5.00 p.m. on the last market day for the month October 2016) of its loan to EW-Ballymore Holding into 34,467,000 ordinary shares of GBP 1.00 each.

The summarised consolidated financial information of EW-Ballymore Holding as at 31 October 2016 and for the FYE 31 October 2016 is as follow:

	RM'000
Non-current assets	12,739
Current assets	3,713,456
Non-current liabilities	(3,474,753)
Current liabilities	(116,151)

Net assets	135,291

14. ACCOUNTANTS' REPORT (Cont'd)



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	RM'000
The above assets and liabilities include:	
Cash and cash equivalents	175,157
Non-current loans and borrowings	3,009,015
	=====
Revenue	1,450
Loss for the year	(71,902)
Total comprehensive loss for the year	(71,902)
	=====
The above profit or loss include:	
Taxation	13,020
	=====

Reconciliation of the summarised consolidated financial information of EW-Ballymore Holding to the EWI Group's carrying amount of its interest in the joint venture is as follows:

	RM'000
Net assets of the joint venture	135,291
Fair value adjustment on net assets of the joint venture acquired	70,611

	205,902
Proportion of ownership interest held by the EWI Group	75%

EWI Group's share of net assets	154,427
Elimination of unrealised profits	(26,781)

EWI Group's share of net assets of the joint venture	127,646
	=====

EWI Group is committed to fund the joint venture by way of share subscription and shareholder's loans up to GBP330 million in total over the life of the joint venture's development projects.

EW ACE has contributed GBP178 million to the joint venture as at 31 October 2016, and accordingly, EW ACE has undrawn commitments of GBP152 million (equivalent to approximately RM777 million, based on exchange rate GBP1: RM5.1097, being the middle rate at 5.00 p.m. on the last market day for the month October 2016), if called.

14. ACCOUNTANTS' REPORT (Cont'd)

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Further, if the joint venture has insufficient funds to make payment to the lenders of the banking facilities in respect of which the lenders are entitled to make a valid claim in accordance with the bank term loan agreements (the "Claim"):

- (a) the joint venture shall first fund the Claim by calling on its joint venture partners in respect of their respective portions of their undrawn commitments;
- (b) if the undrawn commitments are insufficient to satisfy the Claim, the joint venture partners shall increase their commitments up to an additional amount of GBP120 million (equivalent to approximately RM613 million, based on exchange rate GBP1: RM5.1097) ("Increased Commitments"), to be funded on a pro-rata basis by each joint venture partner according to their percentage of equity interest in the joint venture. Any failure by any joint venture partner to provide such additional funding shall be an event of default under the contractual agreement; and
- (c) if funding in excess of the Increased Commitments is required to satisfy the Claim, each joint venture partner has the right but not the obligation to fund the excess funding requirement on a pro-rata basis according to their percentage of equity interest in the joint venture. If a partner to the joint venture did not fund any amounts in excess of the Increased Commitments while the other partner funds any shortfall arising therefrom, the additional funding by the latter partner will result in the dilution of equity interest of the former partner in the joint venture.

The payment of dividends by the joint venture and its subsidiaries will depend upon their operating results and financial condition and shall have regard to their working capital needs, capital expenditure plans, availability of cash to fund such dividends or other distributions and any other relevant factors that their respective boards of directors deem relevant. In addition, covenants in existing loan agreements of the joint venture and its subsidiaries, which restrict the payment of dividends or other distributions until such loans are fully settled or unless the prior approval of the lenders is obtained, and/or other agreements (including shareholders' agreements) to which any of the joint venture and its subsidiaries are parties to, may limit their ability to declare or pay cash dividends.

14. ACCOUNTANTS' REPORT (Cont'd)



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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

7. AMOUNT OWING BY A JOINT VENTURE

	EWI Group
	31 October
	2016
	RM'000
Bearing interest at 9.33% per annum	330,141
Interest free	415,276

	745,417
	=====

The advances are unsecured and are repayable after the bank loan facilities of the joint venture have been fully settled. The balance is denominated in GBP.

8. DEFERRED TAX ASSETS/ (LIABILITIES)

	EWI Group
	31 October
	2016
	RM'000
<u>Deferred tax assets</u>	
At 1 November 2015	-
Acquisition of subsidiaries	7,285
Recognised in profit or loss	5,031
Foreign exchange adjustments	441

At 31 October 2016	12,757

<u>Deferred tax liabilities</u>	
At 1 November 2015	-
Acquisition of a subsidiary	(1,756)
Foreign exchange adjustments	(70)

At 31 October 2016	(1,826)

Net deferred tax	10,931
	=====

14. ACCOUNTANTS' REPORT (Cont'd)



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The EWI Group recognises deferred tax assets as it is probable that the EWI Group would generate sufficient taxable profits in the foreseeable future against which these deferred tax assets can be utilised.

The deferred tax recognised are in respect of the following deductible/(taxable) temporary differences:

	EWI Group
	31 October
	2016
	RM'000
Unutilised tax losses	12,864
Difference between capital allowances claimed and accumulated depreciation on plant and equipment	51
Fair value adjustments arising from acquisition of a subsidiary	(1,826)
Other temporary differences	(158)

	10,931
	=====

The unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the EWI Group operate.

9. PROPERTIES UNDER DEVELOPMENT FOR SALE

	EWI Group
	31 October
	2016
	RM'000
At 1 November 2015	-
Acquisition of a subsidiary	157,000
Additions during the year	10,415
Foreign exchange adjustments	6,625

At 31 October 2016	174,040
	=====

Freehold land carried at RM147,612,000 is pledged as security for cash advance facility referred to in Note 22. Finance costs of RM2,164,000 was capitalised and included in properties under development for sale.

14. ACCOUNTANTS' REPORT (Cont'd)

M A Z A R S**ECO WORLD INTERNATIONAL BERHAD**
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10. TRADE RECEIVABLES

The trade receivables represent amounts receivable from a joint venture for services rendered.

The normal credit periods granted by the EWI Group ranged between 30 to 60 days. These balances are denominated in GBP.

11. OTHER RECEIVABLES AND PREPAYMENTS

	<u>EWI Group</u> 31 October 2016 RM'000	<u>EWI</u> 31 October 2015 RM'000	<u>EWI</u> 31 October 2014 RM'000
Other receivables	494	-	83
Less: Allowance for doubtful debts	(219)	-	-
	-----	-----	-----
	275	-	83
Prepayments	400	-	-
GST recoverable	1,195	-	-
VAT recoverable	84	-	-
Sundry deposits	500	-	-
Cost recoverable from a joint venture	4,429	-	-
	-----	-----	-----
	<u>6,883</u>	<u>-</u>	<u>83</u>
	=====	=====	=====

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department and Australian Taxation Office.

VAT recoverable pertains to net amount of VAT recoverable from the Her Majesty's Revenue and Customs of the United Kingdom.

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

14. ACCOUNTANTS' REPORT (Cont'd)

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The movements in the allowance for doubtful debts of other receivables during the financial year/period are as follows:

	<u>EWI Group</u> 31 October 2016 RM'000	<u>EWI</u> 31 October 2015 RM'000	<u>EWI</u> 31 October 2014 RM'000
At the beginning of the year/period	-	-	-
Allowance for doubtful debts during the year/period	207	-	-
Foreign exchange adjustments	12	-	-
	-----	-----	-----
At the end of the year/period	219	-	-
	=====	=====	=====

The currency exposure profile of other receivables and prepayments is as follows:

	<u>EWI Group</u> 31 October 2016 RM'000	<u>EWI</u> 31 October 2015 RM'000	<u>EWI</u> 31 October 2014 RM'000
RM	5,299	-	83
GBP	533	-	-
AUD	1,051	-	-
	-----	-----	-----
	6,883	-	83
	=====	=====	=====

12. DEFERRED EXPENDITURE

- (a) In conjunction with the proposed listing of and quotation for the ordinary shares and warrants of EWI on the Main Market of Bursa Securities as a SPAC ("SPAC Listing"), EWI has incurred expenses amounting to RM2,223,000 as at 31 October 2014.

As at 31 October 2014, the directors of EWI have assessed and determined that the expenses allocated for shares to be issued in conjunction with the SPAC Listing of RM2,223,000 met the criteria to be capitalised under MFRS 132 *Financial Instruments: Presentation* and FRSIC Consensus 13 *Expenses Permitted to be Written Off Against the Share Premium Account under Section 60 of the Companies Act, 1965*.

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During the FYE 31 October 2015, the directors of EWI have withdrawn the intention to list EWI on the Main Market of Bursa Securities as a SPAC. Accordingly, all the deferred expenditure has been expensed to profit or loss in the FYE 31 October 2015, except for the portions which were refunded or no longer payable.

- (b) In conjunction with the proposed initial public offering of EWI under the market capitalisation route under the Equity Guidelines issued by the SC, EWI has capitalised RM7,611,000 and RM3,027,000 as deferred expenditure in the FYE 31 October 2016 and the FYE 31 October 2015 respectively.

As at 31 October 2016 and 31 October 2015, the directors of EWI have assessed and determined that the expenses allocated for shares to be issued in conjunction with the proposed initial public offering of EWI amounting to RM10,638,000 and RM3,027,000 respectively met the criteria to be capitalised under MFRS 132 *Financial Instruments: Presentation* and FRSIC Consensus 13 *Expenses Permitted to be Written Off Against the Share Premium Account under Section 60 of the Companies Act, 1965*. These expenses will be written off against the share premium account arising from the proposed initial public offering of EWI.

13. CASH AND BANK BALANCES

	EWI Group 31 October 2016 RM'000	EWI 31 October 2015 RM'000	EWI 31 October 2014 RM'000
Cash on hand and at banks	14,631	164	8,055
Deposits held with licenced bank	3,942	-	28,000
	-----	-----	-----
	18,573	164	36,055
Less: Restricted deposits	(10,854)	-	-
	-----	-----	-----
Cash and cash equivalents	7,719	164	36,055
	=====	=====	=====

Included in the restricted deposits of the EWI Group is RM10,501,000 which is held in the Interest Service Reserve Accounts and the Debt Service Reserve Accounts that must be maintained at any time during the tenure of the borrowings as disclosed in Note 22.

14. ACCOUNTANTS' REPORT (Cont'd)



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Included in the restricted deposits of the EWI Group is also RM353,000, which is held with a licenced bank and is pledged to the bank as security of bank guarantee to the landlord of a subsidiary in connection with the lease payments of a subsidiary.

The deposits held with licenced banks as at 31 October 2016 bear effective interest rate ranged between 0.95% - 3.00% per annum. The deposits held with licenced banks as at 31 October 2014 bear effective interest rate of 3.50% per annum. These deposits have maturity periods of less than 12 months.

The currency exposure profile of cash and bank balances is as follows:

	EWI Group	EWI	EWI
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
RM	5,282	164	36,055
GBP	10,785	-	-
AUD	2,506	-	-
	-----	-----	-----
	18,573	164	36,055
	=====	=====	=====

14. ACCOUNTANTS' REPORT (Cont'd)

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14. SHARE CAPITAL

	31 October 2016		31 October 2015		31 October 2014	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Authorised						
At 1 November 2015/1 November 2014/ 28 August 2013 (date of incorporation):						
- Ordinary shares	149,250	149,250	14,925,000	149,250	400	400
- RCPS	75,000	750	75,000	750	-	-
Subdivided during the period Created during the year/period:						
- Ordinary shares	4,850,000	4,850,000	-	-	14,885,000	148,850
- RCPS	-	-	(14,775,750)	-	75,000	750
Share consolidation						
Reclassification:						
- Ordinary shares	750	750	-	-	-	-
- RCPS	(75,000)	(750)	-	-	-	-
At 31 October 2016/31 October 2015/ 31 October 2014	5,000,000	5,000,000	224,250	150,000	15,000,000	150,000
Issued and paid-up						
At 1 November 2015/1 November 2014/ 28 August 2013 (date of incorporation):						
Subdivided during the period Issued during the period/year Share consolidation						
	750	750	*	*	*	*
	245,791	245,791	75,000	750	-	-
	-	-	(74,250)	-	-	-
At 31 October 2016/31 October 2015/ 31 October 2014	246,541	246,541	750	750	*	*

* Insignificant amount due to rounding effect.

14. ACCOUNTANTS' REPORT (Cont'd)

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During the FPE 31 October 2014, EWI:

- (a) subdivided its authorised ordinary share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each to RM400,000 comprising 40,000,000 ordinary shares of RM0.01 each.
- (b) subdivided its issued and paid-up ordinary share capital of RM2 comprising 2 ordinary shares of RM1.00 each to RM2 comprising 200 ordinary shares of RM0.01 each.
- (c) increased its authorised ordinary share capital of RM400,000 to RM150,000,000 through the creation of 14,885,000,000 ordinary shares of RM0.01 each and 75,000,000 RCPS of RM0.01 each.

During the FYE 31 October 2015, EWI:

- (a) increased its issued and paid-up ordinary share capital from RM2 to RM750,002 by way of the issuance of 75,000,000 new ordinary shares of RM0.01 each at an issue price of RM0.01 per ordinary share for cash.
- (b) consolidated every 100 ordinary shares of RM0.01 each into 1 ordinary share of RM1.00 each.

During the FYE 31 October 2016, EWI:

- (a) reclassified its authorised share capital from RM150,000,000 divided into 149,250,000 ordinary shares of RM1.00 each and 75,000,000 RCPS of RM0.01 each to RM150,000,000 divided into 150,000,000 ordinary shares of RM1.00 each.
- (b) increased its authorised share capital from RM150,000,000 comprising 150,000,000 ordinary shares of RM1.00 each to RM5,000,000,000 comprising 5,000,000,000 ordinary shares of RM1.00 each by the creation of an additional 4,850,000,000 ordinary shares.
- (c) increased its issued and paid-up ordinary share capital from RM750,002 to RM100,123,800 by way of the issuance of 99,373,798 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share to Tan Sri Liew for cash.
- (d) further increased its issued and paid-up ordinary share capital from RM100,123,800 to RM246,540,800 by way of issuance of 146,417,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary shares to Tan Sri Liew in satisfaction of the advances of GBP27,482,000 made by Tan Sri Liew to EW Investment.

14. ACCOUNTANTS' REPORT (Cont'd)



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

15. SHARE PREMIUM

Share premium represents the premium arising from the issuance of ordinary shares.

16. TRADE PAYABLES

	EWI Group
	31 October
	2016
	RM'000
Amount owing to Eco World Development (S) Pte Ltd ("Eco World Development (S)")	350
Other trade payables	1,349

	1,699
	=====

Eco World Development (S) is a wholly-owned subsidiary of EW Berhad where a shareholder of EWI is a director of EW Berhad.

Trade payables represent sales agent commission payable and are expected to be settled within the normal credit term.

The currency exposure of trade payables is as follows:

	EWI Group
	31 October
	2016
	RM'000
GBP	191
AUD	1,508

	1,699
	=====

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17. OTHER PAYABLES AND ACCRUALS

	<u>EWI Group</u>	<u>EWI</u>	<u>EWI</u>
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
Other payables	2,875	33	88
Deposit received	150	-	-
VAT payable	717	-	-
Accruals	10,593	4,119	709
Amount owing to Eco World Development (S)	306	-	-
	<u>14,641</u>	<u>4,152</u>	<u>797</u>

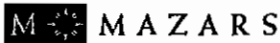
VAT payable pertains to net amount of VAT payable to Her Majesty's Revenue and Customs of the United Kingdom.

The amount owing to Eco World Development (S) represents marketing-related expenses paid on behalf of a subsidiary of EWI.

The currency exposure profile of other payables and accruals is as follows:

	<u>EWI Group</u>	<u>EWI</u>	<u>EWI</u>
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
RM	10,313	4,152	797
GBP	1,488	-	-
USD	21	-	-
AUD	2,513	-	-
Singapore Dollar	306	-	-
	<u>14,641</u>	<u>4,152</u>	<u>797</u>

14. ACCOUNTANTS' REPORT (Cont'd)



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18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	EWI	
	Number of RCPS of RM0.01 each '000	Amount RM'000
Nominal value – issued and paid-up:		
At 28 August 2013 (date of incorporation)	-	-
Issued during the year	75,000	750
	-----	-----
At 31 October 2014	75,000	750
Redeemed during the year	(75,000)	(750)
	-----	-----
At 31 October 2015	-	-
	=====	=====
Share premium of RCPS:		
At 28 August 2013 (date of incorporation)	-	-
Issued during the year	75,000	36,750
	-----	-----
At 31 October 2014	75,000	36,750
Redeemed during the year	(75,000)	(36,750)
	-----	-----
At 31 October 2015	-	-
	=====	=====

On 22 September 2014, EWI entered into the RCPS Subscription Agreement with its then holding company, EWIPM, which is collectively owned by Tan Sri Liew, Dato' Teow Leong Seng, Datuk Heah Kok Boon, Tan Cheng Yong and Norhayati Binti Subali and such other relevant future employees of EWI (collectively known as "Management Team"). Pursuant to the RCPS Subscription Agreement, EWI issued 75,000,000 RCPS of RM0.01 each at a premium of RM0.49 per RCPS, for a total cash consideration of RM37,500,000.

The salient terms of the RCPS issued are summarised below:

- (a) The RCPS shall not be entitled to any dividend.
- (b) The RCPS shall entitle the holder to voting rights as referred to in Section 148(2) of the Act and to the fullest extent permitted by the Act in relation to preference shares, all other statutory voting rights.

14. ACCOUNTANTS' REPORT (Cont'd)


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- (c) The RCPS shall be mandatorily converted into ordinary shares within 5 business days after EWI's receipt of the approval from the SC for the SPAC Listing on the following basis:
- (i) 1 RCPS : 10 ordinary shares (together with 10 warrants).
 - (ii) The terms of the said warrants are governed by a deed poll to be executed by EWI.
 - (iii) Where applicable, for purposes of effecting the conversion, the share premium account of EWI will be utilised to fully pay up the nominal value of the ordinary shares. In this regard, EWI shall ensure that it maintains and has sufficient balance in the share premium account at all times to fully pay up the nominal value of the shares (as may be required).
- Other than as set out above, the holder shall not be entitled to convert any RCPS into ordinary shares.
- (d) Subject only to compliance with the requirement of Section 61 of the Act, all RCPS (unless earlier converted) shall be fully redeemable at the option of the holder:
- (i) on the date falling 12 months after the date of issue of the RCPS, if the relevant approval from the SC for the SPAC Listing is not received by EWI by then; or
 - (ii) on the date falling 15 business days after EWI's receipt of any letter from the SC rejecting or stating its non-approval of EWI's application for the SPAC Listing.
- whichever occurs first.
- (e) EWI shall use its reasonable endeavours to ensure that it has sufficient funds (whether through profits or a new issue of shares or otherwise), which can be lawfully applied towards redemption of the RCPS at the relevant time.
- (f) To effect redemption, a redemption notice shall be sent by the holder to EWI not less than 1 business day before the intended date of redemption.
- (g) All redemption of the RCPS shall be effected at the registered office of EWI unless agreed otherwise by the holder and EWI. On the date fixed for redemption, the holder of the RCPS shall deliver to EWI the certificate(s) for the relevant RCPS in exchange for payment in cash (by way of cashier's order or any other manner acceptable to the holder) by EWI of the aggregate redemption price payable for those RCPS.

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(h) No RCPS redeemed by EWI shall be capable of reissue.

Accordingly, the RCPS was classified as a financial liability as EWI does not have the unconditional right to avoid delivering cash upon events described in note (d) above.

During the FYE 31 October 2015, the directors of EWI have withdrawn the intention to list EWI on the Main Market of Bursa Securities as a SPAC. On 25 June 2015, EWI redeemed in full its entire RCPS via cash consideration of RM0.50 per RCPS.

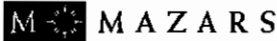
19. AMOUNTS OWING TO FORMER HOLDING COMPANIES

	<u>EWI Group</u>	<u>EWI</u>	<u>EWI</u>
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
Amount owing to EWDSB	12,324	-	-
Amount owing to EWIPM	630	634	-
	-----	-----	-----
	12,954	634	-
	=====	=====	=====

The amount owing to EWDSB, the former holding company of Fortune Quest, represents unsecured advances, which bear interest at a rate of 3.75% per annum and is repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier. The balance is denominated in USD.

The amount owing to EWIPM, the former holding company of EWI, represents unsecured advances, which is interest free and is repayable on demand. EWIPM ceased to be the holding company of EWI on 11 September 2015.

14. ACCOUNTANTS' REPORT (Cont'd)



ECO WORLD INTERNATIONAL BERHAD
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20. AMOUNTS OWING TO A SHAREHOLDER

	<u>EWI Group</u> 31 October 2016 RM'000	<u>EWI</u> 31 October 2015 RM'000	<u>EWI</u> 31 October 2014 RM'000
Bearing interest at:			
- 4.26% per annum	51,856	-	-
- 5.84% per annum	67,505	-	-
- Interest free	24,873	56	-
	<u>144,234</u>	<u>56</u>	<u>-</u>

The amount owing to a shareholder bearing interest at rate of 5.84% is unsecured and repayable by May 2017.

The interest free amount owing to a shareholder represents deferred consideration of GBP4,868,000 (equivalent to RM24,873,000) arising from the acquisition of EW Investment.

The interest free amount owing to a shareholder and amount owing to a shareholder bearing interest at rate of 4.26% are unsecured and repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier.

The currency exposure of amounts owing to a shareholder is as follows:

	<u>EWI Group</u> 31 October 2016 RM'000	<u>EWI</u> 31 October 2015 RM'000	<u>EWI</u> 31 October 2014 RM'000
RM	67,505	56	-
GBP	76,729	-	-
	<u>144,234</u>	<u>56</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)



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21. AMOUNT OWING TO A FORMER SHAREHOLDER OF A SUBSIDIARY

The amount owing to a former shareholder of a subsidiary represents deferred consideration of GBP2,086,000 (equivalent to RM10,660,000) arising from the acquisition of EW Investment. The amount is unsecured, interest free and is repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier.

22. BORROWINGS

	EWI Group
	31 October
	2016
	RM'000
Cash advance facility (Note a)	47,891
Bridging loan facility (Note b)	259,536
Bank term loans I (Note c)	550,250
Bank term loans II (Note d)	66,190

	923,867
	=====

(a) The cash advance facility is secured by the following:

- a first registered mortgage over a freehold property for development disclosed in note 9;
- first registered perfected General Security Agreement over all the assets and undertakings pertaining to EW Sydney Development;
- joint and several guarantees from certain directors of EW Sydney Development;
- authority to set-off over the Debt Service Reserve Account; and
- deed of subordination over related parties or shareholders' loan of EW Sydney Development.

The effective interest rate is 3.64% per annum.

The cash advance facility falls due for repayment in May 2017.

The balance is denominated in AUD.

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(b) The bridging loan facility is secured by the following:

- a first party charge over the Interest Service Reserve Account in favour of the lenders;
- guaranteed by a shareholder of EWI;
- a first party charge over all the issued and paid-up shares of Fortune Quest in favour of the lenders; and
- a first party charge over all the issued and paid-up shares of EW Investment in favour of the lenders.

The effective interest rate is 5.77% per annum.

The bridging loan facility falls due for repayment in April 2017, or the first interest payment date after the Listing of EWI, whichever is earlier.

The balance is denominated in RM.

(c) The bank term loans I are secured by the following:

- a third party charge over all the issued and paid-up shares of EW Investment;
- a first party assignment and charge over the Interest Service Reserve Account and Debt Service Reserve Account;
- joint and several guarantees from a former shareholder of EW Investment and a shareholder of EWI;
- debenture by way of registered first fixed and floating charge over all present and future assets of EW ACE;
- irrevocable letter of undertaking from a former shareholder of EW Investment and a shareholder of EWI;
- memorandum of charge over all shares of EW ACE; and
- deed of subordination of all shareholders' loan and advances of EW Investment.

The effective interest rates ranged between 4.23% and 4.49% per annum.

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**
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The bank term loans fall due for repayment in April 2017.

The balance is denominated in GBP.

(d) The bank term loans II are secured by the following:

- a first party charge over the Interest Service Reserve Account in favour of the lenders;
- guaranteed by a shareholder of EWI;
- a first party charge over all the issued and paid-up shares of Fortune Quest in favour of the lenders; and
- a first party charge over all the issued and paid-up shares of EW Investment in favour of the lenders.

The effective interest rates ranged between 3.86% and 4.49% per annum.

The bank term loan falls due for repayment in April 2017, or the first interest payment date after the Listing of EWI, whichever is earlier.

Included in the bank term loan is balances of RM56,620,000 and RM9,570,000, which are denominated in GBP and AUD respectively.

23. REVENUE

The revenue represents agreed value of services rendered, net of GST and VAT, rendered during the FYE 31 October 2016.

14. ACCOUNTANTS' REPORT (Cont'd)



ECO WORLD INTERNATIONAL BERHAD
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24. OTHER INCOME

	<u>EWI Group</u> FYE 31 October 2016 RM'000	<u>EWI</u> FYE 31 October 2015 RM'000	<u>EWI</u> FPE 31 October 2014 RM'000
Interest income	86	786	83
Gain on bargain purchase arising from acquisition of a subsidiary (Note 33(b))	5,540	-	-
Others	3	-	-
	<u>5,629</u>	<u>786</u>	<u>83</u>

25. FINANCE COSTS

	<u>EWI Group</u> FYE 31 October 2016 RM'000
Interest on borrowings	37,863
Interest on shareholder's advances	3,807
Facility fee on borrowings	11,153
	<u>52,823</u>

14. ACCOUNTANTS' REPORT (Cont'd)

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26. (LOSS)/PROFIT BEFORE TAX

	<u>EWI Group</u> FYE 31 October 2016 RM'000	<u>EWI</u> FYE 31 October 2015 RM'000	<u>EWI</u> FPE 31 October 2014 RM'000
(Loss)/Profit before tax is stated after charging:			
Auditors' remuneration			
- statutory audit			
- current year	192	5	5
- prior years	26	-	-
- others	200	125	-
Allowance for doubtful debts	207	-	-
Depreciation	908	-	-
Loss on disposal of plant and equipment	16	-	-
Directors' remuneration:			
- salaries, allowances and bonuses	4,865	110	-
- director fee	800	-	-
- defined contribution plan	555	-	-
- others	10	-	-
Employee benefits expense	13,440	7	-
Landholder duty	8,691	-	-
Listing expenses	290	505	-
Rental expenses			
- office premises	1,667	-	-
- office equipment	110	-	-
Deferred expenditure written off	-	1,287	-
Realised loss on foreign exchange	540	*	-

* Insignificant amount due to rounding effect.

14. ACCOUNTANTS' REPORT (Cont'd)



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27. TAXATION

	EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
Current tax:			
- Malaysian tax			
Current year	-	169	16
Prior periods	(174)	-	-
- United Kingdom tax			
Current year	2,998	-	-
Prior periods	54	-	-
	-----	-----	-----
	2,878	169	16
	-----	-----	-----
Deferred tax:			
- Malaysian tax			
Current year	(1,194)	-	-
- Australian tax			
Current year	(3,837)	-	-
	-----	-----	-----
	(5,031)	-	-
	-----	-----	-----
	(2,153)	169	16
	=====	=====	=====

The Malaysian statutory tax rate reduced to 24% from the rate of 25% effective from year of assessment 2016. The changes of corporate tax rate in year of assessment 2016 had been incorporated in the computation of the deferred tax as at 31 October 2016.

The EWI Group operates in a multi-jurisdictional tax environment and the corporate tax rates of entities within the EWI Group outside Malaysia for all the financial years under review are as follows:

- (a) subsidiaries incorporated in Jersey and the British Virgin Islands: 0%;
- (b) subsidiary incorporated in the United Kingdom: 20%;
- (c) subsidiary incorporated in Australia: 30%.

14. ACCOUNTANTS' REPORT (Cont'd)

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

	EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
Accounting (loss)/ profit before tax and share of loss in a joint venture	(165,342)	(2,300)	64
Tax at applicable tax rates	(28,689)	(575)	13
Tax effect arising from non-taxable income	(1,330)	-	-
Tax effect arising from non-deductible expenses	27,981	744	3
Adjustments attributable to prior years	(115)	-	-
	<u>(2,153)</u>	<u>169</u>	<u>16</u>

28. LOSS PER SHARE

Basic:

Basic loss per share is calculated by dividing the loss for the year attributable to equity holders of EWI by the weighted average number of ordinary shares in issued during the financial year.

Loss for the year attributable to owners of EWI (RM'000)	(220,093)
Weighted average number of ordinary shares for purpose of basic loss per share ('000)	223,179
Basic loss per share (sen)	(98.62)

14. ACCOUNTANTS' REPORT (Cont'd)

M A Z A R S**ECO WORLD INTERNATIONAL BERHAD**
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The basic and diluted losses per share are equal as EWI has no potential dilutive ordinary shares as at 31 October 2016.

29. EMPLOYEE BENEFITS EXPENSE

	EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
Salaries, wages, bonuses and allowances	11,697	-	-
Defined contribution plan	863	-	-
Other staff benefits	880	7	-
	----- 13,440 =====	----- 7 =====	----- - =====

30. LEASE COMMITMENT

	EWI Group FYE 31 October 2016 RM'000
The future minimum lease payments under non-cancellable operating leases is as follows:	
Not later than 12 months	1,375
Later than 1 year but not later than 5 years	2,031
	----- 3,406 =====

Operating lease payments represent non-cancellable rentals payables for the use of an office premise and office equipment.

14. ACCOUNTANTS' REPORT (Cont'd)



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31. CAPITAL COMMITMENT

	EWI Group FYE 31 October 2016 RM'000
Approved and contracted for capital expenditure in respect of plant and equipment not provided for in financial statements	75

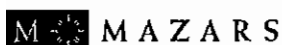
32. RELATED PARTY DISCLOSURE

The EWI Group and EWI have a relationship with their former holding companies, related companies, subsidiaries, a joint venture and a shareholder.

- (a) Other than those disclosed elsewhere in this report, significant related party transaction determined on a basis negotiated between the EWI Group and its related parties during the current financial year is as follows:

	EWI Group FYE 31 October 2016 RM'000	EWI FYE 31 October 2015 RM'000	EWI FPE 31 October 2014 RM'000
Transactions with a joint venture			
Revenue	683	-	-
Advances to a joint venture	244,662	-	-
Interest charged	29,099	-	-
	=====	=====	=====
Transactions with a shareholder			
Net advances received	21,547	56	-
Interest paid or payable	3,807	-	-
	=====	=====	=====
Transaction with former holding company of a subsidiary			
Net repayment of advances	113,548	-	-
	=====	=====	=====

14. ACCOUNTANTS' REPORT (Cont'd)


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	EWI Group	EWI	EWI
	FYE	FYE	FPE
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
Transaction of a subsidiary with its former holding company			
Interest paid or payable	642	-	-
Transaction with a wholly-owned subsidiary of EW Berhad where a shareholder of EWI is a director			
Agent fees paid or payable	54	-	-
Purchase of motor vehicles	12	-	-
Transaction with former holding company			
Advances received	-	634	-
Transaction with a company where a subsidiary's director has interest			
Consultancy fee paid or payable	107	-	-

(b) Key management personnel remuneration

Key management personnel are defined as those persons having executive authority and responsibility for planning, directing and controlling of the activities of EWI Group either directly or indirectly. The remuneration of the key management personnel during the financial year is as follows:

	EWI Group	EWI	EWI
	FYE	FYE	FPE
	31 October	31 October	31 October
	2016	2015	2014
	RM'000	RM'000	RM'000
Directors' remuneration			
Salaries, allowances and bonuses	4,865	110	-
Director fee	800	-	-
Director fee	555	-	-
Others	10	-	-
	6,230	110	-

14. ACCOUNTANTS' REPORT (Cont'd)


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NOTES TO THE HISTORICAL FINANCIAL INFORMATION
33. ACQUISITION OF SUBSIDIARIES
(i) Acquisition of EW Investment

On 7 December 2015, EWI acquired 100% equity interest in EW Investment for a total cash consideration of GBP6,954,000. EW Investment is an investment holding company. EW Investment has 2 subsidiaries, namely EW ACE and EW International Marketing. EW Investment also has an indirect investment in a joint venture, EW - Ballymore Holding which is an investment holding. The subsidiaries of EW-Ballymore Holding are mainly involved in property development.

(ii) Acquisition of Fortune Quest

On 8 December 2015, EWI acquired 100% equity interest in Fortune Quest for a total cash consideration of AUD1,046,000. Fortune Quest is an investment holding company. Fortune Quest has a wholly-owned subsidiary, EW Sydney Development. EW Sydney Development is involved in property development.

(iii) Acquisition of EW Management

On 7 December 2015, EWI acquired 75% equity interest in EW Management for a total cash consideration of GBP375,000. EW Management provides advisory and project monitoring services to EW ACE.

(a) Consideration transferred:

	<u>EW Investment</u> RM'000	<u>Fortune Quest</u> RM'000	<u>EW Management</u> RM'000
Purchase consideration	44,459	3,200	2,388

(b) Assets acquired and liabilities recognised at the date of acquisition:

	<u>EW Investment</u> RM'000	<u>Fortune Quest</u> RM'000	<u>EW Management</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Plant and equipment	1,970	548	4	2,522
Properties under development for sale	-	157,000	-	157,000

14. ACCOUNTANTS' REPORT (Cont'd)

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	EW Investment RM'000	Fortune Quest RM'000	EW Management RM'000	Total RM'000
Deferred tax assets	188	7,097	-	7,285
Investment in a joint venture	14,885	-	-	14,885
Amount owing by a joint venture	870,159	-	-	870,159
Trade and other receivables	20,055	1,445	2,369	23,869
Cash and bank balances	9,795	2,115	10,083	21,993
Liabilities				
Trade and other payables	(7,069)	(7,894)	(19)	(14,982)
Current tax liabilities	(187)	-	(1,843)	(2,030)
Amounts owing to the then shareholders	(282,426)	-	(23)	(282,449)
Amount owing to former holding company	-	(127,616)	-	(127,616)
Borrowings	(690,911)	(46,041)	-	(736,952)
Deferred tax liabilities	-	(1,756)	-	(1,756)
Net (liabilities)/ assets acquired	(63,541)	(15,102)	10,571	(68,072)
Net (liabilities)/ assets acquired	(63,541)	(15,102)	10,571	(68,072)
Goodwill arising on acquisition	108,000	18,302	-	126,302
Gain on bargain purchase arising from acquisition	-	-	(5,540)	(5,540)
Non-controlling interests	-	-	(2,643)	(2,643)
Purchase consideration	44,459	3,200	2,388	50,047

14. ACCOUNTANTS' REPORT (Cont'd)



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(c) *Effects of acquisition on cash flows:*

	EW Investment RM'000	Fortune Quest RM'000	EW Management RM'000	Total RM'000
Consideration paid in cash	-	(3,200)	(2,388)	(5,588)
Add: cash and cash equivalents of subsidiaries acquired	526	1,496	10,083	12,105
Net cash inflow/ (outflow) on acquisition	526	(1,704)	7,695	6,517

Impact of the acquisitions to the EWI Group

The EWI Group's revenue for the FYE 31 October 2016 attributable to:

	RM'000
(i) EW Investment group	683
(ii) Fortune Quest group	-
(iii) EW Management	-

The EWI Group's loss for the FYE 31 October 2016 attributable to:

	RM'000
(i) EW Investment group	91,474
(ii) Fortune Quest group	6,389
(iii) EW Management	12,078

Had these subsidiaries been acquired since 1 November 2015, the EWI Group's revenue would have been RM970,000; and the EWI Group's loss for the FYE 31 October 2016 attributable to owners would have been RM238,326,000. These figures are presented solely for illustrative purpose to provide reference for comparison in future periods.

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**
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34. SEGMENTAL REPORTING

The EWI Group is principally involved in property development and investment in property development projects.

The EWI Group's operating and reportable segments are business units operating in different geographical locations.

(a) By geographical segments

For the management purposes, the EWI Group is organised into several geographical locations of the world, and has three reportable geographical segments as follows:

- (i) United Kingdom – the areas of operation are principally property development activities and provision of advisory and project monitoring services.
- (ii) Australia – the area of operation is principally property development activities.
- (iii) Malaysia – the areas of operation are investment holding and promoting and marketing services activities.

Transactions between segments are entered into in the normal course of business and determined on a basis negotiated between the parties involved. The effects of such inter-segmental transactions are eliminated on consolidation.

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	United Kingdom					Total
	RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	RM'000	
FYE 31 October 2016						
Revenue:						
External revenue	-	-	683	-	683	
Inter-segment revenue	21,039	-	354	(21,393)	-	
Results:						
Segment results	(7,934)	(10,155)	(24,211)	-	(42,300)	
Share of loss in a joint venture	(53,927)	-	-	-	(53,927)	
Depreciation	(116)	(122)	(770)	-	(908)	
Unrealised (loss)/gain on foreign exchange	(3)	14	(74,951)	-	(74,940)	
Other income	14	37	5,578	-	5,629	
Finance costs	(31,454)	-	(21,369)	-	(52,823)	
Loss before tax	(93,320)	(10,226)	(115,723)	-	(219,269)	
Taxation	(3,052)	3,837	1,368	-	2,153	
Loss for the year	(96,372)	(6,389)	(114,355)	-	(217,116)	
Additions to non-current assets	170	34	507	-	711	
Segment assets	991,900	207,641	25,931	-	1,225,472	
Segment liabilities	605,952	65,770	441,079	-	1,112,801	

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(b) By business segments

For management purposes, the EWI Group is organised into property development as primary segment. Other activities include investment holding and promotion and marketing activities. They are managed separately when making decisions on resource allocation. During the FYE 31 October 2016, the entire revenue of the EWI Group is contributed by a wholly-owned subsidiary which is involved in the promotion and marketing services rendered to the joint venture.

35. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	EWI Group 31 October 2016 RM'000	EWI 31 October 2015 RM'000	EWI 31 October 2014 RM'000
Financial assets			
(loans and receivables)			
Trade receivables	289	-	-
Other receivables	5,146	-	83
Amount owing by a joint venture	745,417	-	-
Cash and bank balances	18,573	164	36,055
	-----	-----	-----
Total financial assets	769,425	164	36,138
	=====	=====	=====
Financial liabilities			
(at amortised cost)			
Trade payables	1,699	-	-
Other payables and accruals	13,924	4,152	797
RCPS	-	-	37,500
Amounts owing to former holding companies	12,954	634	-
Amounts owing to a shareholder	144,234	56	-
Amount owing to a former shareholder of a subsidiary	10,660	-	-
Borrowings	923,867	-	-
	-----	-----	-----
Total financial liabilities	1,107,338	4,842	38,297
	=====	=====	=====

14. ACCOUNTANTS' REPORT (Cont'd)



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(b) Fair value of financial instruments

The bank term loans are reasonable approximations of their fair values because they are floating rate instrument which are reprised to market interest rates.

The carrying amounts of all other financial assets and liabilities at the reporting date approximated or were at their fair values in view of their short term nature.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The activities of the EWI Group are exposed to a variety of financial risks including liquidity and cash flow risks, interest rate risk, foreign currency risk and credit risk. The overall financial risk management objective is to minimise potential adverse effects on the EWI Group's financial performance.

Financial risk management is carried out through risk review, internal control systems and adherence to the EWI Group's financial risk management policies. There is detailed system for the reporting and forecasting of cash flows from the operations to EWI Group management to ensure that risk are promptly identified and appropriate mitigating actions taken. The EWI Group always maintains sufficient facility headroom to cover risks. The board of directors of EWI regularly reviews these risks and approves the policies covering the management of these risks. The EWI Group does not trade in derivative instruments.

(i) *Liquidity and cash flow risks*

Liquidity and cash flow risks are the risk that the EWI Group will not be able to meet their financial obligations when they fall due.

The EWI Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management, must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of their businesses, the EWI Group also seeks to maintain sufficient credit lines available to meet their liquidity requirements while ensuring effective working capital management.

All financial liabilities are due within one year.

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The EWI Group reported net cash outflow in respect of its operating activities amounting to RM39,159,000 for the FYE 31 October 2016. The EWI Group's current liabilities exceeded its current assets by RM899,924,000. In view of the continuous support from lenders and shareholders and EWI's ongoing plans to raise additional funding for working capital purposes, including the proposed initial public offering, the directors of EWI believe that the funding raised from these sources is sufficient to meet the working capital requirements of the EWI Group in the foreseeable future.

(ii) Interest rate risk

Exposure to changes in interest rate risk relates primarily to the bank borrowings. The EWI Group does not generally hedge interest rate risk.

A sensitivity analysis has been performed based on the EWI Group's outstanding floating rate of bank borrowings as at 31 October 2016. If interest rate increases or decreases by 50 basis points with all other variables held constant, the EWI Group's loss after tax would increase or decrease by approximately RM4,388,000 as a result of higher or lower interest expense on these borrowings.

(iii) Foreign currency risk

The EWI Group is exposed to foreign currency risk mainly as a result of translation of foreign operations to RM and foreign currency transactions entered into in currencies other than its functional currency.

The following table demonstrates the sensitivity of the EWI Group's loss after tax and other comprehensive income to a reasonably possible change in the GBP, AUD and USD exchange rates against RM with all other variables held constant.

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FYE 31 October 2016	Increase/(decrease) in loss after tax RM'000
Change in currency rate	
GBP	
- Strengthen by 5%	3,054
- Weaken by 5%	(3,054)
	=====
AUD	
- Strengthen by 5%	(2,896)
- Weaken by 5%	2,896
	=====
USD	
- Strengthen by 5%	(617)
- Weaken by 5%	617
	=====
	Increase/(decrease) in other comprehensive income RM'000
FYE 31 October 2016	
Change in currency rate	
GBP	
- Strengthen by 5%	1,360
- Weaken by 5%	(1,360)
	=====
USD	
- Strengthen by 5%	375
- Weaken by 5%	(375)
	=====

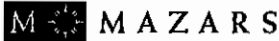
As other foreign currency denominated monetary items as at 31 October 2016 are not material, the sensitivity analysis has not been presented.

(iv) *Credit risk*

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the EWI Group have a gain position.

As at the end of the reporting period, amounts owing by a joint venture which are included in trade and other receivables amounted to RM4,718,000. The directors of EWI closely monitor the EWI Group's credit risk exposure arising from the joint venture and are confident in recovering the outstanding balances.

14. ACCOUNTANTS' REPORT (Cont'd)

**ECO WORLD INTERNATIONAL BERHAD**
(Incorporated in Malaysia)**NOTES TO THE HISTORICAL FINANCIAL INFORMATION**

The EWI Group is also exposed to credit risk in respect of unsecured advances to the joint venture amounting to RM745,417,000 as at 31 October 2016. The directors of EWI closely monitor the EWI Group's credit risk exposure arising from amounts due from the joint venture, and are confident in recovering the outstanding balances.

The credit risk on cash and bank balances of the EWI Group is limited as these balances are placed with or transacted with financial institutions which are creditworthy.

37. CAPITAL MANAGEMENT

The EWI Group's objectives when managing capital are to safeguard the EWI Group's ability to continue as a going concern and to support the EWI Group's stability and growth.

The EWI Group actively and regularly reviews and manages its capital structure and when necessary, obtains financial support from its shareholders and lenders to ensure optimal capital structure and shareholder returns.

The principal form of capital is share capital and when necessary, advances from shareholders and borrowings from lenders as included in the statements of financial position.

The EWI Group reported net cash outflow in respect of their operating activities amounting to RM39,159,000 for the FYE 31 October 2016. The EWI Group's current liabilities exceeded its current assets by RM899,924,000 as at 31 October 2016. Although these conditions indicate the existence of an uncertainty which may cast doubt about the EWI Group's ability to continue as a going concern, the EWI Group has prepared its financial statements on the basis of accounting principles applicable to a going concern in view of the continuous support from lenders and shareholders and EWI's ongoing plans to raise additional funding for working capital purposes, including the proposed initial public offering. The directors of EWI believe that the funding raised from these sources is sufficient to meet the working capital requirements of the EWI Group and in the foreseeable future.

38. SIGNIFICANT EVENTS

The following events have taken place during the FYE 31 October 2016:

- (i) On 29 March 2016, EWI obtained conditional approval from the SC in respect of its application on the proposed initial public offering and proposed listing on the Main Market of Bursa Securities.

14. ACCOUNTANTS' REPORT (Cont'd)

M A Z A R S**ECO WORLD INTERNATIONAL BERHAD**

(Incorporated in Malaysia)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(ii) On 27 October 2016, Eco World Capital (International) Sdn Bhd ("EW Capital"), a wholly-owned subsidiary of EW Berhad entered into a conditional share subscription agreement with the Company for the subscription by EW Capital of such number of ordinary shares of RM1.00 each in EWI ("EWI Shares"), representing 27.0% of the enlarged issued and paid-up share capital of EWI upon the proposed listing of EWI ("EW Berhad Subscription Agreement")(Collectively referred to as "Proposed EW Berhad Subscription").

(iii) On 27 October 2016, EW Berhad entered into a collaboration agreement with EWI to establish a framework for mutual collaboration and strategic alliance between EW Berhad and EWI ("Collaboration Agreement").

The EW Berhad Subscription Agreement and Collaboration Agreement are entered into in conjunction with the current proposed initial public offering and listing of EWI on the Main Market of Bursa Securities.

In conjunction with the current proposed initial public offering of EWI, GuocoLand Limited ("GuocoLand"), through a wholly-owned subsidiary, proposes to enter into a subscription agreement for the subscription of such number of new EWI Shares, representing 27.0% of the enlarged issued and paid-up share capital of EWI on terms and conditions to be mutually agreed ("GuocoLand Share Subscription Agreement")(Collectively referred to as "Proposed GuocoLand Subscription").

(iv) Arising from the Proposed EW Berhad Subscription and Proposed GuocoLand Subscription, EW Berhad, Tan Sri Liew and GuocoLand have on 27 October 2016 entered into an agreement to regulate their relationship with one another as shareholders in EWI and in relation to their voting shares and the exercise of their voting rights in EWI.

(v) On 20 February 2017, at the extraordinary general meeting of EW Berhad, the shareholders of EW Berhad have approved the Proposed EW Berhad Subscription. On the same day, the GuocoLand Share Subscription Agreement was executed.

39. SUBSEQUENT EVENTS

No significant event since the last audited financial statements of EWI to the date of this report, which will affect materially the contents of this report.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by EWI or any company within the EWI Group subsequent to 31 October 2016.

14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
(PRO FORMA FINANCIAL INFORMATION)
FOR THE FINANCIAL YEARS ENDED 31 OCTOBER 2015 AND
31 OCTOBER 2016



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
Company No. 1059850-A
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The pro forma consolidated financial information set out on pages 5 to 45 has been compiled by the directors to illustrate the impact of the event and transaction set out in note 3 on the Group's financial position as at the respective reporting dates and the Group's financial performance and cash flows for the financial years ended on those dates, as if those event and transaction had taken place at the stated dates.

In the opinion of the directors,

- (a) the basis of compilation of the pro forma consolidated financial information set out in note 3 is appropriate for the purposes of the pro forma consolidated financial information; and
- (b) the pro forma consolidated financial information for the financial year ended 31 October 2015 and the financial year ended 31 October 2016 have been properly compiled by the directors on the basis set out in note 3.

Signed on behalf of the directors



TAN SRI DATO' SRI LIEW KEE SIN
Director



DATO' TEOW LEONG SENG
Director

Kuala Lumpur

23 FEB 2017



14. ACCOUNTANTS' REPORT (Cont'd)


M A Z A R S
23 FEB 2017

The Board of Directors
 Eco World International Berhad
 Lot 6.05, Level 6, KPMG Tower
 8 First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan

Dear Sirs

**REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED
 FINANCIAL INFORMATION OF ECO WORLD INTERNATIONAL BERHAD**

We have completed our assurance engagement to report on the compilation of the accompanying pro forma consolidated financial information of Eco World International Berhad (“EWI”) and its subsidiaries and joint venture (“EWI Group”) for the financial year ended (“FYE”) 31 October 2015 and the FYE 31 October 2016 compiled by the directors of EWI as set out in pages 5 to 45, and stamped by us for the purpose of identification.

The pro forma consolidated financial information consists of the pro forma consolidated statements of financial position of Group as at 31 October 2015 and 31 October 2016, and the EWI Group’s pro forma consolidated statements of comprehensive income and pro forma consolidated statements of cash flows for the FYE 31 October 2015 and the FYE 31 October 2016 respectively, and other explanatory information. The applicable criteria on the basis of which the directors of EWI have compiled the pro forma consolidated financial information are set out in note 3 of the accompanying pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia (“Prospectus Guidelines”).

The pro forma financial information has been compiled by the directors of EWI to illustrate the impact of the events and transactions set out in note 3 of the accompanying pro forma consolidated financial information on the EWI Group’s financial position as at the respective reporting dates and the EWI Group’s financial performance and cash flows for the financial years ended on those dates, as if those events and transactions had taken place at the stated dates. As part of this process, information about the EWI Group’s financial position, financial performance and cash flows has been extracted by the directors of EWI from the applicable audited financial statements as set out in note 3 of the accompanying pro forma consolidated financial information.

The pro forma consolidated financial information has been compiled by the directors of EWI solely for inclusion in the prospectus of EWI in connection with the initial public offering and listing of and quotation for the entire enlarged issued and paid-up share capital and warrants of EWI on the Main Market of Bursa Malaysia Securities Berhad (the “Prospectus”).

2

With effect from 17 February 2017, Mazars, a conventional partnership, was converted to Mazars PLT (LLP0010622-LCA), a limited liability partnership.

WISMA SELANGOR DREDGING, 11TH FLOOR, SOUTH BLOCK, 142-A, JALAN AMPANG, 50450 - KUALA LUMPUR - MALAYSIA
 TEL: +60 (3) 2161 5222 - FAX: +60 (3) 2161 3909 - contact@mazars.my - www.mazars.my

MAZARS PLT (LLP0010622-LCA) (AF 001954)
 CHARTERED ACCOUNTANTS

Praxity
 GLOBAL ALLIANCE OF
 INDEPENDENT FIRMS

14. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Eco World International Berhad

Directors' Responsibility for the Pro Forma Consolidated Financial Information

The directors of EWI are responsible for compiling the pro forma consolidated financial information of the EWI Group for the FYE 31 October 2015 and the FYE 31 October 2016 on the basis set out in note 3 of the accompanying pro forma consolidated financial information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the accompanying pro forma consolidated financial information has been compiled, in all material respects, by the directors of EWI on the basis set out in note 3 of the accompanying pro forma consolidated financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of EWI have compiled, in all material respects, the pro forma consolidated financial information on the basis set out in note 3 of the accompanying pro forma consolidated financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the accompanying pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the historical financial information used in compiling the accompanying pro forma consolidated financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the effect of significant events or transactions on the unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier selected date for the purpose of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions, when they occur, would have been as presented.

14. ACCOUNTANTS' REPORT (Cont'd)

 M A Z A R S

The Board of Directors
Eco World International Berhad

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by directors of EWI in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the entity, the event or transaction in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information for the abovementioned purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

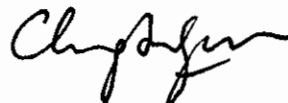
In our opinion, the accompanying pro forma consolidated financial information of the EWI Group for the FYE 31 October 2015 and the FYE 31 October 2016 have been compiled by the directors of EWI, in all material respects, on the basis set out in note 3 of the accompanying pro forma consolidated financial information.

Other Matters

This report has been prepared solely for inclusion in the Prospectus and should not be used or relied upon for any other purpose. We do not assume responsibility to any other person for the content of this report.



MAZARS PLT
LLP0010622-LCA
AF: 001954
Chartered Accountants



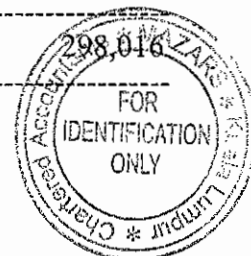
CHONG FAH YOW
03004/07/2018 J
Chartered Accountant

14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Group	Group
		2016	2015
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Plant and equipment	4	2,299	2,551
Goodwill	5	126,302	115,681
Investment in a joint venture	6	127,646	19,419
Amount owing by a joint venture	7	745,417	889,497
Deferred tax assets	8	12,757	7,246
		1,014,421	1,034,394
Current assets			
Properties under development for sale	9	174,040	156,053
Trade receivables	10	289	7,430
Other receivables and prepayments	11	6,883	7,610
Deferred expenditure	12	10,638	3,027
Current tax assets		628	-
Cash and bank balances	13	18,573	27,373
		211,051	201,493
TOTAL ASSETS		1,225,472	1,235,887
EQUITY AND LIABILITIES			
Equity			
Share capital	14	246,541	246,541
Share premium	15	49,158	49,158
Exchange translation reserve		34,698	-
Accumulated losses		(222,514)	(106)
		107,883	295,593
Non-controlling interests		4,788	2,423
TOTAL EQUITY		112,671	298,016



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD

(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Group 2016 RM'000	Group 2015 RM'000
	<i>Note</i>		
Current liabilities			
Trade payables	<i>16</i>	1,699	10,011
Other payables and accruals	<i>17</i>	14,641	7,384
Amounts owing to former holding companies	<i>18</i>	12,954	7,961
Amounts owing to a shareholder	<i>19</i>	144,234	53,822
Amount owing to a former shareholder of a subsidiary	<i>20</i>	10,660	13,338
Borrowings	<i>21</i>	923,867	795,309
Current tax liabilities		2,920	2,179
		----- 1,110,975	----- 890,004
Non-current liabilities			
Borrowings	<i>21</i>	-	45,800
Deferred tax liabilities	<i>8</i>	1,826	2,067
		----- 1,826	----- 47,867
TOTAL LIABILITIES		----- 1,112,801	----- 937,871
TOTAL EQUITY AND LIABILITIES		=====	=====



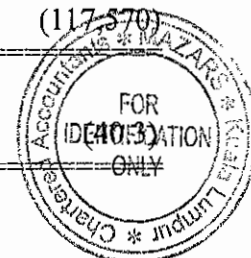
14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD

(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Group 2016 RM'000	Group 2015 RM'000
Revenue	22	970	7,454
Direct expenses		(5,455)	(4,116)
Gross (loss)/profit		(4,485)	3,338
Other income	23	99	10,314
Marketing expenses		(3,792)	(3,582)
Administrative and general expenses		(39,165)	(59,338)
Unrealised (loss)/gain on foreign exchange		(74,449)	23,883
Finance costs	24	(55,425)	(34,416)
Share of loss in a joint venture		(59,719)	(41,654)
Loss before tax	25	(236,936)	(101,455)
Taxation	26	1,874	3,607
Loss for the year		(235,062)	(97,848)
Other comprehensive income/(loss), net of tax:			
<i>Item that may be reclassified to profit or loss subsequently:</i>			
Exchange differences on translation of foreign operations		25,268	(19,722)
Total comprehensive loss for the year		(209,794)	(117,570)
(Loss)/Profit for the year attributable to:			
- Owners of the Company		(238,326)	(99,264)
- Non-controlling interests		3,264	1,416
		(235,062)	(97,848)
Total comprehensive (loss)/income for the year attributable to:			
- Owners of the Company		(212,226)	(118,986)
- Non-controlling interests		2,432	1,416
		(209,794)	(117,570)
Loss per share:			
Basic and diluted (sen)	27	(96.7)	



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD

(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group 2016 RM'000	Group 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(236,936)	(101,455)
Adjustments for:		
Interest income	(88)	(981)
Deferred expenditure written off	-	1,287
Allowance for doubtful debts	207	-
Loss on disposal of plant and equipment	16	-
Depreciation	963	615
Share of loss in a joint venture	59,719	41,654
Finance costs	55,425	34,416
Gain on deconsolidation of a subsidiary	(8)	-
Listing expenses	290	505
Landholder duty	8,691	11,660
Unrealised loss/(gain) on foreign exchange	74,449	(23,883)
Operating loss before working capital changes	(37,272)	(36,182)
Changes in properties under development for sale	(9,188)	(54,778)
Changes in receivables	(3,119)	(29,632)
Changes in payables	381	34,546
Cash used in operations	(49,198)	(86,046)
Interest received	49	1,064
Net tax paid	(2,453)	(1,288)
Net cash used in operating activities	(51,602)	(86,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(719)	(3,146)
Proceeds from disposal of plant and equipment	6	-
Advances to a joint venture	(249,815)	(787,312)
Acquisition of subsidiaries	(5,588)	(5,588)
Placements of deposits, debt service reserve and interest service reserve accounts	(2,568)	(9,021)
Landholder duty	(8,691)	(11,660)
Interest received	39	-
Subscription of ordinary shares in a joint venture	-	-
Net cash used in investing activities	(267,336)	(816,919)

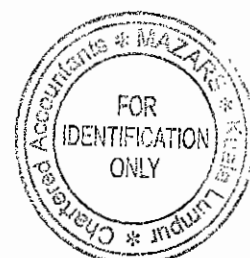


14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group	Group
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of RCPS	-	(37,500)
Drawdown of borrowings	330,547	757,066
Proceeds from issuance of ordinary shares	119,249	119,999
Advances from a shareholder	31,574	162,031
Repayments to former holding companies	(109,370)	(96,477)
Finance costs	(52,579)	(30,092)
Proceeds from issuance of ordinary shares by subsidiaries	-	2,915
Listing expenses	(7,762)	-
Net cash generated from financing activities	311,659	877,942
NET CHANGES IN CASH AND CASH EQUIVALENTS	(7,279)	(25,247)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17,162	41,051
EFFECT OF EXCHANGE RATE CHANGES	(2,164)	1,420
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 13)	7,719	17,224



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD

(Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**ABBREVIATIONS**

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation shall apply throughout this report:

ACE Capital Act	ACE Capital S.à.r.l Companies Act 1965 as amended from time to time and any re-enactment thereof
AUD	Australian Dollar
Bursa Securities	Bursa Malaysia Securities Berhad
Dato' Teow	Dato' Teow Leong Seng
Dato' Voon	Dato' Voon Tin Yow
ECOF	Effective cost of funds
EW ACE	Eco World ACE Co Ltd
EW Berhad	Eco World Development Group Berhad
EW International Marketing	Eco World International Marketing Sdn Bhd
EW Investment	Eco World Investment Co Ltd
EW Management	Eco World Management & Advisory Services (UK) Limited
EW Sydney Development	Eco World Sydney Development Pty Ltd
EW-Ballymore Arrowhead	Eco World-Ballymore Arrowhead Quay Company Limited
EW-Ballymore Embassy Gardens	Eco World-Ballymore Embassy Gardens Company Limited
EW-Ballymore Holding	Eco World-Ballymore Holding Company Limited
EW-Ballymore London City	Eco World-Ballymore London City Island Company Limited
EWI	Eco World International Berhad
EWI Group	EWI and its subsidiaries
EWDSB	Eco World Development Sdn Bhd
EWIPM	EWI Project Management Sdn Bhd
Fortune Quest	Fortune Quest Group Ltd
FYE	Financial year ended
GBP	Great Britain Pound
IPO	Initial public offering
LIBOR	London Interbank Offered Rate
Listing	Listing of and quotation for the entire enlarged issued and paid-up share capital of EWI and warrants in EWI on the Main Market of Bursa Malaysia Securities Berhad
RCPS	Redeemable convertible preference shares
RM and sen	Ringgit Malaysia and sen
SGD	Singapore Dollar
Share(s)	Ordinary share(s) in EWI
Tan Sri Liew	Tan Sri Dato' Sri Liew Kee Sin
USD	United States Dollar



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. INTRODUCTION

The pro forma consolidated financial information consists of the pro forma consolidated statements of financial position of the EWI Group as at 31 October 2015 and 31 October 2016, and the EWI Group's pro forma consolidated statements of comprehensive income and pro forma consolidated statements of cash flows for the FYE 31 October 2015 and the FYE 31 October 2016 respectively, and a summary of significant accounting policies and other explanatory information.

The pro forma consolidated financial information has been compiled by the directors of EWI solely for inclusion in the Prospectus and for no other purpose.

The pro forma consolidated financial information has been presented for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the EWI Group as at the respective reporting dates and the financial performance or cash flows of the EWI Group in the future periods. Accordingly, the actual financial position, financial performance and cash flows of the EWI Group would not have been as presented.

All figures in this report are rounded to the nearest thousand, unless otherwise stated.

2. THE FORMATION OF EWI GROUP

EWI was incorporated in Malaysia under the Act as a private limited company on 28 August 2013 under the name of Eco World International Sdn Bhd. On 14 October 2014, EWI was converted into a public limited company under the name of Eco World International Berhad. EWI was converted back into a private limited company on 7 August 2015 under the name of Eco World International Sdn Bhd. On 11 January 2016, EWI was converted into a public limited company under its present name.

The formation of the EWI Group was undertaken through a series of acquisition exercises as set out below:

- (i) On 7 December 2015, EWI acquired ten ordinary shares of GBP1.00 each, representing a 100% equity interest in EW Investment from Tan Sri Liew and Dato' Voon for a total cash consideration of GBP6,954,087 to be paid by EWI in RM⁽¹⁾ on a date falling within 16 months from 7 December 2015 or a date falling within ten business days from the date of the admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier ("Payment Date"). The purchase consideration was arrived at based on the audited consolidated net assets of EW Investment as at 31 July 2015 after adjusting for the net revaluation surplus arising from the market valuation of the group's property development projects as at 15 October 2015.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The details of subsidiaries and joint ventures of EWI are set out below:

Name	Issued and paid-up share capital at 31 October 2016	Effective equity interest		Place and date of incorporation	Principal activities
		31 October 2015	31 October 2016		
<u>Subsidiaries of EWI</u>					
EW Investment	GBP10	-	100%	Jersey 18 November 2014	Investment holding
Fortune Quest	USD1	-	100%	British Virgin Islands 8 August 2013	Investment holding
EW Management	GBP500,000	-	75%	United Kingdom 13 October 2014	Provision of advisory and project monitoring services
<u>Subsidiaries of EW Investment</u>					
EW International Marketing	RM250,000	-	100%	Malaysia 10 March 2015	Promoting and marketing services for international projects
EW ACE	GBP1	-	100%	Jersey 18 November 2014	Investment holding
<u>Subsidiary of Fortune Quest</u>					
EW Sydney Development	AUD1	-	100%	Australia 29 April 2014	Property development
<u>Joint venture of EW ACE</u>					
EW-Ballymore Holding	GBP50,000,000	-	75%	Jersey 17 December 2014	Investment holding



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
 (Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Name	Issued and paid-up share capital at 31 October 2016	Effective equity interest		Place and date of incorporation	Principal activities
		31 October 2015	31 October 2016		
<i>Subsidiaries of EW-Ballymore Holding</i>					
ACE Capital	GBP10,000	-	75%	Luxembourg 16 April 2015	Investment holding
EW-Ballymore London City	GBP2	-	75%	Jersey 17 December 2014	Property development
EW-Ballymore Embassy Gardens	GBP2	-	75%	Jersey 17 December 2014	Property development
EW-Ballymore Arrowhead	GBP2	-	75%	Jersey 17 December 2014	Property development

3. BASIS OF PREPARATION

The basis of preparation for each of the pro forma consolidated financial information for the FYE 31 October 2015 and the FYE 31 October 2016, are set out below.

Pro forma consolidated financial information for the FYE 31 October 2015

The pro forma consolidated financial information of the EWI Group for the FYE 31 October 2015 has been compiled using:

- the audited financial statements of EWI for the FYE 31 October 2015;
- the audited consolidated financial statements of EW Investment for the financial period from 18 November 2014 (date of incorporation) to 31 October 2015;
- the audited consolidated financial statements of Fortune Quest for the FYE 31 October 2015; and
- the audited financial statements of EW Management for the financial period from 13 October 2014 (date of incorporation) to 31 October 2015.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD

(Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following transactions took place subsequent to 31 October 2015:

- (i) On 2 December 2015, EWI obtained a bridging loan facility of RM260,000,000 which has been drawn down to repay the balance of outstanding advances from Tan Sri Liew amounting to RM73,069,026 for the acquisition of EW Investment; and
- (ii) On 4 December 2015, EWI issued 99,373,798 Shares to Tan Sri Liew for a cash consideration of RM1.20 per Share. The cash proceeds were used by EWI for the acquisitions of Fortune Quest and EW Management, as well as the settlement of advances due by Fortune Quest to EWDSB.

The transactions above together with the Acquisitions are collectively referred to as the "Reorganisation".

The pro forma consolidated financial information of the EWI Group for the FYE 31 October 2015 has been compiled solely to illustrate the effects of the Reorganisation on the financial position, financial performance and cash flows of the EWI Group, on the basis set out below:

- The pro forma consolidated statement of financial position of the EWI Group as at 31 October 2015 has been compiled, to present the assets and liabilities of the EWI Group, as if the Reorganisation had taken place on 31 October 2015.
- The pro forma consolidated statement of comprehensive income and pro forma consolidated statement of cash flows of the EWI Group for the FYE 31 October 2015 have been compiled, to present the financial performance and cash flows of the EWI Group, as if the structure of the EWI Group upon completion of the Acquisitions had been in existence throughout the FYE 31 October 2015 or since their respective date of incorporation where this is a shorter period, and the Reorganisation (save for the Acquisitions) had taken place on 31 October 2015.

The pro forma consolidated statement of changes in equity is not presented as part of the pro forma consolidated financial information as it may not be informative for illustrative purposes.

The accounting policies applied in the compilation of the pro forma consolidated financial information of the EWI Group for the FYE 31 October 2015 are consistent with those accounting policies applied in the preparation of the EWI Group's consolidated financial statements for the FYE 31 October 2016.

The pro forma consolidated financial information has been presented for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the EWI Group on or after 31 October 2015 and the financial performance or cash flows of the EWI Group in the future periods upon completion of the Reorganisation. Accordingly, the actual financial position, financial performance and cash flows of the EWI Group upon completion of the Reorganisation, would not have been as presented.



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Pro forma consolidated financial information for the FYE 31 October 2016

The pro forma consolidated financial information of the EWI Group for the FYE 31 October 2016 has been compiled using:

- the audited separate financial statements of EWI for the FYE 31 October 2016;
- the audited consolidated financial statements of EW Investment for the FYE 31 October 2016;
- the audited consolidated financial statements of Fortune Quest for the FYE 31 October 2016; and
- the audited financial statements of EW Management for the financial FYE 31 October 2016.

The pro forma consolidated financial information of the EWI Group for the FYE 31 October 2016 has been compiled solely to illustrate the effects of the Acquisitions on the financial performance and cash flows of the EWI Group, on the basis set out below:

- The pro forma consolidated statement of comprehensive income and pro forma consolidated statement of cash flows of the EWI Group for the FYE 31 October 2016 have been compiled, to present the financial performance and cash flows of the EWI Group, as if the structure of the EWI Group upon completion of the Acquisitions had been in existence throughout the FYE 31 October 2016.
- The information about the financial position of the EWI Group as at 31 October 2016 is presented for comparison only.

The consolidated statement of financial position of the EWI Group as at 31 October 2016 has been extracted from the audited consolidated statement of financial position of the EWI Group as at 31 October 2016 without any pro forma adjustment as the EWI Group had already been formed as at 31 October 2016.

The pro forma consolidated statement of changes in equity is not presented as part of the pro forma consolidated financial information as it may not be informative for illustrative purposes.

The accounting policies applied in the compilation of the pro forma consolidated financial information of the EWI Group for the FYE 31 October 2016 are consistent with those accounting policies applied in the preparation of the EWI Group's consolidated financial statements for the FYE 31 October 2016.

The pro forma consolidated financial information has been presented for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial performance or cash flows of the EWI Group in the future periods.



14. ACCOUNTANTS' REPORT (Cont'd)

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Accordingly, the actual financial performance and cash flows of the EWI Group would not have been as presented.



14. ACCOUNTANTS' REPORT (Cont'd)

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4. PLANT AND EQUIPMENT

Cost	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Renovations RM'000	Work-in-progress RM'000	Total RM'000
At 1 November 2015	329	250	487	-	2,102	-	3,168
Additions	173	34	55	18	214	225	719
Disposals	(26)	-	-	-	-	-	(26)
Foreign exchange adjustments	(10)	2	15	-	19	-	26
At 31 October 2016	466	286	557	18	2,335	225	3,887
Accumulated depreciation							
At 1 November 2015	14	50	144	-	409	-	617
Charge for the year	50	58	180	3	672	-	963
Disposals	(4)	-	-	-	-	-	(4)
Foreign exchange adjustments	(1)	-	9	-	4	-	12
At 31 October 2016	59	108	333	3	1,085	-	1,588
Net carrying amount At 31 October 2016	407	178	224	15	1,250	225	2,299



14. ACCOUNTANTS' REPORT (Cont'd)

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Cost	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Renovations RM'000	Total RM'000
At 1 November 2014	-	-	-	-	-
Additions	313	251	475	2,107	3,146
Foreign exchange adjustments	16	(1)	12	(5)	22
At 31 October 2015	329	250	487	2,102	3,168

Accumulated depreciation

At 1 November 2014	-	-	-	-	-
Charge for the year	13	50	142	410	615
Foreign exchange adjustments	1	-	2	(1)	2
At 31 October 2015	14	50	144	409	617

Net carrying amount
At 31 October 2015

315 200 343 1,693 2,551

19

600



14. ACCOUNTANTS' REPORT (Cont'd)

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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

5. GOODWILL

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Goodwill on consolidation	126,302	115,681

Goodwill on consolidation arises from premium paid over the fair values of net assets of the subsidiaries acquired at their respective acquisition date. Goodwill is mainly attributable to the anticipated profitability of the acquired businesses and the benefit of expected synergies to arise after the acquisitions.

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Goodwill on consolidation is attributable to the following cash-generating units ("CGU"):		
- EW-Ballymore Holding and its subsidiaries	108,000	100,448
- EW Sydney Development	18,302	15,233
	<u>126,302</u>	<u>115,681</u>

Impairment test of goodwill

The recoverable amount of the CGU of EW-Ballymore Holding and its subsidiaries was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management of EWI covering a five-year period and a discount rate of 7.97%.

The recoverable amount of the CGU of EW Sydney Development was determined based on value-in-use calculation. The calculation was determined using projected cash flows approved by the management of EWI covering a five-year period and a discount rate of 8.11%.

With regard to the assessment of value-in-use, the management of EWI believes that no reasonable possible changes in any of the key assumptions would cause the carrying amounts of the CGU to materially exceed their recoverable amounts as at 31 October 2016.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)**NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

6. INVESTMENT IN A JOINT VENTURE

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Interest in a joint venture	127,646	19,419

The joint venture is EW-Ballymore Holding, a company incorporated in Jersey, in which the EWI holds 75% of the equity interest. However, pursuant to the contractual agreement, EWI requires unanimous consent with its joint venture partner for all significant decisions over the relevant activities of EW-Ballymore Holding and its subsidiaries. Thus, EWI and its joint venture partner have joint control over EW-Ballymore Holding. Accordingly, this arrangement is classified as a joint venture, and the investment in EW-Ballymore Holding is accounted for using equity method.

On 31 October 2016, the EWI Group converted GBP37,467,000 (equivalent to RM191,445,000) of its loan to EW-Ballymore Holding into 37,467,000 ordinary shares of GBP 1 each.

The summarised consolidated financial information of EW-Ballymore Holding is as follows:

	2016 RM'000	2015 RM'000
Non-current assets	12,739	-
Current assets	3,713,456	3,356,686
Non-current liabilities	(3,474,753)	(3,338,421)
Current liabilities	(116,151)	(80,722)
Net assets/(liabilities)	<u>135,291</u>	<u>(62,457)</u>

The above assets and liabilities include:

Cash and cash equivalents	175,157	63,754
Non-current loans and borrowings	<u>3,009,015</u>	<u>3,338,322</u>



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	2016 RM'000	2015 RM'000
Revenue	1,651	1,265
Loss for the year	(79,625)	(55,538)
Total comprehensive loss for the year	(79,625)	(55,538)
The above loss includes:		
Interest income	-	19
Taxation	13,020	(380)

Reconciliation of the summarised consolidated financial information of EW-Ballymore Holding to the EWI Group's carrying amount of its interest in the joint venture is as follows:

	2016 RM'000	2015 RM'000
Net assets/(liabilities) of the joint venture	135,291	(62,457)
Fair value adjustment on net assets of the joint venture acquired	70,611	88,349
	205,902	25,892
Proportion of ownership interest held by the EWI Group	75%	75%
EWI Group's share of net assets	154,427	19,419
Elimination of unrealised profits	(26,781)	-
EWI Group's share of net assets of the joint venture	127,646	19,419

The EWI Group is committed to fund the joint venture by way of share subscription and shareholder's loans up to GBP330 million in total over the life of the joint venture's development projects.

EW ACE has contributed GBP178 million to the joint venture as at 31 October 2016, and accordingly, EW ACE has undrawn commitments of GBP152 million (equivalent to approximately RM777 million, based on exchange rate GBP1: RM5.1097, being the middle rate 5.00 p.m. on the last market day for the month October 2016), if called.



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Further, if the joint venture has insufficient funds to make payment to the lenders of the banking facilities in respect of which the lenders are entitled to make a valid claim in accordance with the bank term loan agreements (the "Claim"):

- (a) the joint venture shall first fund the Claim by calling on its joint venture partners in respect of their respective portions of their undrawn commitments;
- (b) if the undrawn commitments are insufficient to satisfy the Claim, the joint venture partners shall increase their commitments up to an additional amount of GBP120 million (equivalent to approximately RM613 million, based on exchange rate GBP1: RM5.1097, being the middle rate 5.00 p.m. on the last market day for the month October 2016) ("Increased Commitments"), to be funded on a pro-rata basis by each joint venture partner according to their percentage of equity interest in the joint venture. Any failure by any joint venture partner to provide such additional funding shall be an event of default under the contractual agreement; and
- (c) if funding in excess of the Increased Commitments is required to satisfy the Claim, each joint venture partner has the right but not the obligation to fund the excess funding requirement on a pro-rata basis according to their percentage of equity interest in the joint venture. If a partner to the joint venture did not fund any amount in excess of the Increased Commitments, while the other partner funds any shortfall arising therefrom, the additional funding by the latter partner will result in the dilution of equity interest of the former partner in the joint venture.

The payment of dividends by the joint venture and its subsidiaries will depend upon their operating results and financial condition and shall have regard to their working capital needs, capital expenditure plans, availability of cash to fund such dividends or other distributions and any other relevant factors that their respective boards of directors deem relevant. In addition, covenants in existing loan agreements of the joint venture and its subsidiaries, which restrict the payment of dividends or other distributions until such loans are fully settled or unless the prior approval of the lenders is obtained, and/or other agreements (including shareholders' agreements) to which any of the joint venture and its subsidiaries are parties to, may limit their ability to declare or pay cash dividends.



14. ACCOUNTANTS' REPORT (Cont'd)

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7. AMOUNT OWING BY A JOINT VENTURE

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Bearing interest at 9.33% per annum	330,141	-
Interest free	415,276	889,497
	<u>745,417</u>	<u>889,497</u>

The advances are unsecured and repayable after the bank loan facilities of the joint venture have been settled. The balance is denominated in GBP.

8. DEFERRED TAX ASSETS/(LIABILITIES)

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
<u>Deferred tax assets</u>		
At 1 November	7,246	-
Recognised in profit or loss	5,031	6,876
Foreign exchange adjustments	480	370
At 31 October	<u>12,757</u>	<u>7,246</u>
<u>Deferred tax liabilities</u>		
At 1 November/ 31 October	(1,826)	(2,067)
Net deferred tax	<u>10,931</u>	<u>5,179</u>

The EWI Group recognises deferred tax assets as it is probable that the EWI Group would generate sufficient taxable profits in the foreseeable future against which these deferred tax assets can be utilised.



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The deferred tax recognised are in respect of the following deductible/(taxable) temporary differences:

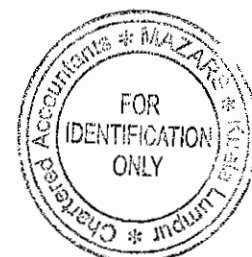
	Group 2016 RM'000	Group 2015 RM'000
Unutilised tax losses	12,864	7,066
Difference between capital allowances claimed and accumulated depreciation on plant and equipment	51	(43)
Fair value adjustment arising from acquisition of a subsidiary	(1,826)	(2,067)
Other temporary differences	(158)	223
	-----	-----
Net deferred tax recognised	<u>10,931</u>	<u>5,179</u>

The unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the EWI Group operates.

9. PROPERTIES UNDER DEVELOPMENT FOR SALE

	Group 2016 RM'000	Group 2015 RM'000
Properties under development for sale	174,040	156,053
	=====	=====

Freehold land carried at RM147,612,000 and RM138,182,000 as at 31 October 2016 and 31 October 2015 respectively, is pledged as security for the cash advance facility referred to in note 21. In the FYE 31 October 2016 and FYE 31 October 2015, finance costs of RM2,691,000 and RM5,310,000 respectively, were capitalised and included in properties under development for sale.



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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

10. TRADE RECEIVABLES

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Accounts receivable	289	5,715
Unbilled receivables	-	1,715
	-----	-----
	289	7,430
	=====	=====

The trade receivables represent amounts receivable from a joint venture for services rendered.

The normal credit periods granted by the EWI Group ranged between 30 to 60 days. These balances are denominated in GBP.

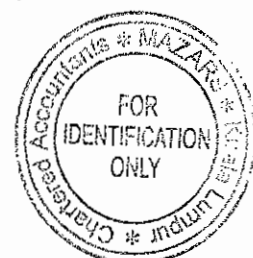
11. OTHER RECEIVABLES AND PREPAYMENTS

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Other receivables	494	229
Less: Allowance for doubtful debts	(219)	-
	-----	-----
	275	229
Prepayments	400	147
GST recoverable	1,195	1,427
VAT recoverable	84	-
Sundry deposits	500	-
Cost recoverable from a joint venture	4,429	5,807
	-----	-----
	6,883	7,610
	=====	=====

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department and Australian Taxation Office.

VAT recoverable pertains to amount of VAT recoverable from the Her Majesty's Revenue and Customs of the United Kingdom.

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



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The movements in the allowance for doubtful debts of other receivables during the financial year are as follows:

	<u>Group</u> 2016 RM'000
At 1 November	-
Allowance for doubtful debts	207
Foreign exchange adjustments	12

At 31 October	<u>219</u>

The currency exposure profile of other receivables and prepayments is as follows:

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
RM	5,299	131
GBP	533	6,167
AUD	1,051	1,312
	-----	-----
	<u>6,883</u>	<u>7,610</u>

12. DEFERRED EXPENDITURE

As at 31 October 2016 and 31 October 2015, the directors of EWI have assessed and determined that the expenses allocated for Shares to be issued in conjunction with the proposed IPO of EWI amounting to RM10,638,000 and RM3,027,000 respectively met the criteria to be capitalised under *MFRS 132 Financial Instruments: Presentation* and *FRSIC Consensus 13 Expenses Permitted to be Written Off Against the Share Premium Account under Section 60 of the Companies Act, 1965*. These expenses will be written off against the share premium account arising from the IPO of EWI.

In conjunction with the proposed IPO of EWI under the market capitalisation route under the Equity Guidelines, EWI has capitalised RM7,611,000 and RM3,027,000 as deferred expenditure during the FYE 31 October 2016 and the FYE 31 October 2015 respectively.



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13. CASH AND BANK BALANCES

	Group 2016 RM'000	Group 2015 RM'000
Cash on hand and at banks	14,631	27,373
Deposits held with licenced banks	3,942	-
	-----	-----
	18,573	27,373
Less: Restricted deposits	(10,854)	(10,149)
	-----	-----
Cash and cash equivalents	7,719	17,224
	=====	=====

Included in the restricted deposits of the EWI Group are RM10,501,000 and RM10,149,000 as at 31 October 2016 and 31 October 2015 respectively which are held in the Interest Service Reserve Accounts and the Debt Service Reserve Accounts that must be maintained at any time during the tenure of the borrowings as disclosed in note 21.

Included in the restricted deposits of the EWI Group are also RM353,000 and RM Nil as at 31 October 2016 and 31 October 2015 respectively which are held with a licenced bank with interest rate of 3.00% per annum and is pledged to the bank as security of bank guarantee to the landlord of a subsidiary in connection with the lease payments.

The deposits held with licenced banks as at 31 October 2016 bear effective interest rates ranged between 0.95% and 3.00% per annum. These deposits have maturity periods of less than 12 months.

The currency exposure profile of cash and bank balances is as follows:

	Group 2016 RM'000	Group 2015 RM'000
RM	5,282	5,337
GBP	10,785	18,292
AUD	2,506	3,744
	-----	-----
	18,573	27,373
	=====	=====



14. ACCOUNTANTS' REPORT (Cont'd)

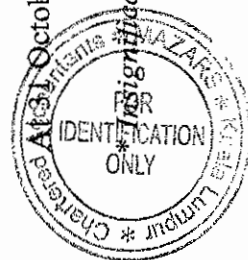
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14. SHARE CAPITAL

	2016		2015	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Authorised				
At 1 November	149,250	149,250	14,925,000	149,250
- Ordinary shares	75,000	750	75,000	750
- RCPS	-	-	(14,775,750)	-
Share consolidation (note a)	-	-	-	-
Reclassification (note b):				
- Ordinary shares	750	750	-	-
- RCPS	(75,000)	(750)	-	-
Created during the year (note c)	4,850,000	4,850,000	245,791	245,791
At 31 October	5,000,000	5,000,000	470,041	395,791
Issued and paid-up				
At 1 November	750	750	*	*
Issued during the year (note d)	245,791	245,791	75,000	750
Issuance arising from the Reorganisation (note e)	-	-	245,791	245,791
Share consolidation (note a)	-	-	(74,250)	-
At 31 October	246,541	246,541	246,541	246,541

29

610



* Significant amount due to rounding effect.

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During the financial years under review, EWI:

- (a) At the Extraordinary General Meeting held on 14 September 2015, the shareholders of EWI approved the share consolidation of every 100 ordinary shares of RM0.01 each into 1 ordinary share of RM1.00 each.
- (b) On 4 December 2015, EWI reclassified its authorised share capital from RM150,000,000 divided into 149,250,000 ordinary shares of RM1.00 each and 75,000,000 RCPS of RM0.01 each to RM150,000,000 divided into 150,000,000 ordinary shares of RM1.00 each.
- (c) On 4 December 2015, EWI increased its authorised share capital from RM150,000,000.00 comprising 150,000,000 ordinary shares of RM1.00 each to RM5,000,000,000.00 comprising 5,000,000,000 ordinary shares of RM1.00 each by the creation of an additional 4,850,000,000 ordinary shares.

The authorised share capital as at 31 October 2015 was RM150,000,000. For the FYE 31 October 2015, the creation of 245,790,798 ordinary shares of RM1.00 each is solely for illustrative purpose to accommodate the corresponding increase of the issued and paid-up ordinary shares arising from events disclosed in note (e) below.

- (d) On 25 June 2015, EWI increased its issued and paid-up share capital from RM2 to RM750,002 by way of the issuance of 75,000,000 new ordinary shares of RM0.01 each at an issue price of RM0.01 per ordinary share for cash.

On 4 December 2015, EWI increased its issued and paid-up ordinary share capital from RM750,002 to RM100,123,800 by way of the issuance of 99,373,798 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share to Tan Sri Liew for cash.

On 7 December 2015, EWI further increased its issued and paid-up ordinary share capital from RM100,123,800 to RM246,540,800 by way of issuance of 146,417,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share to Tan Sri Liew in satisfaction of the advances of GBP27,482,000 made by Tan Sri Liew to EW Investment.

- (e) The issued and paid-up share capital of EWI as at 31 October 2015 was RM750,002. For the FYE 31 October 2015, the issuance of 245,790,798 ordinary shares of RM1.00 is solely for illustrative purpose.

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



14. ACCOUNTANTS' REPORT (Cont'd)

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15. SHARE PREMIUM

Share premium represents the premium arising from the issuance of ordinary shares.

16. TRADE PAYABLES

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Amount owing to Eco World Development (S) Pte Ltd ("Eco World Development (S)")	350	2,788
Other trade payables	1,349	7,223
	-----	-----
	<u>1,699</u>	<u>10,011</u>

Eco World Development (S) is a wholly-owned subsidiary of EW Berhad where a shareholder of EWI is a director of EW Berhad.

Trade payables represent sales agent commission payable and are expected to be settled within the normal credit terms.

The currency exposure profile of trade payables is as follows:

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
SGD	-	2,788
GBP	191	-
AUD	1,508	7,223
	-----	-----
	<u>1,699</u>	<u>10,011</u>



14. ACCOUNTANTS' REPORT (Cont'd)

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17. OTHER PAYABLES AND ACCRUALS

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Other payables	2,875	1,384
Deposit received	150	-
VAT payable	717	-
Accruals	10,593	6,000
Amount owing to Eco World Development (S)	306	-
	<u>14,641</u>	<u>7,384</u>

VAT payable pertains to amount of VAT payable to the Her Majesty's Revenue and Customs of the United Kingdom.

The amount owing to Eco World Development (S) Pte Ltd represents marketing-related expenses paid on behalf of a subsidiary of EWI.

The currency exposure profile of other payables and accruals is as follows:

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
RM	10,313	6,476
SGD	306	-
GBP	1,488	21
USD	21	-
AUD	2,513	887
	<u>14,641</u>	<u>7,384</u>



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18. AMOUNTS OWING TO FORMER HOLDING COMPANIES

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Amount owing to EWDSB	12,324	7,327
Amount owing to EWIPM	630	634
	<u>12,954</u>	<u>7,961</u>

The amount owing to EWDSB, the former holding company of Fortune Quest, represents unsecured advances, which bear interest at a rate of 3.75% per annum and is repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier. The balance is denominated in USD.

The amount owing to EWIPM, the former holding company of EWI, represents unsecured advances, which is interest free and is repayable on demand. EWIPM ceased to be the holding company of EWI on 11 September 2015.

19. AMOUNTS OWING TO A SHAREHOLDER

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Bearing interest at:		
- 4.26% per annum	51,856	21,762
- 5.84% per annum	67,505	-
- Interest free	24,873	32,060
	<u>144,234</u>	<u>53,822</u>

The amount owing to a shareholder bearing interest at rate of 5.84% per annum is unsecured and repayable by May 2017.

The interest free amount owing to a shareholder represents deferred consideration of GBP4,868,000 (equivalent to RM24,873,000) arising from the acquisition of EW Investment.



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The interest free amount owing to a shareholder and amount owing to a shareholder bearing interest at rate of 4.26% are unsecured and repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier.

The currency exposure profile of amounts owing to a shareholder is as follows:

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
RM	67,505	-
GBP	76,729	53,822
	<u>144,234</u>	<u>53,822</u>

20. AMOUNT OWING TO A FORMER SHAREHOLDER OF A SUBSIDIARY

The amount owing to a former shareholder of a subsidiary represents deferred consideration of GBP2,086,000 (equivalent to RM10,660,000) arising from the acquisition of EW Investment. The amount is unsecured, interest free and is repayable in April 2017 or a date falling within ten business days from the date of admission of EWI's securities to the Official List of the Main Market of Bursa Securities, whichever is the earlier.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

21. BORROWINGS

	Group 2016 RM'000	Group 2015 RM'000
<u>Non-current liabilities:</u>		
Cash advance facility (Note a)	-	45,800
<u>Current liabilities:</u>		
Cash advance facility (Note a)	47,891	-
Bridging loan facility (Note b)	259,536	84,729
Bank term loans I (Note c)	550,250	710,580
Bank term loans II (Note d)	66,190	-
	-----	-----
	923,867	795,309
	=====	=====

(a) The cash advance facility is secured by the followings:

- a first registered mortgage over a freehold property for development disclosed in note 9;
- first registered perfected General Security Agreement over all the assets and undertakings pertaining to EW Sydney Development;
- joint and several guarantees from certain directors of EW Sydney Development;
- authority to set-off over the Debt Service Reserve Account; and
- deed of subordination over related parties or shareholders' loan of EW Sydney Development.

The effective interest rate for the FYE 31 October 2016 is 3.64% per annum and for the FYE 31 October 2015 is 3.74% per annum.

The cash advance facility falls due for repayment in May 2017.

The balance is denominated in AUD.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

(b) The bridging loan facility is secured by the followings:

- a first party charge over the Interest Service Reserve Account in favour of the lenders;
- guaranteed by a shareholder of EWI;
- a first party charge over all the issued and paid-up shares of Fortune Quest in favour of the lenders; and
- a first party charge over all the issued and paid-up shares of EW Investment in favour of the lenders.

The effective interest rate for the FYE 31 October 2016 is 5.77% per annum.

The bridging loan facility falls due for repayment in April 2017, or the first interest payment date after the Listing of EWI, whichever is earlier.

The balance is denominated in RM.

(c) The bank term loans I are secured by the followings:

- third party charge over all the issued and paid-up shares of EW Investment;
- first party assignment and charge over the Interest Service Reserve Account and Debt Service Reserve Account;
- joint and several guarantees from a former shareholder of EW Investment and a shareholder of EWI;
- debenture by way of registered first fixed and floating charge over all present and future assets of EW ACE;
- irrevocable letter of undertaking from a former shareholder of EW Investment and a shareholder of EWI;
- memorandum of charge over all shares of EW ACE; and
- deed of subordination of all shareholders' loan and advances of EW Investment.

The effective interest rates for the FYE 31 October 2016 ranged between 4.23% - 4.49% per annum and for the FYE 31 October 2015 ranged between 4.01% - 4.26% per annum.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

23. OTHER INCOME

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Interest income	88	981
Rental income	-	240
Realised gain on foreign exchange	-	9,093
Gain on deconsolidation of a subsidiary	8	-
Others	3	-
	----- 99	----- 10,314
	=====	=====

24. FINANCE COSTS

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Facility fee on borrowings	11,153	11,397
Interest on borrowings	39,624	15,075
Interest on shareholder's advances	4,648	4,324
Others	-	3,620
	----- 55,425	----- 34,416
	=====	=====



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

25. LOSS BEFORE TAX

	<u>Group</u> 2016 RM'000	<u>Group</u> 2015 RM'000
Loss before tax is stated after charging:		
Allowance for doubtful debts	207	-
Depreciation	963	615
Loss on disposal of plant and equipment	16	-
Directors' remuneration:		
- salaries, allowances and bonuses	4,920	940
- director fee	800	800
- defined contribution plan	561	-
Rental expenses		
- Office premise	1,976	93
- Office equipment	127	-
Listing expenses	290	505
Deferred expenditure written off	-	1,287
Landholder duty	8,691	11,660
Realised loss on foreign exchange	540	3
	<u>=====</u>	<u>=====</u>



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

26. TAXATION

	Group 2016 RM'000	Group 2015 RM'000
Current tax:		
Malaysian tax		
- Current year	-	1,852
- Prior year	(174)	-
United Kingdom tax		
- Current year	3,277	1,417
- Prior year	54	-
	-----	-----
	3,157	3,269
	-----	-----
Deferred tax:		
Malaysian tax		
- Current year	(1,194)	(187)
Australian tax		
- Current year	(3,837)	(6,689)
	-----	-----
	(5,031)	(6,876)
	-----	-----
	(1,874)	(3,607)
	=====	=====

The Malaysian current tax is calculated at the statutory income tax rate of 25% on the chargeable income based on the estimated assessable profit, except FYE 31 October 2016 in which 24% is applied.

The Malaysian statutory tax rate reduced to 24% from the rate of 25% effective from year of assessment 2016. The changes of corporate tax rate in year of assessment 2016 had been incorporated in the computation of the deferred tax as at 31 October 2016 and 31 October 2015.

The EWI Group operates in a multi-jurisdictional tax environment and the corporate tax rates of entities within the EWI Group outside Malaysia for all the financial years under review are as follows:

- (a) subsidiaries incorporated in Jersey and the British Virgin Islands: 0%;
- (b) subsidiary incorporated in the United Kingdom: 20%;
- (c) subsidiary incorporated in Australia: 30%.

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



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

	Group 2016 RM'000	Group 2015 RM'000
Accounting loss before tax and share of loss in a joint venture	(177,217)	(59,801)
Tax at applicable tax rates	(29,740)	2,062
Tax effect arising from non-taxable income	-	(5,778)
Tax effect arising from non-deductible expenses	27,981	1,971
Effect of changes in tax rate	-	8
Utilisation of deferred tax assets not recognised previously	-	(1,870)
Adjustment attributable to prior years	(115)	-
	(1,874)	(3,607)

27. LOSS PER SHARE

Basic:

Basic loss per share is calculated by dividing the loss for the year attributable to equity holders of EWI by the weighted average number of ordinary shares in issued during the financial year.

	Group 2016	Group 2015
Loss for the year attributable to owners of EWI (RM'000)	(238,326)	(99,264)
Weighted average number of ordinary shares for purpose of basic loss per share* ('000)	246,541	246,541
Basic loss per share (sen)	(96.7)	(40.3)

* For comparison purposes, the number of ordinary shares in issue in each financial year is assumed to be the same as number of ordinary shares in issue as at 31



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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October 2016, and all ordinary shares in issue are assumed to have been issued since 1 November 2014.

Diluted:

The basic and diluted loss per share are equal as EWI has no potential dilutive ordinary shares as at 31 October 2016 and 31 October 2015.

28. SEGMENTAL REPORTING

The EWI Group is principally involved in property development and investment in property development projects.

The EWI Group's operating and reportable segments are business units operating in different geographical locations.

(a) By geographical segments

For management purposes, the EWI Group is organised into several geographical locations of the world, and has three reportable geographical segments as follows:

- (i) United Kingdom – the areas of operation are principally property development activities and provision of advisory and project monitoring services.
- (ii) Australia – the area of operation is principally property development activities.
- (iii) Malaysia – the areas of operation are investment holding and promoting and marketing services activities.

Transactions between segments are entered into in the normal course of business and determined on a basis negotiated between the parties involved. The effects of such inter-segmental transactions are eliminated on consolidation.



14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
(Incorporated in Malaysia)**NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

	United Kingdom	Australia	Malaysia	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 31 October 2016					
Revenue:					
External revenue	-	-	970	-	970
Inter-segment revenue	23,151	-	(244)	(22,907)	-
Results:					
Segment results	(8,767)	(13,137)	(24,564)	-	(46,468)
Share of loss in a joint venture	(59,719)	-	-	-	(59,719)
Depreciation	(16)	(133)	(814)	-	(963)
Unrealised (loss)/gain on foreign exchange	(3)	15	(74,461)	-	(74,449)
Interest income	13	37	38	-	88
Finance costs	(34,055)	-	(21,370)	-	(55,425)
Loss before tax	(102,547)	(13,218)	(121,171)	-	(236,936)
Taxation	(3,331)	3,837	1,368	-	1,874
Loss for the year	(105,878)	(9,381)	(119,803)	-	(235,062)

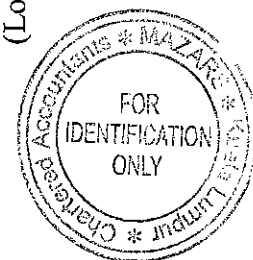


14. ACCOUNTANTS' REPORT (Cont'd)

ECO WORLD INTERNATIONAL BERHAD
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NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

	United Kingdom	Australia	Malaysia	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 31 October 2015					
Revenue:					
External revenue	-	-	7,454	-	7,454
Inter-segment revenue	8,411	-	6,582	(14,993)	-
Results:					
Segment results	(27,659)	(21,299)	(566)	(110)	(49,634)
Share of loss in a joint venture	(41,654)	-	-	-	(41,654)
Depreciation	-	(75)	(540)	-	(615)
Unrealised gain on foreign exchange	-	23,883	-	-	23,883
Interest income	13	177	791	-	981
Finance costs	(34,416)	-	(110)	110	(34,416)
(Loss)/Profit before tax	(103,716)	2,686	(425)	-	(101,455)
Taxation	(1,417)	6,689	(1,665)	-	3,607
(Loss)/Profit for the year	(105,133)	9,375	(2,090)	-	(97,848)



14. ACCOUNTANTS' REPORT (Cont'd)**ECO WORLD INTERNATIONAL BERHAD**
(Incorporated in Malaysia)**NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

(b) By business segments

For management purposes, the EWI Group is organised into property development as their primary segment. Other activities include investment holding and promotion and marketing activities. They are managed separately when making decisions on resource allocation. In the FYE 31 October 2016 and the FYE 31 October 2015, the entire revenue of the EWI Group is contributed by a wholly-owned subsidiary which is involved in the promotion and marketing services rendered to the joint venture.

The pro forma consolidated financial information is approved by the board of directors of Eco World International Berhad on **23 FEB 2017**

Signed on behalf of the directors



TAN SRI DATO' SRI LIEW KEE SIN
Director



DATO' TEOW LEONG SENG
Director



15. DIRECTORS' REPORT

**Registered Office:**

Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Date: 23 February 2017

The Shareholders
Eco World International Berhad

Dear Sir/Madam

On behalf of the Board of Directors of Eco World International Berhad ("EWI"), we wish to report after due inquiry that during the period from 31 October 2016 (being the date to which the last audited financial statements of EWI, its subsidiaries and joint ventures ("EWI Group") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of the EWI Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the EWI Group which have adversely affected the trading or the values of the assets of the EWI Group;
- (c) the current assets of the EWI Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by the EWI Group;
- (e) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings since the last audited financial statements of the EWI Group; and
- (f) save as disclosed in this Prospectus, there has been no material change in the published reserves or any unusual factors affecting the profits of the EWI Group since the last audited financial statements of the EWI Group.

Yours faithfully
For and on behalf of the Board of Directors of
ECO WORLD INTERNATIONAL BERHAD

DATO' TEOW LEONG SENG
DIRECTOR

16. ADDITIONAL INFORMATION

16.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) As at the date of this Prospectus, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two years preceding the date of this Prospectus.
- (iv) Save for the Warrants as disclosed in Section 4 of this Prospectus, as at the date of this Prospectus, we have not agreed conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (v) Save for the Warrants as disclosed in Section 4 of this Prospectus, as at the date of this Prospectus, neither our Company nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vi) Save for the IPO Shares reserved for subscription by the directors and eligible employees of our Group as disclosed in Section 4.3.2 of this Prospectus together with the Warrants on the basis of two Warrants for every five Shares held by the directors and eligible employees of our Group after our IPO, and subject to our Listing, there is currently no other scheme involving our Directors and employees in the share capital of our Company or any of our subsidiaries.
- (vii) Save as disclosed in this Prospectus, and save as provided under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or Warrants, if applicable or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon, if applicable.

16.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
Act	Means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.
Authorised Nominee	Shall have the meaning ascribed thereto in the Central Depositories Act.
Beneficial Owner	Shall have the meaning ascribed thereto in the Central Depositories Act.
Central Depositories Act	Means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

16. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Company	Means Eco World International Berhad (Company No. 1059850-A).
Deposited Security	Means a security, as defined in Section 2 of the Central Depositories Act, in the Company standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
Depository	Means the Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) and its successors-in-title.
Directors	Means the directors for the time being of the Company and has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
Exchange	Means Bursa Malaysia Securities Berhad (Company No. 635998-W).
Exempt Authorised Nominee	Means an Authorised Nominee which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
Listing Requirements	Means the Main Market Listing Requirements of the Exchange, including any modifications or amendments to the Listing Requirements that may be made from time to time.
Market Day	Means a day on which the Exchange is open for trading in securities.
member or holder of shares or any like expression	Means any person for the time being holding shares in the Company and whose name appears in the Register including Depositors, who may be Authorised Nominees, whose names appear on the Record of Depositors except the Depository or their nominees in their capacity as bare trustees.
Office	Means the registered office for the time being of the Company.
Omnibus Account	Means the Securities Account in which ordinary shares of the Company are held for multiple Beneficial Owners and includes a Securities Account maintained by an Exempt Authorised Nominee.
Principal Registrar	Means such person, firm or company which for the time being maintains in Malaysia the Malaysian Register.
Record of Depositors	Means the record provided by the Depository to the Company or its Principal Registrar or its issuing house under Chapter 24.0 of the Rules.
Register	Means the Register of Members to be kept by the Company pursuant to the Act.
Relevant Regulations	Means all relevant rules, regulations, guidelines, directives, practice notes, guidance notes passed or issued by any relevant authority for the time being in force applying to or affecting the Company and/or these Articles which shall include where applicable, the Act, the Central Depositories Act, the Listing Requirements and the Rules.

16. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
Rules	Means the Rules of the Depository as defined under the Central Depositories Act or any modification or amendment thereof for the time being in force.
Securities Account	Means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.
securities	Means securities as defined in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.
shares	Means shares in the Company.
these Articles	Means these Articles of Association as originally framed or as from time to time altered by special resolution.

(i) **Transfer of securities**46. Form of transfer

Subject to the provisions of the Act, these Articles and the Relevant Regulations with respect to transfer of Deposited Security, all transfers of shares:-

- (a) to the Depository or their nominee company; or
- (b) prior to the listing and quotation of such shares on the relevant Exchange,

may be effected by an instrument in writing in the form prescribed under the Act and/or approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange. Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law.

47. Transfer of Securities

- (1) The transfer of any Deposited Security shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.
- (2) A depositor shall not withdraw the securities which have been deposited with the Depository except in such manner as may be specified in Rules and Central Depositories Act.
- (3) For the purpose of registration of a transfer of shares that are not Deposited Securities, every instrument of transfer shall be left at the office of the Principal Registrar together with the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

16. ADDITIONAL INFORMATION *(Cont'd)*

- (4) All instruments of transfer in respect of shares that are not Deposited Securities which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same.
- (5) Before registering any transfer tendered for registration in respect of shares that are not Deposited Securities, the Directors may, if they think fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the Office within ten (10) days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer.

48. Instrument of transfer

Subject to the Central Depositories Act, the Rules, and the Relevant Regulations, the instrument of transfer of any Deposited Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

49. Restriction of transfer

- (1) No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- (2) The Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules or where the reason for the transfer does not fall within any of the approved reasons provided in the Rules.
- (3) The Directors may in their absolute discretion decline to register any transfer of shares that is not a Deposited Security where the registration of the transfer would result in contravention of or failure to observe the provisions of any laws in Malaysia or the transfer is in respect of a partly paid shares in respect of which a call has been made and is unpaid.
- (4) If in the exercise of its rights under this Article, the Directors refuse to register a transfer of a shares that is not a Deposited Security, they shall despatch to the lodging broker (if any) and the transferee written notice of the refusal and the precise reasons thereof within ten (10) Market Days after the date of which the transfer was lodged with the Company (or such period as may be prescribed by the Act and/or the Listing Requirements).

50. Suspension of registration of transfers

The registration of transfers (including transfers of Beneficial Ownership of any Deposited Security held through an Omnibus Account) may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange.

16. ADDITIONAL INFORMATION (Cont'd)**51. Recognition of renunciation of allotment**

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person or otherwise.

52. Limitation of liability

Neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner.

In every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

(ii) Remuneration of Directors**115. Remuneration of Directors**

The total fees of all of the Directors in any year (excluding amounts payable under any other provision of these Articles) shall be a fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting and such fee shall be divisible (unless otherwise determined by an ordinary resolution of the Company in general meeting) among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office provided always that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) remuneration payable to Director(s) holding executive position(s) under Article 144(1) may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the fees of the latter; and

16. **ADDITIONAL INFORMATION** (Cont'd)

- (e) executive Director(s) shall, in addition to fees payable to such executive Director as determined by the Company in a general meeting, and subject to the terms of any agreement entered into in any particular case, receive(s) such remuneration as the Directors may from time to time determine.

(iii) **Voting and borrowing powers of Directors**

120. Borrowing powers of Directors

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

134. Directors may elect and remove a Chairman

The Directors may from time to time elect and remove a Chairman and deputy Chairman of the Directors and determine the period for which they are respectively to hold the office. The Chairman of the Directors so elected, or in his absence the deputy Chairman of the Directors, shall preside at all meetings of the Directors but if no such Chairman or deputy Chairman of the Directors be elected, or if at any meeting the Chairman or deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of such Directors meeting.

136. Director not to vote in contracts where he has an interest

No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company.

16. ADDITIONAL INFORMATION (Cont'd)

138. Voting right of Directors

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. The Director may, provided that he has complied with Section 131 of the Act and all other relevant provisions of the Act, the Listing Requirements and of these Articles, exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by him as director of such other corporation in such manner and in all respects as he thinks fit but a Director may not vote in favour of the exercise of such voting rights in the manner as aforesaid, if he may be, or is about to be appointed, a director, managing director, manager or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

(iv) Changes in capital and variation of class rights8. Modification of Class Rights

Subject to the provisions of Section 65 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy not less than one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

9. Right on creation or issue of further shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

16. ADDITIONAL INFORMATION *(Cont'd)***(v) Alteration of Articles**192. Alteration of Articles

These Articles have been drafted in a manner to incorporate the requirements of the relevant governing statutes, regulations and guidelines. Without prejudice to any provisions in the Act or under these Articles pertaining to the amendments of the Articles, in the event the applicable provisions of any relevant governing statutes, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon these Articles shall be read and construed subject to and in accordance with the amended, modified or varied statutes, regulations and guidelines.

16.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

As our Securities are proposed for quotation on the Official List of the Main Market of Bursa Securities, such Securities must be prescribed as securities required to be deposited with Bursa Depository. Upon such prescription, a holder of the Securities must deposit his Securities with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Securities to the Minister of Finance, Inc. and such Securities may not be traded on Bursa Securities.

Dealing in Securities deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Securities shall be deemed to be a shareholder and/or warrant holder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Securities.

Subject to the above, there is no limitation on the right to own our Securities, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on such Securities, which is imposed by Malaysian law or by the constituent documents of our Company.

16.4 GENERAL INFORMATION

- (i) The nature of our business has been disclosed in Section 7 of this Prospectus.
- (ii) Save for the companies within our Group as disclosed in Section 6 of this Prospectus, our Company has not established any other place of business outside Malaysia.
- (iii) Apart from the listing sought on the Main Market of Bursa Securities, our Company is not listed on any other stock exchange.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 17 of this Prospectus.
- (v) The date and time of the opening and closing of the application of the Retail Offering are set out in the Indicative Timetable Section and Sections 4.1, 4.2 and 17.1 of this Prospectus.

16. ADDITIONAL INFORMATION *(Cont'd)*

- (vi) Shares under the Retail Offering are payable in full at the Retail Price upon application. The Institutional Offering investors shall pay the Institutional Price for the Shares under the Institutional Offering.
- (vii) Save as disclosed in Sections 4.8 and 10.7 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Company within the two years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Securities in or debentures of our Company and in connection with the issue or sale of any capital of our Company and no Director or Promoter or expert is or are entitled to receive any such payment or any other benefits.
- (viii) During the last financial year up to the date of this Prospectus, there were no:
 - (a) public take-over offers by third parties in respect of our Securities; and
 - (b) public take-over offers by our Company in respect of other companies' shares.
- (ix) Save as disclosed in Section 10.3 of this Prospectus, there is no person, so far as known to us, who directly or indirectly, jointly or severally, exercise control over us.
- (x) Save as disclosed in Annexure D of this Prospectus, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits of our foreign subsidiaries and joint ventures to us.

16.5 MATERIAL LITIGATION OF OUR GROUP

As at the LPD, we are not engaged in any material litigation, claims or arbitrations, whether as plaintiff or defendant, and our Directors confirm that there are no proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial or business position of our Group.

16.6 MATERIAL CONTRACTS OF OUR GROUP

- (i) Save as disclosed below and the Brand Licensing Agreement, the EW-Ballymore Shareholders' Agreement and the Collaboration Agreement as disclosed in Section 7 of this Prospectus, we have not entered into any material contracts that are not in the ordinary course of business during the two years preceding the date of this Prospectus:

(a) EW Investment Acquisition Agreement

Share sale agreement dated 30 November 2015 entered into between our Company, Tan Sri Liew, Dato' Voon and EW Investment as supplemented by a supplemental agreement dated 8 January 2016 and two extension of payment date letters dated 18 May 2016 and 4 October 2016 where our Company acquired the entire issued and paid-up share capital of EW Investment from Tan Sri Liew and Dato' Voon for a total cash consideration of GBP6,954,087 payable in accordance with the terms and subject to the conditions contained in the said agreements. The abovementioned acquisition was completed on 7 December 2015.

16. **ADDITIONAL INFORMATION** (Cont'd)

(b) **Fortune Quest Acquisition Agreement**

Share sale agreement dated 30 November 2015 entered into between our Company, EWDSB and Fortune Quest as supplemented by two extension of payment date letters dated 18 May 2016 and 4 October 2016 where our Company acquired the entire issued and paid-up share capital of Fortune Quest from EWDSB for a cash consideration of AUD1,045,869 which has been settled and completed on 8 December 2015.

(c) **EW Berhad Share Subscription Agreement**

Conditional share subscription agreement dated 27 October 2016 entered into between our Company and EW Capital where EW Capital agreed to subscribe for such number of IPO Shares representing 27.0% of our enlarged issued and paid-up share capital upon our Listing at the Institutional Price, in accordance with the terms and conditions of the EW Berhad Share Subscription Agreement.

(d) **GuocoLand Share Subscription Agreement**

Conditional share subscription agreement dated 20 February 2017 entered into between our Company and GLL EWI where GLL EWI agreed to subscribe for such number of IPO Shares representing 27.0% of our enlarged issued and paid-up share capital upon our Listing at the Institutional Price, in accordance with the terms and conditions of the GuocoLand Share Subscription Agreement.

(e) **Master Cornerstone Placement Agreement**

Master cornerstone placement agreement dated 1 March 2017 entered into between our Company, the Joint Global Coordinators and the Cornerstone Investors ("**Master Cornerstone Placement Agreement**"), under which the Cornerstone Investors agree to subscribe an aggregate of 212,400,000 IPO Shares, representing about 8.9% of our enlarged issued and paid-up share capital, under the Institutional Offering upon the terms and subject to the conditions set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements. The Master Cornerstone Placement Agreement supersedes the master cornerstone placement agreement dated 20 February 2017 entered into between our Company, the Joint Global Coordinators, EPF and Permodalan Nasional Berhad.

(f) **Retail Underwriting Agreement**

Retail underwriting agreement dated 20 February 2017 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters to jointly underwrite 408,000,000 IPO Shares, representing 17.0% of our enlarged issued and paid-up share capital, under the Retail Offering on the terms and conditions as set out in the retail underwriting agreement. Details of the underwriting commission are set out in Section 4.8.2 of this Prospectus.

- (ii) Meanwhile, EW Berhad, GuocoLand and Tan Sri Liew had on 27 October 2016 entered into the Shareholders' Agreement to regulate their relationship with one another as shareholders in our Company, details of which are disclosed in Section 7.10.3 of this Prospectus.

16. ADDITIONAL INFORMATION *(Cont'd)***16.7 CONSENTS**

The written consents of the company secretaries, the principal bankers, the auditors and reporting accountants, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters, the Joint Underwriters, the legal advisers for our Listing, the legal advisers and adviser for the foreign entities within our Group, the independent registered valuers, the independent market research consultant, the Share Registrar and the Issuing House as set out in the Corporate Directory Section of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Mazars PLT, the Auditors and the Reporting Accountants for the inclusion of its name, the Accountants' Report, the Reporting Accountants' Report on the Pro Forma Consolidated Financial Information and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of Colin Biggers & Paisley Pty Ltd, Mourant Ozannes, Norton Rose Fulbright LLP, Osborne Clarke LLP and Vandenburg for the inclusion of their names, their respective legal opinions (if applicable) and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of PPNSW Services Pty Ltd for the inclusion of its expert opinions on repatriation of capital and remittance of profits from a corporation incorporated in Australia to its non-resident parent company and taxation and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of JLL and m3property for the inclusion of their names, their asset valuation certificates in relation to our existing United Kingdom and Australian properties, respectively and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Savills for the inclusion of its name, its executive summary of the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of KPMG Dublin for the inclusion of its name and all references thereto in the form and context in which they appear in the Reporting Accountants' Report on the Pro Forma Consolidated Financial Information as included in Section 13.7 of this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 12 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our Deed Poll;
- (iii) contracts which our Group are highly dependent on and our material contracts as referred to in Sections 7.22 and 16.6 of this Prospectus;

16. ADDITIONAL INFORMATION *(Cont'd)*

- (iv) the Collaboration Agreement as referred to in Section 7.10.1 of this Prospectus;
- (v) the Shareholders' Agreement as referred to in Section 7.10.3 of this Prospectus;
- (vi) valuation reports prepared by the respective independent registered valuers and the respective valuation certificates as included in Section 9 of this Prospectus;
- (vii) our audited financial statements for the FPE 31 October 2014, the FYE 31 October 2015 and the FYE 31 October 2016;
- (viii) audited financial statements of our subsidiaries and joint ventures for the FPE 31 October 2014 (where applicable), the FYE/FPE 31 October 2015 and the FYE 31 October 2016;
- (ix) Reporting Accountants' Report on the Pro Forma Consolidated Financial Information as included in Section 13.7 of this Prospectus;
- (x) Accountants' Report as included in Section 14 of this Prospectus;
- (xi) executive summary of the IMR Report as included in Section 8 of this Prospectus and the IMR Report as prepared by Savills;
- (xii) Directors' Report as included in Section 15 of this Prospectus;
- (xiii) letters of consent referred to in Section 16.7 of this Prospectus; and
- (xiv) opinions on governmental laws, decrees, regulations or legislations relating to foreign investments, taxation, repatriation of capital and remittance of profit of our foreign subsidiaries and joint ventures by or to our Company as disclosed in Annexure D of this Prospectus.

16.9 RESPONSIBILITY STATEMENTS

Our Directors and the Promoter have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and they confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

CIMB, Maybank IB and HLIB as the Joint Principal Advisers, acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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17. PROCEDURES FOR APPLICATION

17.1 OPENING AND CLOSING OF APPLICATIONS

Applications for the IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE RETAIL OFFERING: 10:00 a.m., 9 March 2017

CLOSING OF THE RETAIL OFFERING: 5:00 p.m., 20 March 2017

Our Directors and the Joint Managing Underwriters may jointly decide upon consultation with the SC to extend the closing time and date for applications to any later time(s) and/or date(s). If they decide to extend the closing time and/or date for the applications, the Price Determination Date and dates for the balloting of applications for the IPO Shares under the Retail Offering, allotment of the IPO Shares to successful applicants and our Listing may be extended accordingly. Any extension will be announced in a widely circulated Bahasa Malaysia, Chinese and English daily newspapers within Malaysia.

Late applications will not be accepted.

17.2 METHODS OF APPLICATION AND CATEGORY OF INVESTORS

17.2.1 Application for IPO Shares under the Retail Offering

Applications for the IPO Shares pursuant to the Retail Offering may be made using any of the following:

Type of application form	Category of investor
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian Public (for individuals)
WHITE Application Form only	Malaysian Public (for non-individuals, e.g. corporations, institutions, etc.)
PINK Application Form only	Eligible EWI Persons and Eligible EW Berhad Persons
BLUE Application Form only	Entitled Shareholders of EW Berhad

Notes:

(1) The following surcharge per Electronic Share Application will be charged by the Participating Financial Institutions:

- (i) Affin Bank Berhad – No fee will be charged for application by their account holders;
- (ii) AmBank (M) Berhad – RM1.00 per Electronic Share Application;
- (iii) CIMB Bank Berhad – RM2.50 per Electronic Share Application;
- (iv) HSBC Bank Malaysia Berhad – RM2.50 per Electronic Share Application;
- (v) Malayan Banking Berhad – RM1.00 per Electronic Share Application;
- (vi) Public Bank Berhad – RM2.00 per Electronic Share Application;
- (vii) RHB Bank Berhad – RM2.50 per Electronic Share Application; and
- (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50 per Electronic Share Application.

17. PROCEDURES FOR APPLICATION (Cont'd)

- (2) *The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institutions:*
- (i) *Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;*
 - (ii) *Affin Hwang Investment Bank Berhad (trade.affinhwang.com) – No fee will be charged for application by their account holders;*
 - (iii) *CIMB (www.eipocimb.com) – RM2.00 per Internet Share Application for payment via CIMB Bank Berhad or Malayan Banking Berhad;*
 - (iv) *CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;*
 - (v) *Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00 per Internet Share Application;*
 - (vi) *Public Bank Berhad (www.pbepbank.com) – RM2.00 per Internet Share Application; and*
 - (vii) *RHB Bank Berhad (www.rhbgroup.com) – RM2.50 per Internet Share Application.*

You must have a CDS account before you can submit your application either by way of Application Forms or Electronic Share Application as well as Internet Share Application.

The Eligible EWI Persons and the Eligible EW Berhad Persons who have made applications using the PINK Application Forms and the Entitled Shareholders of EW Berhad who have made applications using the BLUE Application Forms may still apply for the IPO Shares allocated to the Malaysian Public under the Retail Offering using the WHITE Application Form, the Electronic Share Application or the Internet Share Application.

However, applicants using the WHITE, the PINK and the BLUE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using the WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and the Internet Share Applications, and vice versa.

17.2.2 Application for IPO shares under the Institutional Offering

Malaysian institutional and selected investors and foreign institutional and selected investors being allocated the IPO Shares under the Institutional Offering will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and shall follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

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17. PROCEDURES FOR APPLICATION *(Cont'd)*

17.3 PROCEDURES FOR APPLICATION AND ACCEPTANCE

Application must be made in relation with and subject to the terms of this Prospectus and our Constitution. You agree to be bound by our Constitution.

17.3.1 Application by the Malaysian Public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

Eligibility

You can only apply for the IPO Shares allocated to the Malaysian Public under the Retail Offering if you meet the following requirements:

- (i) you must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 18 of this Prospectus;
- (ii) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address;
 - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in item (ii)(b) or (c) above or the trustees thereof; and

- (iii) you are not a director or an employee of the Issuing House or their immediate family members.

Applications by the Malaysian Public must be made on the WHITE Application Forms provided or by way of Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full upon application is RM1.20 per IPO Share.

Applicants using the WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and the Internet Share Applications, and vice versa.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

17.3.2 Application by the Eligible EWI Persons and the Eligible EW Berhad Persons (PINK Application Forms)

The Eligible EWI Persons and the Eligible EW Berhad Persons will be provided separately with PINK Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. The amount payable in full upon application is RM1.20 per IPO Share.

The Eligible EWI Persons and the Eligible EW Berhad Persons are not precluded from making additional applications under the Malaysian Public category using the WHITE Application Forms. If you are an Entitled Shareholder of EW Berhad, you are also entitled to apply under the Restricted Offering using the BLUE Application Forms. Applicants using the PINK Application Forms are not allowed to submit multiple applications in the same category of application.

17.3.3 Application by the Entitled Shareholders of EW Berhad (BLUE Application Forms)

Applications by the Entitled Shareholders of EW Berhad for the IPO Shares which have been set aside for the Restricted Offering must be made on the BLUE Application Forms and NOT by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. The Entitled Shareholders of EW Berhad must follow the notes and instructions in the said document as well as the cover letter accompanying the BLUE Application Form and where relevant, in this Prospectus. The amount payable in full upon application is RM1.20 per IPO Share.

The Entitled Shareholders of EW Berhad are not precluded from making additional applications for the IPO Shares made available under the Malaysian Public category using the WHITE Application Forms.

Applicants using the BLUE Application Forms are not allowed to submit multiple applications in the same category of application.

240,000,000 IPO Shares are reserved for application by the Entitled Shareholders of EW Berhad via the Restricted Offering, and shall be allocated in the following manner:

- (i) each Entitled Shareholder of EW Berhad who applies for at least 100 IPO Shares is guaranteed an allocation of 100 IPO Shares; and
- (ii) any remaining IPO Shares after the allocation under item (i) above shall be allocated to the Entitled Shareholders of EW Berhad who apply in excess of 100 IPO Shares on a pro-rata basis according to their respective shareholdings in EW Berhad as at the Entitlement Date,

subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved.

Any fractional entitlements and odd lots arising from the Restricted Offering will be disregarded and rounded down to the nearest board lot, and the aggregate of such fractions and such odd lots will be dealt with in such manner or on such terms as our Board may deem fit and expedient in the best interest of our Company.

As our Shares are prescribed securities, the Shares will be credited into the respective CDS accounts of the Entitled Shareholders of EW Berhad. No physical share certificate will be issued but the notices of allotment shall be despatched.

17. PROCEDURES FOR APPLICATION (Cont'd)

The entitlement of the Entitled Shareholders of EW Berhad to participate in the Restricted Offering is non-renounceable and non-tradable. Entitled Shareholders of EW Berhad are not allowed to submit multiple applications for the IPO Shares made available under the Restricted Offering and our Board has the absolute discretion to reject multiple applications. However, the Restricted Offering does not preclude the Entitled Shareholders of EW Berhad from making additional applications for the IPO Shares made available under the Malaysian Public category using the WHITE Application Forms.

Excluded Shareholders are advised that they shall be solely responsible to seek their own advice as to the laws of any jurisdiction which they may be subject to. Participation in the Restricted Offering by any of the shareholders of EW Berhad shall be based on their warranty to our Company, EW Berhad or the Joint Principal Advisers that they may lawfully so participate without our Company, EW Berhad, the Joint Principal Advisers, the Share Registrar and/or other advisers and experts being in breach of the laws of any jurisdiction other than the laws of Malaysia to which the Excluded Shareholders are or might be subject to.

Excluded Shareholders will have no rights or claims whatsoever against us, the Promoter, the Joint Principal Advisers, the Joint Managing Underwriters, the Joint Underwriters, any of their respective Directors or any other persons involved in the Restricted Offering in respect of their entitlement to apply for the IPO Shares under the Restricted Offering. We, the Promoter, the Joint Principal Advisers, the Joint Managing Underwriters, the Joint Underwriters, any of their respective Directors or any other persons involved in the Restricted Offering shall not accept any responsibility and liability in the event that any acceptance under the Restricted Offering is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in such countries and jurisdictions.

This Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, the Prospectus will not be sent to the Excluded Shareholders.

BLUE Application Form

This Prospectus will be distributed by the Share Registrar to the Entitled Shareholders of EW Berhad in CD-ROM format (contents of which will be in printable format), save for the Entitled Shareholders of EW Berhad whose registered addresses maintained with Bursa Depository are in East Malaysia.

However, the Entitled Shareholders of EW Berhad may request for a copy of the printed Prospectus from the Share Registrar or our Company or EW Berhad at no cost and are given an option to have the printed Prospectuses despatched to them free of charge to their mailing addresses within three Market Days from the date of receipt of their request, or to obtain the printed Prospectuses from the following locations as stated below:

- (i) our Company;
- (ii) EW Berhad;
- (iii) Share Registrar;
- (iv) Issuing House; and
- (v) ADAs disclosed in Section 18 of this Prospectus.

Any delivery charges, if applicable, will be borne by our Company.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

The BLUE Application Forms can be obtained from the Share Registrar.

Application and payment for the IPO Shares under the Restricted Offering must be made on the BLUE Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein.

The completed BLUE Application Form, together with the remittance in RM for the full amount payable in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "MIH SHARE ISSUE ACCOUNT NO. 580" and crossed "A/C PAYEE ONLY" and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters, must be received by our Share Registrar no later than 5:00 p.m. on 20 March 2017, or such later date or dates as our Directors and the Joint Managing Underwriters may decide upon consultation with the SC. Cheques or any other modes of payment will not be accepted and will be rejected.

Each completed BLUE Application Form must be despatched by **ORDINARY POST or DELIVERED BY HAND** in the official envelope provided, to the following address:

Symphony Share Registrars Sdn Bhd (378993-D)
 Level 6, Symphony House
 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Tel. No.: +603 7849 0777
 Fax No.: +603 7841 8151 or +603 7841 8152

so as to arrive no later than 5:00 p.m. on 20 March 2017, or such later date or dates as our Directors and the Joint Managing Underwriters, may decide upon consultation with the SC.

The Entitled Shareholders of EW Berhad, who wish to apply for the IPO Shares which have been set aside for the Restricted Offering using the BLUE Application Form may check their eligibility by referring to our Share Registrar at the address stated above.

17.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

Each application for the IPO Shares under the Retail Offering must be made by the relevant category of investors on the correct Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein. The Application Forms together with the notes and instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of the Application Form or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Directors.

Full instructions for the application for the IPO Shares offered and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.

The Malaysian Public should adhere to the following procedures in making their applications under the Retail Offering:

17. PROCEDURES FOR APPLICATION *(Cont'd)*

Step 1: Obtain application documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and a copy of this Prospectus.

The WHITE Application Forms can be obtained subject to availability from the following parties:

- (i) CIMB;
- (ii) Maybank IB;
- (iii) HLIB;
- (iv) participating organisations of Bursa Securities;
- (v) members of the Association of Banks in Malaysia;
- (vi) members of the Malaysian Investment Banking Association;
- (vii) Issuing House; and
- (viii) our Company.

Step 2: Read this Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

Step 3: Complete the relevant Application Forms

You must complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions contained therein and in this Prospectus.

(i) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("**NRIC**") number must be the same as:

- (a) your NRIC;
- (b) any valid temporary identity document issued by the National Registration Department from time to time; or
- (c) your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara, 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

17. PROCEDURES FOR APPLICATION (Cont'd)

If you are a non-Malaysian (in the case of PINK or BLUE Application Forms), your name and passport number must be exactly as that stated in your passport.

Our Company together with the Issuing House will not issue any acknowledgment of receipt of your Application Form or Application monies.

(ii) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

(iii) Details of payment

You must state the details of your payment in the appropriate boxes provided in the Application Form.

(iv) Number of IPO Shares applied

Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares for applicants using the WHITE, the PINK and the BLUE Application Forms.

Step 4: Prepare appropriate form of payment

You must prepare the correct form of payment in RM for the FULL amount payable for the IPO Shares based on the Retail Price, which is RM1.20 per IPO Share.

Payment must be made out in favour of **MIH SHARE ISSUE ACCOUNT NO. 580** and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address. We only accept the following forms of payment:

- (i) Banker's Draft or Cashier's Order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants for WHITE Application Forms only);
- (ii) Money Order or Postal Order (for applicants from Sabah and Sarawak only); or
- (iii) Guaranteed Giro Order ("**GGO**") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants for WHITE Application Forms only).

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5: Finalise application

Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (KPPK 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official "A" envelope and seal it.

17. PROCEDURES FOR APPLICATION (Cont'd)

You must write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (KPPK 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix an 80 sen stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)
 Level 6, Symphony House
 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

OR

P.O. Box 8269
 Pejabat Pos Kelana Jaya
 46785 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/ 46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive no later than 5:00 p.m. on 20 March 2017 or such later date or dates as our Directors and the Joint Managing Underwriters may decide upon consultation with the SC.

17.5 PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for the IPO Shares allocated to the Malaysian Public under the Retail Offering by way of Electronic Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Electronic Share Application and the procedures for Electronic Share Applications at ATMs of the Participating Financial Institution before making an Electronic Share Application.

17. PROCEDURES FOR APPLICATION (Cont'd)**17.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the IPO Shares made available to the Malaysian Public under the Retail Offering at an ATM belonging to other Participating Financial Institutions.
- (ii) You **must have a CDS account**.
- (iii) You are advised to read and understand this Prospectus before making your application.
- (iv) You may apply for the IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. You are to submit at least the following information through the ATM, where the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so:
 - (a) Personal Identification Number (PIN);
 - (b) MIH Share Issue Account No. 580;
 - (c) CDS account number;
 - (d) number of IPO Shares applied for and/or the RM amount to be debited from the account; and
 - (e) confirmation of several mandatory statements as set out in Section 17.5.3 of this Prospectus.

17.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- (i) Affin Bank Berhad;
- (ii) AmBank (M) Berhad;
- (iii) CIMB Bank Berhad;
- (iv) HSBC Bank Malaysia Berhad;
- (v) Malayan Banking Berhad;
- (vi) Public Bank Berhad;
- (vii) RHB Bank Berhad; or
- (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only).

17. PROCEDURES FOR APPLICATION *(Cont'd)*

17.5.3 Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 17.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Application.

The CDS account must be in your own name. Invalid or nominee or third party CDS accounts will **not** be accepted.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering at 5:00 p.m. on 20 March 2017, or such later date or dates as our Directors and the Joint Managing Underwriters may decide upon consultation with the SC ("**Closing Time and Date**"), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers' applications for the IPO Shares to the Issuing House as soon as practicable but no later than 12:00 p.m. of the second Market Day after the Closing Time and Date.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 17.7 of this Prospectus:

- (i) the Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Constitution.
- (ii) you are required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given are true and correct:
 - (a) you are at least 18 years of age as at the Closing Time and Date;
 - (b) you are a Malaysian citizen residing in Malaysia;
 - (c) you have read this Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) the Electronic Share Application is the only application that you are submitting for the IPO Shares allocated to the Malaysian Public under the Retail Offering; and

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (e) you hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of Financial Services Act, 2013 and Section 45 of the SICDA) to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of any of your particulars to the Issuing House and/or any relevant regulatory bodies.

- (iii) **You confirm that you are not applying for the IPO Shares as a nominee of any other person and that any Electronic Share Application that you make is made in your own name, as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for the IPO Shares allocated to the Malaysian Public under the Retail Offering, whether at the ATMs of any Participating Financial Institution or using Internet Share Application or using the WHITE Application Forms.**
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM keyboard) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Constitution.
- (vi) We reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market for our Shares.
- (vii) You request and authorise us:
- (a) to credit our IPO Shares allocated to you into your CDS account; and
- (b) to issue share certificate(s) representing such shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (viii) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Issuing House and/or the Participating Financial Institution and irrevocably agree that if:
- (a) our Company and/or the Issuing House do not receive your Electronic Share Application and/or payment; and
 - (b) data relating to your Electronic Share Application and/or payment is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us and/or the Issuing House,
- you shall be deemed not to have made an Electronic Share Application and you shall not make any claim whatsoever against our Company, the Issuing House and/or the Participating Financial Institution for the IPO Shares applied for or for any compensation, loss or damage.
- (ix) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be true and correct, and we, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (x) You must ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter of successful allotment will be sent to your registered address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, you agree that:
- (a) in consideration of us agreeing to allow and accept the application for IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond our and their control;
 - (c) notwithstanding the receipt of any payment by or on our behalf, the notice of successful allocation for prescribed securities issued in respect of the IPO Shares for which your Electronic Share Application has been successfully completed is the only confirmation for the acceptance of your offer to subscribe for and purchase the said IPO Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue of the IPO Shares allotted to you;

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia; and
- (f) if you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xii) The Issuing House, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

17.6 PROCEDURES FOR APPLICATION BY WAY OF AN INTERNET SHARE APPLICATION

Only Malaysian individuals may apply for the IPO Shares allocated to the Malaysian Public under the Retail Offering by way of Internet Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

17.6.1 Steps for Internet Share Application through an Internet Participating Financial Institution's website

Step 1: Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:

- (i) an existing account with access to internet financial services with:
 - (a) Affin Bank Berhad at www.affinOnline.com, via hyperlink to Bursa Securities' website at www.bursamalaysia.com; or
 - (b) Affin Hwang Investment Bank Berhad at trade.affinhwang.com, via hyperlink to Bursa Securities' website at www.bursamalaysia.com; or
 - (c) CIMB Bank Berhad at www.cimbclicks.com.my, via hyperlink to Bursa Securities' website at www.bursamalaysia.com; or
 - (d) CIMB at www.eipocimb.com; or
 - (e) Malayan Banking Berhad at www.maybank2u.com.my, via hyperlink to Bursa Securities' website at www.bursamalaysia.com; or
 - (f) Public Bank Berhad at www.pbepbank.com, via hyperlink to Bursa Securities' website at www.bursamalaysia.com; or
 - (g) RHB Bank Berhad at www.rhbgroup.com, via hyperlink to Bursa Securities' website at www.bursamalaysia.com.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

You need to have your user identification and PIN/password for the internet financial services facility; and

- (ii) an individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

Step 2: Read this Prospectus

You are advised to read and understand this Prospectus before making your application.

Step 3: Apply through Internet

We have set out possible steps for an application of our IPO Shares via Internet Share Application below for illustration purposes only.

Please note that the actual steps for Internet Share Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Log in to the internet financial services facility by entering your user identification and PIN/password.
- (iii) Navigate to the section of the website on applications in respect of IPO.
- (iv) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the online application form.
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number with a financial institution ("**Authorised Financial Institutions**") to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) you are at least 18 years of age as at the Closing Time and Date;
 - (b) you are a Malaysian citizen residing in Malaysia;
 - (c) you have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (d) you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
- (e) the Internet Share Application is the only application that you are submitting for the IPO Shares allocated to the Malaysian Public under the Retail Offering;
- (f) you authorise the Internet Participating Financial Institution with which you have an account to deduct the full amount payable for the IPO Shares from your account with the said Internet Participating Financial Institution;
- (g) you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House, the Authorised Financial Institution and/or any other relevant regulatory bodies;
- (h) you are not applying for the IPO Shares as a nominee of any other person and the application is made in your own name, as the beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment for the Retail Offering.
- (x) You must pay for the IPO Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for, which can be printed out by you for your records.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the IPO Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and records.

17.6.2 Terms and conditions of Internet Share Applications

THE TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

- (i) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application, which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Retail Offering mentioned in Section 17.1 of this Prospectus.
- (ii) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of IPO Shares allotted to you.
- (iii) You request and authorise us to credit the IPO Shares allotted to you into your CDS account and to issue share certificate(s) representing those IPO Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (iv) You acknowledge that your Internet Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, faults with computer software, computer security threats such as virus, hackers and crackers, fires and other events beyond the control of our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution and irrevocably agree that if:
 - (a) our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and

17. PROCEDURES FOR APPLICATION *(Cont'd)*

(b) data relating to your Internet Share Application and/or payment is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution,

you shall be deemed not to have made an Internet Share Application and you shall not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution for the IPO Shares applied for or for any compensation, loss or damage.

- (v) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct, accurate and identical with the records maintained by Bursa Depository. Otherwise, your Internet Share Application will be rejected. You must inform Bursa Depository promptly of any change in your address, failing which the notification letter of successful allotment will be sent to your registered address last maintained with Bursa Depository.
- (vi) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of the IPO Shares allotted to you.
- (vii) You agree that in relation to any legal action, proceedings or disputes arising out of or in relation with the contract between the parties and/or the Internet Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (viii) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (ix) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (x) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Promoter, the Joint Principal Advisers, the Joint Managing Underwriters, the Joint Underwriters, any of their respective Directors or any other persons involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

17.7 TERMS AND CONDITIONS

An application under the Retail Offering is subject to the following additional terms and conditions:

- (i) You are required to pay the Retail Price of RM1.20 for each IPO Share you have applied for.
- (ii) You can submit only one application for the IPO Shares allocated to the Malaysian Public under the Retail Offering. For example, if you submit an application using the WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

However, if you have made an application under the PINK or the BLUE Application Forms, you can still apply for the IPO Shares allocated to the Malaysian Public under the Retail Offering using the WHITE Application Form or by way of Electronic Share Application or Internet Share Application.

The Issuing House, acting under the authority of our Directors, has the discretion to reject applications that appear to be multiple applications under each category of investors.

We wish to caution you that if you submit more than one application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1.0 million and a jail term of up to ten years under Section 182 of the CMSA.

- (iii) Each application under the WHITE, the PINK and the BLUE Application Forms, the Electronic Share Application and the Internet Share Application must be for at least 100 IPO Shares or multiples of 100 IPO Shares.
- (iv) Your application must be made in connection with and subject to this Prospectus and our Constitution. You agree to be bound by our Constitution should you be allotted any of our Shares.
- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (vi) We, the Share Registrar or the Issuing House will not issue any acknowledgement of receipt of your application or application monies.
- (vii) No application shall be deemed to have been accepted by reason of remittances having been presented for payment.

Our acceptance of your application to subscribe for or purchase the IPO Shares shall be constituted by the issue of notices of allotment for the IPO Shares allotted to you.

- (viii) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of the right of Bursa Depository, the Participating Financial Institution and the Internet Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us, the Share Registrar or the Issuing House and any relevant regulatory bodies (as the case may be).
- (ix) **You agree to accept our decision as final should we decide not to allot any IPO Shares to you.**

17. PROCEDURES FOR APPLICATION *(Cont'd)*

17.8 AUTHORITY OF OUR DIRECTORS AND THE ISSUING HOUSE

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

- (i) reject Application Forms, Electronic Share Application and Internet Share Application (where applicable) which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and
- (iii) bank in all application monies including those from unsuccessful/partially successful applicants which would subsequently be refunded (where applicable) without interest.

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

17.9 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market for our Shares. Pursuant to the Listing Requirements, we need to have a minimum of 25% of our Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of our IPO and at the time of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be refunded in full without interest.

In the event of an under-subscription in the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.3.6 of this Prospectus, all the IPO Shares not applied for under the Retail Offering will be underwritten by the Joint Underwriters pursuant to the Retail Underwriting Agreement.

17. PROCEDURES FOR APPLICATION (Cont'd)**17.10 UNSUCCESSFUL/PARTIALLY SUCCESSFUL AND REJECTED APPLICANTS**

Application monies in respect of the unsuccessful/partially successful and rejected applicants will be refunded without interest in the following manner.

17.10.1 For applications by way of an Application Form

- (i) The application monies or the balance of it, as the case may be, will be refunded to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary/registered post to your address maintained with Bursa Depository (for partially successful and rejected applications) if you have not provided such bank account information to Bursa Depository within ten Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or any valid temporary identity document issued by the National Registration Department or "Resit Pengenalan Sementara (KPPK 09)" from time to time at your own risk.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected or unsuccessful or only partly successful will be refunded without interest by the Issuing House as per item (i) or (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary/registered post to your address maintained with Bursa Depository or as per item (ii) above (as the case may be) within ten Market Days from the date of the final ballot.

17.10.2 For applications by way of Electronic Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The application monies or the balance of it will be credited into your account without interest with the Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. You may check your account on the fifth Market Day from the balloting date.
- (ii) Where your successfully balloted application under the Electronic Share Application is subsequently rejected, the full amount of your application monies will be refunded without interest to you by crediting into your account with the Participating Financial Institution.

17. PROCEDURES FOR APPLICATION *(Cont'd)*

- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Participating Financial Institution no later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application monies (or any part thereof) into your account without interest within two Market Days after the receipt of confirmation from the Issuing House.

17.10.3 For applications by way of Internet Share Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to credit the application monies or the balance of it into your account without interest or other benefit arising therefrom with the Authorised Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. You may check your account on the fifth Market Day from the balloting date.
- (ii) Where your successfully balloted application under the Internet Share Application is subsequently rejected, the full amount of your application monies will be refunded without interest to you by crediting into your account with the Internet Participating Financial Institution.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Internet Participating Financial Institution no later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application monies (or any part thereof) into your account without interest within two Market Days after the receipt of confirmation from the Issuing House.

17.11 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) The IPO Shares allotted to you will be credited into your CDS account. We will not be issuing any physical share certificates to you. You shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.
- (ii) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.

17. PROCEDURES FOR APPLICATION (Cont'd)

- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to you without any interest thereon. For applications made via the Application Form, the refund will be credited into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository. For applications made via the Electronic Share Application or Internet Share Application, the refund will be credited into your account with the Participating Financial Institution or the Internet Participating Financial Institution, respectively. All refunds will be made within ten Market Days from the date of final ballot of applications, at your own risk.

17.12 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Forms (except for the BLUE Application Forms)	Issuing House
BLUE Application Forms	Share Registrar
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your application by calling the Issuing House at +603 7841 8289 or your ADA at the telephone number as stated in Section 18 of this Prospectus between five to ten Market Days (during office hours only) after the balloting date.

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18. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BERHAD	2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel. No.: +603 7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BERHAD	Ground, Mezzanine & 3 rd Floor Chulan Tower No. 3 Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel. No.: +603 9130 8803	068-021
ALLIANCE INVESTMENT BANK BERHAD	17 th Floor, Menara Multi-Purpose Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2604 3333	076-001
AMINVESTMENT BANK BERHAD	15 th Floor Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633	086-001
BIMB SECURITIES SDN BHD	Level 32 Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	065-001
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5 Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel. No.: +603 2288 1676	021-002

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3 Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: +603 2168 1168/ +603 2710 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Level 25 & 26 Menara LGB No. 1, Jalan Wan Kadir 60000, Taman Tun Dr Ismail Kuala Lumpur Tel. No.: +603 7723 6300	066-002
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel. No.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor 7-0-8 Jalan 3/109F Danau Business Center Danau Desa 58100 Kuala Lumpur Tel. No.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9056 2921	054-007
JUPITER SECURITIES SDN BHD	Levels 8 & 9 Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 th - 14 th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2171 0228	053-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4297 8806	073-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
KENANGA INVESTMENT BANK BERHAD	1 st Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2089 2888	073-021
M & A SECURITIES SDN BHD	Level 1 – 3, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. No.: +603 2282 1820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel. No.: +603 7983 9890	057-004
MALACCA SECURITIES SDN BHD	55-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100 Kuala Lumpur Tel. No.: +603 6241 8595	012-001
MALACCA SECURITIES SDN BHD	No. 76-1, Jalan Wangsa Delima 6 Pusat Bandar Wangsa Maju (KLSC) Setapak, 53300 Kuala Lumpur Tel. No.: +603 4144 2565	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1 Jalan Maarof 59000 Kuala Lumpur Tel. No.: +603 2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No. 2, Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	Level 9, 10, 11, 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2173 8888	026-001
PM SECURITIES SDN BHD	Mezzanine & 1 st Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: +603 2146 3000	064-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
PUBLIC INVESTMENT BANK BERHAD	27 th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: +603 2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888	087-001
RHB INVESTMENT BANK BERHAD	Level 4 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2333 8333	087-018
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel. No.: +603 6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9058 7222	087-058
TA SECURITIES HOLDINGS	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: +603 2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N-1-3, Plaza Damas 60 Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel. No.: +603 6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19 th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: +603 2147 1888	078-010

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BERHAD	20 th Floor Plaza Masalam 2 Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5513 3288	068-002
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing Floor 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD	3 rd & 4 th Floor Wisma Meru No. 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Lot 229, 2 nd Floor The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 8016	068-020
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No.: +603 3322 1999	068-023
AMINVESTMENT BANK BERHAD	4 th Floor, Plaza Damansara Utama 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7710 6613	086-001
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7717 3388	065-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
JF APEX SECURITIES BERHAD	6 th Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7620 1118	079-002
JF APEX SECURITIES BERHAD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel. No.: +603 5879 0163	079-004
JUPITER SECURITIES SDN BHD	No. 42-46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5632 4838	055-001
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No.4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	55C (2 nd Floor) Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8024 1773	073-006
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2 nd Floor The Curve No.6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: +603 7725 9095	073-016

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 7 Jln SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5621 2118	073-001
KENANGA INVESTMENT BANK BERHAD	No. 35, Ground, 1 st & 2 nd Floor Jalan Tiara 3, Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3348 8080	073-035
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5636 1533	012-001
MALACCA SECURITIES SDN BHD	No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7876 1533	012-001
MALACCA SECURITIES SDN BHD	No. 39-2, Jalan Temenggung 21/9 Seksyen 9, Bandar Mahkota Cheras 43200 Cheras Selangor Darul Ehsan Tel. No.: +603 9011 5913	012-001
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel. No.: +603 3050 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7718 8888	098-001
PM SECURITIES SDN BHD	No. 157, Jalan Kenari 23A, Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 0773	064-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
PM SECURITIES SDN BHD	No.18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3341 5300	064-001
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A, 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7873 6366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 3378	087-045
RHB INVESTMENT BANK BERHAD	First Floor 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel. No.: +603 6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground and Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 1/2, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9180	087-048
RHB INVESTMENT BANK BERHAD	11-1, 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 6148 3361	087-051
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8022 1888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5192 0202	096-001

18. LIST OF ADAS (Cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
SELANGOR DARUL EHSAN (Cont'd)		
SJ SECURITIES SDN BHD	101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5631 7888	096-002
SJ SECURITIES SDN BHD	No. 47-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No.: +603 3322 1915	096-001
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint, PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, Wisma TA No.1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st and 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel. No. : +606 2898 800	065-001
KENANGA INVESTMENT BANK BERHAD	71 (A & B) & 73 (A & B) Jalan Merdeka, Taman Melaka Raya 75000 Melaka Tel. No.: +606 3372 550	073-028
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1, 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel. No.: +606 3372 550	073-034

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
MELAKA (Cont'd)		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel. No.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81, 81A & 81B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2921 898	093-003
PM SECURITIES SDN BHD	No. 6-1, Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel. No.: +606 2880 050	064-006
RHB INVESTMENT BANK BERHAD	No.19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2833 622	087-002
RHB INVESTMENT BANK BERHAD	579, 580 and 581 Taman Melaka Raya 75000 Melaka Tel. No.: +606 2825 211	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A and 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2862 618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel. No.: +606 3352 511	078-014
PERAK DARUL RIDZUAN		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8066 688	068-003
AFFIN HWANG INVESTMENT BANK BERHAD	2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2559 988	068-015

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (Cont'd)		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd and 3 rd Floor No. 8, 8A-8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2088 688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd & 4 th Floor 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2422 828	073-022
KENANGA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6222 828	073-001
KENANGA INVESTMENT BANK BERHAD	Ground Floor, No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6939 828	073-031
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: +605 2419 800	057-001
MALACCA SECURITIES SDN BHD	No. 3, 1 st Floor Persiaran Greenhill 30450, Ipoh Perak Darul Ridzuan Tel. No.: +605 2541 533	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2453 400	098-002

18. LIST OF ADAS (Cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PERAK DARUL RIDZUAN (Cont'd)		
RHB INVESTMENT BANK BERHAD	Ground and 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6236 498	087-014
RHB INVESTMENT BANK BERHAD	Ground and 1 st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6921 228	087-016
RHB INVESTMENT BANK BERHAD	21-25 Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2415 100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8088 229	087-034
RHB INVESTMENT BANK BERHAD	Ground Floor No. 72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel. No.: +605 4651 261	087-044
RHB INVESTMENT BANK BERHAD	No. 1 & 3, 1 st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel. No.: +605 7170 888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1 st and 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel. No.: +605 2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6216 010	078-009
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30303 Ipoh Perak Darul Ridzuan Tel No.: +605 2411 290	078-013

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60 Green Hall 10200 Penang Tel. No.: +604 2636 996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Penang Tel. No.: +604 5372 882	086-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Barkath 21 Lebuah Pantai 10300 Georgetown Penang Tel. No.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	3 rd Floor, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2261 818	086-004
CIMB INVESTMENT BANK BERHAD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2385 900	065-001
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 (Unit 1) & Level 3 No. 56 Cantontment Road 10250 Penang Tel. No.: +604 2268 288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel. No.: +604 2289 118	079-005
JUPITER SECURITIES SDN BHD	20-1, Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Pulau Pinang Tel. No.: +604 6412 881	055-001
KENANGA INVESTMENT BANK BERHAD	7 th , 8 th & 16 th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel. No.: +604 2283 355	073-023

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (Cont'd)		
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square, Jalan Perak 11600 Georgetown Penang Tel. No.: +604 2817 611	057-005
M & A SECURITIES SDN BHD	216, 216A, 218 & 218A Pengkalan Weld Lebuh Macallum 10030 Penang Tel. No.: +604 2617 611	057-008
MALACCA SECURITIES SDN BHD	No. 39-1, Jalan Lenggong Vantage Point 11600 Jelutong, Penang Tel. No.: +604 8981 525	012-001
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel. No.: +604 3905 669	012-006
MALACCA SECURITIES SDN BHD	No. 17, 1 st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel. No.: +604 6421 533	012-007
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, 1 st Floor Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel. No.: +604 2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel. No.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2 nd Floor, Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Pulau Pinang Tel. No.: +604 2639 118	093-004

18. LIST OF ADAS (Cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
PULAU PINANG (Cont'd)		
MERCURY SECURITIES SDN BHD	D' Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru 10300 Penang Tel. No.: +604 6400 822	093-004
PM SECURITIES SDN BHD	Level 3, Wisma Wang 251-A, Jalan Burmah 10350, Pulau Pinang Tel. No.: +604 2273 000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1 st and 2 nd Floor No. 2677 Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel. No.: +604 3900 022	087-005
RHB INVESTMENT BANK BERHAD	Ground, 1 st and 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel. No.: +604 5402 888	087-015
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground – 3 rd & 5 th – 8 th Floor Lebuh Bishop 10200 Penang Tel. No.: +604 2634 222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-5 , 15-1-6 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel. No.: +604 6404 888	087-042
SJ SECURITIES SDN BHD	12 th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 Georgetown Pulau Pinang Tel. No.: +604 228 9836	096-003
TA SECURITIES HOLDINGS BERHAD	3 rd Floor, Bangunan Heng Guan No. 171, Jalan Burmah 10050 Pualau Pinang Tel. No.: +604 2272 339	058-010

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (Cont'd)		
UOB KAY HIAN SECURITIES (M) SDN BHD	1 st Floor Bangunan Heng Guan No. 171, Jalan Burmah 10050 Penang Tel. No.: +604 2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel. No.: +604 5541 388	078-003
KEDAH DARUL AMAN		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4256 666	068-011
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: +604 7317 088	076-004
RHB INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4204 888	087-017
RHB INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1 Jalan Bayu 09000 Kulim Kedah Darul Aman Tel. No.: +604 4964 888	087-019
RHB INVESTMENT BANK BERHAD	Ground and 1 st Floor 214-A, 214-B, 215-A dan 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7322 111	078-007

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS		
AFFIN HWANG INVESTMENT BANK BERHAD	1 st Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7612 288	068-007
AFFIN HWANG INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 188	068-013
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1 st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7655 998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43 Jalan Dr. Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7669 555	098-005
PM SECURITIES SDN BHD	1 st & 3 rd Floor 19 - 21 Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7623 131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7641 641	087-024
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347 Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel. No.: +606 6461 234	087-046
JOHOR DARUL TAKZIM		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) No. 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2222 692	068-004

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3343 855	086-001
AMINVESTMENT BANK BERHAD	3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4342 282	086-001
CIMB INVESTMENT BANK BERHAD	No. 73, Ground Floor No. 73A & 79A, First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3405 888	065-001
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2231 211	054-004
JUPITER SECURITIES SDN BHD	30-1, Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3538 878	055-001
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	Ground and Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1 st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel. No.: +607 7771 161	073-010

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9782 292	073-001
KENANGA INVESTMENT BANK BERHAD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4326 963	073-001
KENANGA INVESTMENT BANK BERHAD	57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9531 222	073-024
KENANGA INVESTMENT BANK BERHAD	Ground Floor, 234 Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No.: +607 4678 885	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3381 233	057-003
M & A SECURITIES SDN BHD	No. 27, 27A & 27B Jalan Molek 3/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3351 988	057-007
MALACCA SECURITIES SDN BHD	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3351 533	012-001
MALACCA SECURITIES SDN BHD	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000, Kulaijaya Johor Darul Takzim Tel. No.: +607 6638 877	012-019

18. LIST OF ADAS (Cont'd)

<u>Name</u>	<u>Address and telephone number</u>	<u>Broker code</u>
JOHOR DARUL TAKZIM (Cont'd)		
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3316 992	093-005
PM SECURITIES SDN BHD	Ground & 1 st Floor No. 43 & 43A Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4333 608	064-001
RHB INVESTMENT BANK BERHAD	6 th Floor, Wisma Tiong Hua 8, Jalan Keris Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel. No.: +607 2788 821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4380 288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9538 262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 119 and 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel. No.: +607 5577 628	087-006
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel. No.: +607 9321 543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7769 655	087-031

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 10 Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No.: +607 6626 288	087-035
RHB INVESTMENT BANK BERHAD	No. 2, 1 st Floor Jalan Makmur Taman Sri Aman 58300 Labis Johor Darul Takzim Tel. No.: +607 9256 881	087-039
RHB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor Nos. 21 dan 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3522 293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel. No.: +607 9435 278	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	Levels 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel. No.: +607 6635 651	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70 Jalan Rosmerah 2/17 Taman Johor Jaya 81000 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel. No.: +607 5121 633	078-008

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1 st Floor B-400, Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel. No.: +606 5660 800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel. No.: +609 5057 800	065-001
JUPITER SECURITIES SDN BHD	2 nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel. No.: +609 2234 136	055-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel. No.: +606 5171 698	073-027
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel. No.: +609 2220 993	012-001
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel. No.: +606 2234 943	087-022
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 76-A Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel. No.: +605 4914 913	087-041
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel. No.: +606 5173 811	087-007

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KELANTAN DARUL NAIM		
RHB INVESTMENT BANK BERHAD	No. 3953-H, Ground & 1 st Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No.: +606 7430 077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7432 288	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7473 906	078-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +606 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6238 128	021-001
RHB INVESTMENT BANK BERHAD	1st Floor 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No.: +606 6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6624 766	078-016
SARAWAK		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel. No.: +6082 341 999	068-005

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (Cont'd)		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 282, 1 st Floor Park City Commercial Centre Phase 4 Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 330 008	068-016
AMINVESTMENT BANK BERHAD	1 st Floor No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 244 791	086-001
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel. No.: +6082 358 606	065-001
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel. No.: +6084 367 700	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel. No.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	Ground & 1 st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel. No.: +6084 313 855	073-012
KENANGA INVESTMENT BANK BERHAD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel. No.: +6086 337 588	073-018

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (Cont'd)		
KENANGA INVESTMENT BANK BERHAD	Suites 9 &10, 3 rd Floor, Yung KongAbell Lot 365 Abell Road 93100 Kuching Sarawak Tel. No.: +6082 248 877	073-036
MERCURY SECURITIES SDN BHD	1 st Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel. No.: +6084 656 281/ +6084 658 219	093-006
RHB INVESTMENT BANK BERHAD	2 nd Floor, Lot 1268 dan Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel. No.: +6085 422 788	087-012
RHB INVESTMENT BANK BERHAD	102 Pusat Pedada Jalan Pedada 98000 Sibul Sarawak Tel. No.: +6084 329 100	087-013
RHB INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 311 770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel. No.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Padungan 93100 Kuching Sarawak Tel. No.: +6082 236 333	058-006
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1 st Floor Centre Point Commercial Centre Jalan Melayu 98000, Miri Sarawak Tel. No.: +6085 324 128/ +6085 324 127	078-017

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (Cont'd)		
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor No. 16, Lorong Intan 6 96000 Sibu Sarawak Tel. No.: +6084 252 737	078-018
SABAH		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1, 9 th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel. No.: +6088 311 688	068-008
CIMB INVESTMENT BANK BERHAD	1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel. No.: +6088 328 878	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68 Jalan Gaya 88000 Kota Kinabalu Sabah Tel. No.: +6088 236 188	073-032
RHB INVESTMENT BANK BERHAD	2 nd Floor 81 & 83, Jalan Gaya 80000 Kota Kinabalu Sabah Tel. No.: +6088 269 788	087-010
RHB INVESTMENT BANK BERHAD	Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel. No.: +6088 258 618	087-036
RHB INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5 Bandar Indah Mile 4 North Road 91000 Sandakan Sabah Tel. No.: +6089 229 286	087-057

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SABAH (Cont'd)		
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: +6088 234 090	078-011
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177&178, Ground Floor Block 17, Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel. No.: +6089 218 681	078-012

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ANNEXURE A: OUR MATERIAL PROPERTIES

A.1 PROPERTIES OWNED BY OUR GROUP

The details of material lands and buildings owned by us as at the LPD are set out below:

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
United Kingdom									
1.	EW-Ballymore	London City	Development site for the London City Island Phase 2 project	N/A	5.82 acres	1. Part of the property is subject to a lease of 1,000 years, the tenant of which is currently Clearstorm Limited (a company within the Ballymore group). The lease comprises the London City Island Phase 1 project of the development, which is being carried out by Clearstorm Limited. The retained land in this title and the land in title identification EGL489449 (as detailed in Section A.2(1) below), comprise the London City Island Phase 2 development, which is being carried out by EW-Ballymore London City.	GBP145,892,378 as at 31 October 2016 (equivalent to RM745,466,284 ⁽²⁾)	GBP156,800,000 ⁽³⁾ as at 14 September 2016 (equivalent to RM853,540,800 ⁽⁴⁾)/ Residual method	GBP10,907,622 (equivalent to approximately RM60,346,419)
(i)	EW-Ballymore London City/ EGL442847/ Land at Middle Wharf, Baldwins Upper Wharf and Crown Wharf, Orchard Place, London E14/ Freehold		(a) Part of the property is subject to a letting of a transformer chamber (within Building N) to London Power Networks Plc until 15 December 2114;						

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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(b) Part of the property is currently used as a marketing suite under a licence in favour of Clearstorm Limited dated 15 May 2015, which is to run until the last private residential unit is sold in the adjoining Phase 1, or on the expiry of three months notice from the licensee;

There are a number of obligations and restrictions relating to the development of both London City Island Phase 1 and London City Island Phase 2 (as contained in the property transfer agreement dated 11 January 2015), including a restriction preventing registration of certain "Dispositions" (transfers of the freehold interest and grant of certain types of lease) unless certain requirements are complied with.

2. The property is subject to a number of restrictions, covenants and conditions, which are not unusual for a site of this nature in the United Kingdom. These include:

(a) Prohibitions on use of part of the property for galvanising purposes;

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
			(c) The property is subject to an agreement to grant a lease of Building F to English National Ballet for a term of 199 years following completion of specified works; and			(b) Rights of third parties to run sewers under part of the property;			
						(c) Rights of way over a riverside walkway in part of the property, together with rights of passage of services and rights of support and protection;			
						(d) Limiting the use of part of the property to a combined heat and power plant, a community centre or sports hall, a marketing suite and/or an electrical substation;			
						(e) Covenants to maintain and keep in good repair and condition river walls;			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
			(d) The property is subject to an agreement for the grant of leases of parts of Buildings N and I to The London International Film School Limited dated 22 December 2016, subject to the satisfaction of certain conditions.			(f) Easements which benefit adjoining land, allowing the potential provision of energy centres and/or substations in a specific building at the property for the benefit of the adjoining land;			
						(g) An agreement with British Telecommunications Plc to construct telecommunications apparatus at the property; and			
						(h) Easements relating to gas supplies, transformer chambers and substations within the property and the adjoining London City Island Phase 1 property.			
						3. The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
						<p>4. The property has the benefit of a licence from the Port of London Authority which permits a pedestrian and cycle bridge, linking the property to the north shore of the River Lea.</p> <p>5. The property is subject to:</p> <p>(a) a letting to London Power Networks Plc which expires on 15 December 2114 at a peppercorn rent (which has not been registered at the Land Registry);</p> <p>(b) a letting to Clearstorm Limited which is to run until the last private residential unit is sold in respect of London City Island Phase 1 project, or on the expiry of three months notice from the licensee;</p>			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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(c) an agreement to grant a lease of Building F to English National Ballet for a term of 199 years on a peppercorn rent⁽⁵⁾ (GBP1.00 per annum) following completion of specified works. A lease premium of GBP 5,000,000 will be payable on or before the third anniversary of the grant of the lease; from the grant until the date of payment, an annual rent of GBP250,000 will be due;

(d) an agreement dated 22 December 2016 to grant leases of part of the ground, first and second floors of Building N and the ground floor of Building I to The London International Film School Limited, subject to the satisfaction of specified conditions.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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The lease of parts of Building I is only to be granted if the tenant serves notice that it wishes to take that lease prior to 29 September 2017. The Building I lease is to be for a term of 15 years. The tenant is (provided it has not served a notice requiring the grant of the Building I lease) to be granted a pre-emption right in respect of any grant of a lease of Building I, for a period of five years from dates linked to the completion of Building N. The tenant has also been granted an option to take a lease of part of the basement of Building N at a peppercorn rent, in a form based on that used for the Building N lease.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ identification/	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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The Building N lease is to be for a term of 75 years at:

- (i) an initial rental of GBP198,513 payable from 1 January 2019 (or 1 January 2020 or a later date agreed by the parties if the landlord's remediation works are not completed by 31 December 2017), subject to upwards review on the fifth and tenth anniversaries of the date of the lease based on the increase in the Bank of England base rate (subject to a 1% increase cap); and

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
						(ii) from the fifteenth anniversary of the term, a peppercorn rent (or, if notice is served that the Building Lease is required, such sum as the parties agree acting reasonably).			
						The owner of the property is to use reasonable endeavours to agree the scope of tenant's enhancement works to Building N, including a contribution in the form of works of not less than GBP1,400,000 in value from the landlord; and			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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(e) an agreement to grant leases to the Nationwide Trustee dated 24 November 2016, under which leases would be granted which would sit above the leases of the private residential units (so that the Nationwide Trustee would be entitled to the ground rents payable under the private residential units leases) for a premium calculated based on a multiplier by the total annual ground rent payable for the leases which includes the ground rent payable for both the private residential units and the right to use any car parking space.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
2.	EW-Ballymore Embassy Gardens								
(i)	EW-Ballymore Embassy Gardens/ TGL423144/ Phase 2	Embassy Gardens, Ponton Road, London/ Freehold	Development site for the Embassy Gardens Phase 2 project (a) Part of the land is used as electricity substation and is let to The London Electricity Board until 23 June 2080; and (b) Part of the property is used as a pumping station and is let to Thames Water Utilities Limited until 18 April 2166.	N/A	5.44 acres	1. The land is subject to various reservations in favour of the British Railways Board ("BRB"). These include rights to build on adjoining land notwithstanding the effect on rights of light and air, rights of support, rights to maintain and repair service media and walls, bridges, railway banks and other structures. The land is subject to restrictive covenants, including a covenant not to build anything without submitting detailed plans and obtaining the prior consent of BRB (or Network Rail, the successors body to BRB) (which is not to be unreasonably withheld) and complying with reasonable conditions.	GBP382,595,977 as at 31 October 2016 (equivalent to RM1,954,950,664 ⁽²⁾)	GBP314,000,000 as at 14 September 2016 (equivalent to RM1,709,259,000 ⁽⁴⁾)/ Residual method	(GBP)68,595,977 (equivalent to approximately RM379,507,243)

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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2. The property is subject to rights and restrictive covenants in favour of adjoining land intended for use as part of the United States embassy.

The rights include a right of way over a primary access route across part of the property. The route of this accessway is currently being varied by the previous owners, EW-Ballymore Embassy Gardens and the United States.

There are also rights exercisable (up to 23 December 2089) to connect into and lay surface water drains and water supply conduits within the primary access route, and between it and the United States embassy land. There are similar rights in relation to other conduits which, in some cases, is subject to the approval of the owner of the property, which is

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
						not to be unreasonably withheld or delayed.			
						The restrictive covenants include prohibitions on building any structure or allowing plants or shrubs or vegetation other than certain specified structures and low level landscaping approved by the United States within certain ascertained areas.			
						There are express prohibitions on use for noxious purposes (on diplomatic or consular purposes) and restrictions on uses are generally more extensive within 30 meters of the United States embassy land.			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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3. The property is subject to lettings to:

(a) The London Electricity Board which expires on 23 June 2080 (the tenant has security of tenure); and

(b) Thames Water Utilities Limited which expires on 18 April 2166 (the tenant does not have security of tenure).

4. Part of the property is subject to covenants that no consent should be given for a licence victualler or beer shopkeeper, save for a specified public house.

5. Part of the property is subject to covenants not to use the relevant area for any religious purposes (except for purposes in connection with the Church of England which are permitted).

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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6. The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.

7. A lease and associated easements are being negotiated for a further substation at the property.

8. An agreement has been entered with the Nationwide Trustee dated 24 November 2016, under which leases would be granted which would sit above the leases of the private residential units (so that the Nationwide Trustee would be entitled to the ground rents payable under the private residential units leases) for a premium calculated based on a multiplier by the total annual ground rent payable for the leases which includes the ground rent payable for both the private residential units and the right to use any car parking space.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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9. A put option agreement has also been entered with Nationwide Trustee dated 24 November 2016, under which a put option has been granted to EW-Ballymore Embassy Gardens to require Nationwide Trustee to take similar leases of any private residential units in Block A03 (if a new planning permission with private residential units is obtained or an existing planning permission is implemented).

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ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
3.	EW-Ballymore Arrowhead								
(i)	EW-Ballymore Arrowhead/ NGL501731/ Land at South Quay, West India and Millwall Docks, London/ Freehold		Development site for the Warden London project	N/A	1.35 acres	1. The property is subject to rights of way in favour of adjoining properties, rights to lay and maintain service media (and for the passage of services), rights of support, and rights to enter to construct a surface for emergency vehicles.	GBP118,844,248 ⁽⁶⁾ as at 31 October 2016 (equivalent to RM607,258,454 ⁽²⁾)	GBP89,100,000 ⁽⁶⁾ as at 14 September 2016 (equivalent to RM485,015,850 ⁽⁴⁾)/ Residual method	(GBP29,744,248) ⁽⁶⁾ (equivalent to approximately RM164,560,052)
			2. The property is subject to a deed of settlement between EW-Ballymore Arrowhead and Britannia Hotels No.2 Limited dated 18 November 2016 which provides for:			(a) the suspension and release of certain mutual rights between the property and the adjacent hotel site to allow for the erection of construction hoardings on the property;			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
						<p>(b) the settlement of any claims which may have existed in respect of any prior infringement of those mutual rights;</p> <p>(c) the payment by EW-Ballymore Arrowhead of GBP400,000 to the owner of the hotel site in connection with the suspension, release and settlement referred to above; and</p> <p>(d) the provision of an alternative emergency access to the hotel site and (in the event it is not provided by 25 April 2019) the payment by EW-Ballymore Arrowhead of GBP9,722.22 plus value-added tax for each month thereafter (or part of a month) during which the emergency access is not provided.</p>			

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ identification/	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
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3. An agreement has been entered with the Nationwide Trustee dated 24 November 2016, under which leases would be granted which would sit above the leases of the private residential units (so that the Nationwide Trustee would be entitled to the ground rents payable under the private residential units leases) for a premium calculated based on a multiplier by the total annual ground rent payable for the leases which includes the ground rent payable for both the private residential units and the right to use any car parking space.

4. The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title	Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
(ii)	EW-Ballymore Arrowhead/ EGL531989/ Land on the north side of Marsh Wall, London/ Freehold		Development site for the Wardian London project	N/A	Less than 0.1 acre	The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.	See note (6)	See note (6)	See note (6)

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ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of registered owner/ (Beneficial owner, if applicable)/ Title identification/ Postal address/ Tenure	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area (approximate)	Material restriction in interest/ encumbrances on property/ condition	Audited NBV	Market value as at the date of valuation/ Method of valuation	Revaluation surplus/ (deficit) ⁽¹⁾
Australia								
4. EW Sydney Development								
(i)	EW Sydney Development / Lot 100 in Deposited Plan 792374 and Lot 504 in Deposited Plan 701136/ 76-100 Church Street, Parramatta, New South Wales, Australia/ Freehold	Development site for the West Village, Parramatta project	N/A	1.18 acres	<ol style="list-style-type: none"> Registered mortgage dealing AJ502792 in favour of Oversea-Chinese Banking Corporation Limited. There is a right of way on part of Lot 100 in Deposited Plan 792374, which will be extinguished upon amalgamation of the titles. There are two rights of carriageway for the benefit of Lot 504 in Deposited Plan 701136. There is a charge in favour of the City of Parramatta Council (dealing V504721) relating to payment of a nominal amount for the use of rights of way, which will be extinguished upon amalgamation of the titles. 	AUD50,884,564 as at 31 October 2016 (equivalent to RM162,469,324 ⁽⁷⁾)	AUD40,080,000 as at 15 December 2016 (equivalent to RM132,704,880 ⁽⁶⁾)/ Residual land value approach and direct comparison approach	(AUD)10,804,564 (equivalent to approximately RM36,103,451)

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)**Notes:**

- (1) *In accordance with MFRS and/or IFRS, the revaluation surplus/deficit based on the valuation carried out on the respective date of valuation have not and will not be incorporated in the financial statements of the respective companies within our Group.*
- (2) *Based on the exchange rate of GBP1.00 : RM5.1097, being the middle rate for GBP to RM quoted by BNM at 5.00 p.m. as at 31 October 2016.*
- (3) *The market value appraised by JLL is inclusive of the freehold land and leasehold land held under title identifications EGL442847 and EGL489449 as disclosed in Sections A.1(1) above and A.2(1) below, respectively.*
- (4) *Based on the exchange rate of GBP1.00 : RM5.4435, being the middle rate for GBP to RM quoted by BNM at 5.00 p.m. as at 14 September 2016, being the date of valuation.*
- (5) *A peppercorn rent is a nominal ground rent which is used to maintain a formal landlord-tenant relationship between the two parties.*
- (6) *The NBV and the market value appraised by JLL are inclusive of both the freehold lands held under title identifications NGL501731 and EGL531989 as disclosed in Sections A.1(3)(i) and A.1(3)(ii) above, respectively.*
- (7) *Based on the exchange rate of AUD1.00 : RM3.1929, being the middle rate for AUD to RM quoted by BNM at 5.00 p.m. as at 31 October 2016.*
- (8) *Based on the exchange rate of AUD1.00 : RM3.3110, being the middle rate for AUD to RM quoted by BNM at 5.00 p.m. as at 15 December 2016, being the date of valuation.*

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ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

A.2 PROPERTIES LEASED/TENANTED BY OUR GROUP

The details of material properties leased/tenanted by us are set out below:

No.	Name of lessor/landlord/grantor/ Name of lessee/tenant/grantee/ Title identification/ Postal address	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area	Material restriction in interest/ encumbrances on property/ condition	Tenure/ Date of expiry	Annual rental
1.	Colin James Rogers and Antony Frederick Rogers/ EW-Ballymore London City/ EGL489449/ Land on the west side of Orchard Place, London E14	Development site for the London City Island Phase 2 project. The property is subject to an agreement for the grant of leases of parts of buildings N and I to The London International Film School Limited, subject to the satisfaction of certain conditions.	N/A	0.13 acres	1. The property is leasehold, with a contractual expiry date of 9 March 2130. It is subject to the payment of an annual rent calculated according to a formula provided in the lease. 2. The lease provides that the landlord may seek to forfeit the lease if rent has not been paid or the tenant does not perform its covenants. However, the landlord is to first serve notice on any mortgagee, and to also provide the tenant with a reasonable period to remedy a breach. 3. The lease contains a number of obligations on the part of the tenant, which are not unusual for a lease of this nature.	Leasehold/ 9 March 2130	GBP18,954.64 ⁽¹⁾ (equivalent to RM104,867)

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of lessor/landlord/ grantor/ Name of lessee/tenant/ grantee/ Title identification/ Postal address	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area	Material restriction in interest/ encumbrances on property/ condition	Tenure/ Date of expiry	Annual rental
					<p>There are restrictions on the use of the premises including not permitting nuisance to neighbouring landowners: not storing or bringing on to the land articles, substances or liquids of a specially combustible, inflammable or dangerous nature; not using the premises for any dangerous, noxious, noisy or offensive trade or business, as a betting shop, or for illegal or immoral acts or purposes or for sales by auction; not discharging materials into the drainage system which may be a source of danger or injury.</p> <p>New buildings would require the landlord's consent, which is not to be unreasonably withheld or delayed. However, the anticipated car park and path do not require the consent of the landlord.</p> <p>4. Assignment and underletting will require the consent of the landlord, which is not to be unreasonably withheld or delayed. However, underleases to service providers or of individual car parking spaces do not require consent of the landlord.</p>		

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of lessor/landlord/ grantor/ Name of lessee/tenant/ grantee/ Title identification/ Postal address	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area	Material restriction in interest/ encumbrances on property/ condition	Tenure/ Date of expiry	Annual rental
5.					The tenant is to use and occupy the property solely and exclusively for commercial use within any class of the Town and Country Planning (Use Classes) Order 1987 (subject to first obtaining and complying with planning permission).		
6.					The tenant is specifically entitled to construct on the land (i) a multi-storey car park; and (ii) a temporary or permanent parkland pathway in a specified area (these uses are consistent with the anticipated development of this area as part of the London City Island Phase 2 project).		
7.					The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.		
8.					The property is subject to the restrictions relating to the development obligations in the property transfer agreement dated 11 January 2015, as detailed in Section A.1(1)(i) above.		
					The property is subject to the agreement for leases with The London International Film School Limited, as detailed in Section A.1(1)(i) above.		

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of lessor/landlord/grantor/ Name of lessee/tenant/grantee/ Title identification/ Postal address	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area	Material restriction in interest/ encumbrances on property/ condition	Tenure/ Date of expiry	Annual rental
2.	The Mayor and Burgesses of the London Borough of Newham/ EW-Ballymore London City/ AGL344582/ Land lying to the south of Newham Way, London	Constructed bridge and landing stage in connection with the London City Island Phase 1 and London City Island Phase 2 projects	N/A	See note (2)	<p>1. The property is subject to a number of restrictive covenants, including some protecting nearby railway structures and easements.</p> <p>2. The lease relates to an area which forms part of the northern span of the pedestrian and cycle walkway and a landing stage for the bridge on the north bank. As such, part of the demise (relating to the bridge) is a lease of airspace only. It is for a term of 999 years, ending 6 May 3014.</p> <p>3. The area is to be used as a bridge structure and landing space (although supplemental retail and exhibition space is permitted).</p> <p>4. The lease provides that the landlord may seek to forfeit the lease if rent has not been paid or the tenant does not perform its covenants. However, the landlord is to first serve notice on any mortgagee, and to also provide the tenant 28 days to remedy a breach.</p>	Leasehold/ 6 May 3014	GBP22,850.00 ⁽³⁾ (equivalent to RM126,418)

ANNEXURE A: OUR MATERIAL PROPERTIES (Cont'd)

No.	Name of lessor/landlord/ grantor/ Name of lessee/tenant/ grantee/ Title identification/ Postal address	Description of property/ Existing or proposed use	Age of building/ Date of issuance of CCC (if applicable)	Land area	Material restriction in interest/ encumbrances on property/ condition	Tenure/ Date of expiry	Annual rental
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5. The lease permits use as a bridge, landing area or other structure for the bridge (in connection with access and egress to the Canning Town Station rotunda) together with ancillary use for retail concessions or public exhibitions.

6. Assignment of the whole, or underletting of the whole or part, will require the consent of the landlord, which is not to be unreasonably withheld or delayed.

7. The property is charged to CIMB Bank Berhad, Labuan Offshore Branch.

Notes:

- (1) *The initial rent payable in respect of the lease of the land held under title identification EGL489449 was GBP14,000.00 per annum with five-yearly rent reviews in accordance with any increase in the retail price index ("RPI") but capped at GBP28,000 per annum for the first 25 years. For each subsequent period of 25 years, the annual rent is capped such that it will not exceed twice the annual rent payable on the last day preceding the start of that period. The rent currently payable is GBP18,954.64 per annum.*
- (2) *The land area comprises the land and airspace to the north of the Leamouth Peninsula and in the vicinity of Canning Town Station and includes all and any part of the pedestrian and cycle bridge or other structures constructed thereon or therein.*
- (3) *Based on the maximum annual rental payable in respect of the lease held under title identification AGL344582 from the date of the assignment of the lease from Clearstorm Limited to EW-Ballymore London City on 15 May 2015 up to the date on which the first of the private residential units comprised within the London City Island Phase 2 project ("Phase 2 Residential Units") has been occupied. Thereafter, the annual rental will be increased in accordance with the number of Phase 2 Residential Units that are occupied and any increase in the RPI. The obligation to pay rentals has not yet commenced as at the LPD.*

All category of land use, statutory requirements, land rules or building regulations in respect of the properties described in Annexures A1 and A2 herein are being complied by our Group as at the LPD.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals for our operations as at the LPD together with the main conditions attached and status of compliance are as follows:

B1. United Kingdom**(i) EW-Ballymore London City**

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
1.	Owner/developer of the London City Island land	London Borough of Tower Hamlets ("LBTH")	21 October 2016 / (N/A)	PA/15/02904	Planning permission for amendments under Section 73 of the TCPA to planning permission PA/14/01655 (as amended by planning permission PA/15/01164) as detailed in Section B1(i)(3) below.	The planning permission was granted subject to 75 conditions with the following conditions of planning permission PA/10/01864 (as detailed in Section B1(i)(7) below) being varied:	In compliance.
						(i) condition no. 3 (compliance with drawings and details); and	
						(ii) condition no. 68. (submission of elevation drawings of Building N of London City Island Phase 2 project).	

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
2.	Owner/developer of the London City Island land	LBTH	29 March 2016 / (N/A)	PA/15/02287	Approval of reserved matters relating to Buildings A and M (as approved by planning permission PA/14/02177 as detailed in Section B1(i)(4) below) of London City Island Phase 2 project of planning permission PA/14/01655 as detailed in Section B1(i)(3) below. The proposal comprises 417 residential units and 668 sq m gross external area of commercial floor space including minor amendments to the layout of the residential blocks and the omission of one duplex unit.	<p>The permission was granted subject to four conditions:</p> <p>(i) the development has to be carried out in accordance with the approved plans;</p> <p>(ii) a full townscape and visual assessment to be submitted and approved by LBTH prior to commencement of the above ground superstructure works;</p> <p>(iii) further wind tunnel testing of the detailed design and mitigation measures to be approved by LBTH prior to commencement of the above ground superstructure works; and</p> <p>(iv) quantitative testing of internal daylight and sunlight of the detailed design to be approved by LBTH prior to commencement of the above ground superstructure works.</p>	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
3.	Owner/developer of the London City Island land	LBTH	19 December 2014 as amended on 8 June 2015 / (N/A)	PA/14/01655 as amended by PA/15/01164	Planning permission for amendments under Section 73 of the TCPA (to planning permission PA/10/01864 as detailed in Section B1(i)(7) below) in relation to the changes to several buildings (including, changes to floor space for retail, creative industry and office areas, as well as reduction in the provision of community centre space and retention energy centre space) of the London City Island Phase 2 project. The conditions of this planning permission were subsequently rectified to resolve an administrative error (planning permission PA/15/01164).	Planning permission for amendments under Section 73 of the TCPA (to planning permission PA/10/01864 as detailed in Section B1(i)(7) below) in relation to the changes to several buildings (including, changes to floor space for retail, creative industry and office areas, as well as reduction in the provision of community centre space and retention energy centre space) of the London City Island Phase 2 project. The conditions of this planning permission were subsequently rectified to resolve an administrative error (planning permission PA/15/01164).	The conditions associated with the planning permission are not onerous or unusual for a development of this nature. The pre-commencement conditions needed to be complied are wide-ranging and include producing a construction management plan, a construction logistics plan and an ecological report. Pre-occupation conditions include providing the LBTH with details of the proposed signage within the development and details of the means of ventilation.	In compliance.
4.	Owner/developer of the London City Island land	LBTH	8 December 2014 / (N/A)	PA/14/02177	Approval on reserved matters relating to two buildings under the London City Island Phase 2 project. The proposal comprises 417 residential units and 541 sq m of commercial floor space.	Approval on reserved matters relating to two buildings under the London City Island Phase 2 project. The proposal comprises 417 residential units and 541 sq m of commercial floor space.	The permission was granted subject to four conditions, including undertaking the development in accordance with approved plan, obtaining further approvals for townscape and visual assessment and various tests relating to designs, none of which are particularly onerous or unusual for a development of this nature.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾	Description of equity and other material conditions imposed	Status of compliance
5.	Owner/developer of the London City Island land	LBTH	23 December 2016 / (N/A)	PA/16/02652	Approval of reserved matters for Blocks A and M (as approved by planning permission PA/14/02177 and subsequently PA/15/02287) within London City Island Phase 2 of planning permission PA/15/02904. The proposal comprises 417 residential units and 668 sq m gross external area of commercial floor space including minor amendments to the layout of the residential blocks and the omission of one duplex unit and alternations to the brick colour.	Approval of resubmitted reserved matters for Blocks A and M (as approved by planning permission PA/14/02177 and subsequently PA/15/02287) within London City Island Phase 2 of planning permission PA/15/02904. The proposal comprises 417 residential units and 668 sq m gross external area of commercial floor space including minor amendments to the layout of the residential blocks and the omission of one duplex unit and alternations to the brick colour.	The permission was granted subject to four conditions: (i) the development has to be carried out in accordance with the approved plans; (ii) a full townscape and visual assessment to be submitted to and approved by LBTH prior to the commencement of the above ground superstructure works; (iii) further wind tunnel testing of the detailed design and mitigation measures to be carried out and submitted to and approved by LBTH prior to the commencement of the above ground superstructure works; and (iv) quantitative testing of internal daylight and sunlight of the detailed design to be submitted to and approved by LBTH prior to the commencement of the above ground superstructure works.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
6.	Clearstorm Messrs Frederick Rogers, Colin James Rogers and Ms Joyce Vera Lorkin Rogers (collectively referred to as the "Rogers"), Anglo Irish Bank Corporation Limited and the Thames Gateway Development Corporation ("LTGDC"), the Greater London Authority and any successors in title to the land and the chargee	LTGDC	12 December 2012 / (N/A)	N/A	Legal planning made pursuant to 106 of the TCPA concerning the provision for access route around the project site.	Legal planning agreement pursuant to Section 106 of the TCPA concerning the provision for public access route around the project site.	Provision of the access route is dependent upon the service of a notice by LBTH or the Greater London Authority on the owner of London City Island. Clearstorm Limited has not yet received such a notice but the deadline is 12 December 2022. By virtue of a property transfer agreement dated 11 January 2015, EW-Ballymore London City is now responsible for this obligation upon receipt of the relevant notice.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
7.	Owner/developer of the London City Island land	LTGDC	28 November 2011 / (N/A)	PA/10/01864	Planning permission for the comprehensive redevelopment of the site for mixed-use development to provide up to 185,077 sq m of new floor space (including up to 1,706 residential units).	Planning permission for the comprehensive redevelopment of the site for mixed-use development to provide up to 185,077 sq m of new floor space (including up to 1,706 residential units). This is a hybrid planning permission authorising the London City Island Phase 1 and London City Island Phase 2 developments of five residential buildings and alterations to an existing building.	The planning permission is subject to 75 conditions of which 14 are pre-commencement conditions (and not all of these are relevant to EW-Ballymore London City as some do not apply to London City Island Phase 2). As there are some changes to several buildings of the London City Island Phase 2 project as permitted under the planning permission PA/14/01655 as detailed in Section B1(i)(3) above, the planning conditions as set out in this planning permission were superseded by the planning permission PA/14/01655 and further changes were made by the planning permission PA/15/02904 as detailed in Section B1(i)(1) above in respect of the planning conditions under this planning permission PA/10/01864.	In compliance.
							Approval for reserved matters made pursuant to this planning permission in respect of two other buildings were also approved by planning permission PA/14/02177 as detailed in Section B1(i)(4) above.	

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾	Description of equity and other material conditions imposed	Status of compliance
8.	LTGDC, Clearstorm Limited, the Rogers and Anglo Irish Bank Corporation as mortgagee and any successors in title to the land and the chargee	LTGDC	28 November 2011 as varied on 9 July 2014, 19 December 2014 and 11 October 2016 / (N/A)	N/A	Legal planning agreement in respect of planning permission PA/10/01864 as detailed in Section B1(i)(7) above made pursuant to Section 106 of the TCPA and varied by a deed of modification in respect of planning permission PA/13/02683 relating to London City Island Phase 1 development (excluding the London City Island Phase 2 development) under Section 73 of the TCPA; a second deed of modification in respect of planning permission PA/14/01655 as detailed in Section B1(i)(3) above; and a third deed of modification to accommodate the changes authorised by the planning permission PA/15/02904 as detailed in Section B1(j)(1) above by the addition of new definitions.	(i) securing all necessary legal agreements with the Transport for London, the London Port Authority and London Underground Limited and other necessary parties to ensure the construction, delivery and maintenance of the pedestrian bridge and rotunda works are completed; and (ii) London City Island Phase 2 requires the provision of affordable housing, a temporary pedestrian and cycle route, community centre and sports hall, landscaping works, bus driver convenience facilities, space for the Metropolitan Police and river wall remediation works.	In compliance.	

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of licence	Description of permit ⁽¹⁾	Description of equity and other material conditions imposed	Status of compliance
9.	Owner/developer of the London City Island land	LBTH	25 January 2017 / (N/A)	PA/16/02139	Approval of reserved matters for Buildings B, C, D, E and F to discharge matters of scale, appearance and landscaping of the outline area, which are attached to the planning permission PA/15/02904 (which amended the original planning permission PA/10/01864) as detailed in Section B1(f)(1) above.		The permission was granted subject to details and samples of all facing materials to Buildings B, C, D, E and F being submitted to and approved in writing by the local planning authority.	In compliance.

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ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**(ii) EW-Ballymore Embassy Gardens**

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
1.	Owner/developer of the Embassy Gardens land	Wandsworth London Borough Council ("WLBC")	1 December 2016 / (N/A)	2015/4821	Approval of reserved matters relating to external appearance, landscaping and public space for Embassy Gardens Phase 2 to discharge Condition 3 (parts d and e) of the planning permission 2011/1815 as detailed in Section B1(ii)(5).	No conditions imposed.	In compliance.
2.	Owner/developer of the Embassy Gardens land	WLBC	12 September 2014 / (N/A)	2013/5239	Planning permission for the amendment application in accordance with Section 73 of the TCPA to vary conditions relating to amongst other thing, amendments to the approved design principles documents, noise mitigation, coach and taxi parking and approved drawings in the planning permission 2011/1815 as detailed in Section B1(ii)(5) below. Amendments included relocation of car park entrance to plot A03, relocation of car park of plot A05 from basement to ground floor, redistribution of ground floor commercial uses, revised residential mix and introduction of amenity links at upper floors.	The planning permission is granted subject to 61 conditions and the conditions are the same with the conditions in the case of planning permission 2011/1815 as detailed in Section B1(ii)(5) below, save for design principles documents, noise mitigation, coach and taxi parking and approved drawings which have been varied.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
3.	Owner/developer of the Embassy Gardens land	WLBC	12 September 2014 / (N/A)	2013/5259	Approval of reserved matters relating to scale, layout, access, external appearance and landscaping for all the three plots on Embassy Gardens Phase 2, pursuant to condition no. 3 of planning permission 2011/1815 as detailed in Section B1(ii)(5) below.	No conditions imposed.	N/A.
4.	Owner/developer of the Embassy Gardens land	WLBC	12 September 2014 / (N/A)	2014/1097	Planning permission for the minor amendment pursuant to Section 73 of the TCPA which sought to amend the detailed design of the buildings at the property, including the relocation of car parking at the property from basement to ground floor level, altering the ground floor commercial layout and the introduction of amenity links between the blocks at the property to planning permission 2011/1815 as detailed in Section B1(iii)(5) below.	The permission is subject to 61 conditions and none of which are unusual for a development of this nature. The material conditions that are applicable to EW-Ballymore Embassy Gardens relate to matters such as detailed design, noise mitigation (coach and taxi parking), affordable housing and a new public park known as Linear Park.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
5.	Owner/developer of the Embassy Gardens land	WLBC	30 March 2012 / (N/A)	2011/1815	Planning permission for the demolition of all existing buildings and construction of a mixed use redevelopment to provide commercial units, residential units, including affordable housing, retail, financial and professional services, café/restaurant, bar and hot food take-away uses, car showrooms, office floor space and flexible workspace, a hotel, community uses and assembly and leisure uses, associated basement and ground level parking and servicing, energy centres, new vehicle and pedestrian access and circulation, and new public amenity space and landscaping, including a part of a park known as the Linear Park.	The planning permission is subject to 61 conditions and has been varied on numerous occasions. The conditions are not unusual for a development of this nature, and most pre-commencement conditions have been complied with other conditions requiring approval in phases.	In compliance.
						Embassy Gardens Phase 2's permission is an outline and approvals of reserved matters are referred to in planning permission 2013/5259 as detailed in Section B1(ii)(3) above and planning permission 2015/4821 as detailed in Section B1(ii)(1) above.	

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
6.	The Mayor and Burgesses of the WLBC, Lycus Limited, Koronet Limited, Ipress Limited, Docket Limited, and the Allied Irish Banks p.l.c. and any successors in title to the land and the chargee in respect of the legal planning agreement /	WLBC	30 March 2012 varied on 6 December 2013 and 12 September 2014 / (N/A)	N/A	Legal planning agreement in respect of planning permission 2011/1815 as detailed in Section B1(ii)(5) above made pursuant to Section 106 of the TCPA. This agreement has been varied twice. The first deed of variation only refers to the Embassy Gardens Phase 1 project and the second deed of variation amends provisions on affordable housing contribution payable.	The agreements relate to the whole development of Embassy Gardens Phases 1 to 3 and requires various financial payments to be made to WLBC in relation to matters such as affordable housing, monitoring fees cycle hire scheme, local employment contributions and the provisions of public cycle docking station and car club spaces. In addition, a new green corridor known as Linear Park has to be provided as part of the development.	In compliance.
	The Mayor and Burgesses of the WLBC, Lycus Limited, Koronet Limited, Ipress Limited, Docket Limited, Allied Irish Banks p.l.c. and any successors in title to the land and the chargee, in respect of the second deed of variation						

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
7.	The Mayor and Burgesses of the WLBC, the United States, Koronet Limited, Lycus Limited, and the Allied Irish Banks p.l.c. and any successors in title to the land and the chargee	WLBC	12 October 2010 / (N/A)	N/A	Legal planning agreement made pursuant to Section 106 of the TCPA. This legal planning agreement relates to the redevelopment of the United States embassy.	EW-Ballymore Embassy Gardens has vide a separate agreement entered into with Koronet Limited and Lycus Limited agreed to provide the United States embassy access route and provision of the public plaza. Covenants binding on the property include, amongst other things, the provision of a public plaza and a continuous pedestrian and cycle access; keeping the public plaza in clean and tidy condition and in good repair.	In compliance.

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ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

(iii) EW-Ballymore Arrowhead

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
1.	Owner/developer of the Warden London land	LBTH	13 January 2017 / (N/A)	PA/16/00139	Planning permission for amendments under Section 73 of the TCPA to the planning permission PA/12/03315 as detailed in Section B1(iii)(3) below.	The permission is granted subject to 34 conditions with the following conditions of the planning permission PA/12/03315 being varied: (i) Condition 2 (consented plans); and (ii) Removal of Condition 22 (cooling).	To be implemented.
2.	The Mayor and Burgesses of the LBTH, EW – Ballymore Arrowhead Quay Company Ltd and CIMB Bank Berhad, London Offshore Branch	LBTH	13 January 2017 / (N/A)	PA/16/00139	Legal planning agreement in respect of planning permission PA/16/00139 as detailed in Section B1(iii)(1) above made pursuant to Section 106 of the TCPA. This agreement is a deed of variation to the legal agreement as detailed in Section B1(iii)(4) below.	The agreement varies the original agreement in relation to: (i) changing provision of Affordable House Units and Affordable Rented Housing Units; (ii) amendments to Cycle Storage Schemes A and B; and (iii) the payment of a commuted sum of £37,836 as a result of the addition of two private rented units.	To be implemented.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
3.	Owner/developer of the Warden London land	LBTH	19 February 2015 / (N/A)	PA/12/03315	Planning permission for authorising the erection of two buildings of 55 and 50 storeys to provide 756 residential units and ancillary uses, plus 701 sq m ground floor retail uses, provision of ancillary amenity space, landscaping, public dockside walkway and pedestrian route, basement parking, servicing and a new vehicular access.	The permission is granted subject to 36 conditions, some of which require approval before development can commence such as the submission of a drainage and water strategy, to demonstrate that the height of the dock wall within the site boundary can be raised in accordance with the Environmental Agency's plan, to conduct a survey of the waterway wall, and to produce a schedule of repairs and any dredging works. Other conditions require approval before occupation and completing construction structural works.	In compliance.
						There are also conditions which need to be complied with after the construction phase is completed, such as the condition to obtain a "very good" Building Research Establishment Environmental Assessment Method for Commercial Space (BREEAM) rating (an environment assessment method for buildings).	

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date issue/ (expiry)	of	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
4.	Arrowhead Commercial Limited, The Mayor Burgesses of the LBTH, and National Asset Loan Management Limited and any successors in title to the land and the chargee	LBTH	19 February 2015 / (N/A)	N/A		Legal planning agreement in respect of planning permission PA/12/03315 as detailed in Section B1(iii)(3) above made pursuant to Section 106 of the TCPA. This agreement has been varied by a deed of variation referred to in Section B1(iii)(2) above.	The agreement requires a number of payments to be made towards leisure facilities, off-site play space, school places, heated facilities, affordable housing, carbon offsetting, monitoring fee, cross rail contribution and contribution towards community infrastructure. In addition, there are obligations relating to the percentage of affordable housing to be provided, including restrictions on the occupation of private units until the affordable housing has been constructed, producing travel plans and compliance with local employment obligations.	In compliance.
5.	EW-Ballymore Arrowhead	Thames Water Utilities Limited	13 August 2015 / (31 July 2017 (subject to extension))	R.M. case no.:	RBEC0YB6	Permit for EW-Ballymore Arrowhead to discharge ground water from the Warden London site into Thames Water Utilities Limited's sewerage network ("Permit").	The Permit is subject to 19 conditions such as the Permit holder must notify Thames Water Utilities Limited in writing of any changes or proposed changes in the company name, address, occupier, contractor, or of any other circumstances which may alter the nature and composition or the volume of the groundwater. Failure to provide such notification could result in the termination of the Permit.	In compliance.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/ registration no.	Description of permit ⁽¹⁾ / licence	Description of equity and other material conditions imposed	Status of compliance
6.	The Mayor and Burgesses of the LBTH and Cartman Limited and 11B Bank Limited and Intercontinental Finance and all successors in title to the land and the chargee	LBTH	22 August 2007 / (N/A)	N/A	Legal planning agreement in respect of planning permission PA/07/00347 made pursuant to Section 106 of the TCPA for an alternative office scheme of 16 and 26 storeys including a basement car park, dockside walkway and landscape.	A notice has been served to the LBTH confirming that planning permission PA/07/00347 will not be further implemented.	N/A.

Note:

(1) For description of regulatory framework in relation to planning permission and planning legal agreement in the United Kingdom, please refer to Section 7.27.1(v) of this Prospectus.

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ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

B2. Australia

No.	Licencee	Approving authority	Date of issue/ (expiry)	Permit/licence/registration no.	Description of permit/ licence	Description of equity and other material conditions imposed	Status of compliance
1.	EW Sydney Development	City of Parramatta Council	18 November 2016 / (17 November 2021) ⁽¹⁾	DA/540/2016	Deferred commencement consent for the demolition of existing structures and construction of a 39 storey mixed use development containing ground floor commercial/retail tenancies and 398 apartments over four levels of basement car parking.	Not relevant	Not relevant

Note:

(1) Site physical commencement must occur within five years from the date of the issuance of the deferred commencement consent. Otherwise, the consent will lapse

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ANNEXURE C: OUR TRADEMARKS

As detailed in Section 7.20 of this Prospectus, EW Berhad, as the registered owner and licensor of the following trademarks in Malaysia, had granted our Company, as the licensee, the non-exclusive, worldwide, royalty-free licence to use the following trademarks for our operations and businesses in accordance with the Brand Licensing Agreement. Our Company is also the registered user of the following trademarks in accordance with the Trade Marks Act, 1976 of Malaysia:

No.	Trademarks	Registration no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
1.	ECOWORLD	2012017851	22 October 2012 to 22 October 2022	35
2.	ECOWORLD	2012017850	22 October 2012 to 22 October 2022	36
3.	ECOWORLD	2012017849	22 October 2012 to 22 October 2022	37
4.	CREATING TOMORROW & BEYOND	2013057028	16 July 2013 to 16 July 2023	35
5.	CREATING TOMORROW & BEYOND	2013057025	16 July 2013 to 16 July 2023	36
6.	CREATING TOMORROW & BEYOND	2013057030	16 July 2013 to 16 July 2023	37

Notes:

(1) Trademarks registered in Malaysia will be valid for a period of ten years from the date of application and may be renewed for a further period of ten years.

(2) Description of each class under which the trademark is registered is as follows:

- (a) Class 35 refers to advertising relating with property and real estate; business management; business administration; and office functions.
- (b) Class 36 refers to real estate management; property management; property development; real estate appraisal; buying, selling and leasing of real estate and real property; leasing, financing and insurance services relating to real estate; real estate brokers; and providing information relating to the aforesaid services.
- (c) Class 37 refers to housing and property development, building construction and development of apartments, condominium complexes, housing and/or commercial and industrial properties and premises, building construction; repair; and installation services.

ANNEXURE C: OUR TRADEMARKS (Cont'd)

As at the LPD, we have also registered the following trademarks and filed the following applications for trademark registration in the following jurisdictions which are used/to be used in our operations and businesses:

C.1 United Kingdom

No.	Trademarks	Proprietor/ Applicant	Status	Registration no.	Validity period ⁽¹⁾	Classes of trademark ⁽²⁾
1.	ECOWORLD	EWI	Registered	UK00003083588	28 November 2014 to 28 November 2024	35, 36, 37, 41 and 42
2.	ECOWORLD CREATING TOMORROW & BEYOND (Coloured mark) ECOWORLD CREATING TOMORROW & BEYOND	EWI	Registered	UK00003083591	28 November 2014 to 28 November 2024	35, 36, 37, 41 and 42
3.	CREATING TOMORROW & BEYOND	EWI	Registered	UK00003083594	28 November 2014 to 28 November 2024	35, 36, 37, 41 and 42
4.	ECOWORLD INTERNATIONAL CREATING TOMORROW & BEYOND (Coloured mark)	EWI	Registered	UK00003121555	10 August 2015 to 10 August 2025	35, 36, 37, 41 and 42

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Proprietor/ Applicant	Status	Registration no.	Validity period ⁽¹⁾	Classes of trademark ⁽²⁾
	<p style="text-align: center;">ECOWORLD INTERNATIONAL CREATING TOMORROW & BEYOND</p>					

Notes:

(1) Trademarks registered in the United Kingdom will be valid for a period of ten years from the date of application and may be renewed for a further period of ten years.

(2) Description of each class under which the trademark is registered is as follows:

(a) Class 35 refers to advertising, marketing and promotional services; business assistance, management and administrative services; dissemination of advertising material, leaflets, brochures and printed matter; distribution of advertisements and commercial announcements; provision of advertising space, including by electronic means and global information networks; advertisement billboards and arranging of displays for commercial purposes; arranging and organising exhibitions and events for commercial or advertising purposes; advertisement via mobile phone networks; advertising of commercial or residential real estate and relating to real property; advertising, including on-line advertising on a computer network, conducting marketing promotional events for others, business promotion; outdoor advertising; production of advertising films and advertising material; promotional marketing, advertising, marketing and promotional consultancy, advisory and assistance services; administration of business affairs; commercial management; management and operation assistance to commercial businesses and office functions and office functions services.

(b) Class 36 refers to real estate services; rent collection; real estate acquisition services; acquisition of land, property and real estate; assisting in the acquisition of and interests in real estate; acquisition for financial investment; advisory services relating to real estate ownership; corporate real estate advisory services; assessment, administration and management of real estate, buildings, housing, land and property; arranging letting, rental and leasing of real estate, land, commercial and residential premises and buildings, office space, shopping premises and accommodation; investment services; capital investment in real estate; commercial property and real estate investment services and planning; valuation and appraisal services; financial valuation of freehold and leasehold property, real estate, buildings and land; financial and monetary services, and banking; arranging finance for construction projects; financial services for the purchase of real estate; financing of land acquisition; loan services for property investment; real estate financing and loans; loan and credit, and lease-finance services; arranging of loan agreements secured on real estate; project finance; arranging the provision of finance for construction operations, real estate purchase; financial services relating to real estate property and buildings, acquisition and sale of property and real estate development; real estate brokers; insurance in relation to real estate, land and property and providing information in relation all of the aforesaid services.

(c) Class 37 refers to building, construction and demolition; reclamation of land; building construction and repair; building of apartment and residential buildings, commercial properties, offices, shops and underground structures; building reinforcing; building services; civil engineering construction; construction of sports grounds; custom developing; construction management services; construction of complexes for business, leisure and recreational purposes; construction of sports grounds; custom construction of buildings; erecting of commercial centres and housing areas; excavation services; general building contractor services; scenery construction; site clearance and preparation; building construction supervision; building repair and restoration; maintenance and repair of building contents; maintenance of buildings; refurbishment and renovation of buildings; interior and exterior cleaning of buildings; application of coatings to buildings; glazing services for buildings; installation of blinds, glass and glazing units; installation and replacement of windows and window frames; HVAC (heating, ventilation and air conditioning) installation, maintenance and repair; installation, maintenance and repair of apparatus for air-conditioning and heating; lift and elevator installation, maintenance and repair; plumbing, gas and water installation, maintenance and repair; installation, maintenance and repair of pipework systems, irrigation systems, closed circuit television systems, fittings and fixtures for buildings and domestic purposes; painting and decorating; advisory services relating to building construction, the alteration of buildings and building refurbishment; consultancy and advisory services relating to the repair and maintenance of buildings and real estate and charitable services, namely construction.

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (d) *Class 41 refers to education, entertainment and sports; arranging and conducting conferences and seminars; arrangement of conventions for recreational purposes and educational purposes; arranging of demonstrations for cultural purposes; arranging of games; organisation of conferences, meetings, exhibitions and seminars; art exhibition services; education and instruction; cultural activities; nursery schools; provision of facilities for education; provision of training facilities; library services; art gallery services; fitness club and physical fitness centre services; provision of exercise facilities; beach and pool clubs; country clubs providing sporting facilities; providing golf facilities; health club services; health and fitness training; providing facilities for sports events and sports recreation; providing fitness and exercise facilities, tennis courts and sport facilities; provision of facilities for group exercise; sporting and recreational activities; providing facilities for entertainment and amusement facilities; provision of cinema or theatre facilities; provision of play facilities for children; provision of recreational areas; gardens for public admission; dance schools; dance club services; bowling alleys; providing billiard rooms, skating rinks and amusement arcades; cabarets, discotheques and night clubs; corporate hospitality (entertainment).*
- (e) *Class 42 refers to design services; commercial design services; commercial interior design; design of interior decor, layouts for offices, office space, restaurants and shops; design services relating to real estate, commercial and residential property; shopping centre design; design of buildings; planning of building estates and complexes; science and technology services; architectural and urban planning services; architectural consultation, design, architectural and project management; architectural services for the design of commercial and residential buildings, office facilities and the development of land; engineering services; civil engineering consultancy and planning services; electrical engineering services; structural engineering services; building inspection services; land and road surveying; preparation of reports relating to real estate planning; surveying of real estate; development of construction projects; urban planning; advisory services relating to the foregoing services.*

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ANNEXURE C: OUR TRADEMARKS (Cont'd)

C.2 Australia

No.	Trademarks	Proprietor/ Applicant	Status	Registration no.	Validity period ⁽¹⁾	Classes of trademark ⁽²⁾
1.	ECOWORLD CREATING TOMORROW & BEYOND	EWI	Registered	1660440	25 November 2014 to 25 November 2024	35, 36, 37, 41 and 42
2.	ECOWORLD	EWI	Registered	1660441	25 November 2014 to 25 November 2024	35, 36, 37, 41 and 42
3.	CREATING TOMORROW & BEYOND	EWI	Registered	1660442	25 November 2014 to 25 November 2024	35, 36, 37, 41 and 42
4.	ECOWORLD INTERNATIONAL CREATING TOMORROW & BEYOND	EWI	Registered	1713395	11 August 2015 to 11 August 2025	35, 36, 37, 41 and 42

Notes:

(1) Trademarks registered in Australia will be valid for a period of ten years from the date of application and may be renewed for a further period of ten years.

(2) Description of each class under which the trademark is registered for is as follows:

- (a) Class 35 refers to advertising and promotional services in relation to residential and commercial land and property development, sale, rent or lease of real estate, brokerage, conveyancing and valuation of real estate, building and building planning services, architectural and drafting services; business administration services all provided in respect of property development, real estate, building and construction; business information and advisory services in relation to property development; real estate, building and construction; business management of all types of construction services; business administration services all provided in respect of property development, real estate, building and construction; business information and advisory services in relation to property development, real estate, building and construction and business management of all types of construction.

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (b) *Class 36 refers to insurance; financial affairs; monetary affairs; real estate affairs; real estate management; real estate investment; leasing of real estate; financial asset management; investment asset management; management of investment portfolios; fund management including investment, financial, property and corporate fund management; real estate acquisition services on behalf of others; advisory services relating to real estate ownership; administration of financial affairs relating to real estate; mortgage lending; raising of capital; real estate agency services being land development and sales; land acquisition services; insurance and financial services in relation to real estate and investment; real estate affairs and services; property management services; leasing or sale of real estate subdivisions and developments; rental of buildings, shops, workshops, factories, commercial buildings, studios, car parking areas, industrial estates; leasing and management of retail, office, shop, factory, workshops, studio, industrial estates; sales of offices, commercial premises, shops, factory buildings, retail outlets, apartments studios, car spaces, industrial estates and information and advisory services in relation to the aforementioned services.*
- (c) *Class 37 refers to real estate and property development; property maintenance; building project management of residential and commercial developments; construction engineering services; home and building maintenance services; building consultancy services; construction and building services; construction and development of land, buildings and property; construction, management, repair and maintenance in relation to all kinds of buildings, landscaping, civil works and infrastructure projects; project management in relation to the construction and development of land and property and information and advisory services relating to the aforementioned services.*
- (d) *Class 41 refers to education, entertainment and sports; arranging and conducting conferences and seminars; arrangement of conventions for recreational purposes and educational purposes; arranging of demonstrations for cultural purposes; arranging of games; organisation of conferences, meetings, exhibitions and seminars; art exhibition services; education and instruction; cultural activities; nursery schools; provision of facilities for education; provision of training facilities; library services; art gallery services; fitness club and physical fitness centre services; provision of exercise facilities; beach and pool clubs; country clubs providing sporting facilities; providing golf facilities; health club services; health and fitness training; providing facilities for sports events and sports recreation; providing fitness and exercise facilities, tennis courts and sport facilities; provision of facilities for group exercise; sporting and recreational activities; entertainment services; providing facilities for entertainment and amusement facilities; provision of cinema or theatre facilities; provision of play facilities for children; provision of recreational areas; gardens for public admission; dance schools; dance club services; bowling alleys; providing billiard rooms, skating rinks and amusement arcades; cabarets, discotheques and night clubs and corporate hospitality (entertainment).*
- (e) *Class 42 refers to architecture, engineering, drafting, construction drafting, design and development services; design of interior decor; research services; architecture services; surveying services; design of infrastructure for industrial estates; project studies relating to buildings and constructions; building design and styling services; urban planning services including retail outlets, retail establishments, factory outlets, shops, service stations, and food and drink outlets; architectural presentations being the preparation of architectural drawings and models; industrial design; preparation of reports; research in respect of all types of construction and engineering projects; project studies; technical research, design consultation in respect of management and undertaking of structural, civil and real estate development and information and advisory services in relation to the aforementioned services.*

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The Board of Directors
Eco World International Berhad
Lot 6.05
KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia



9 February 2017

Dear Sirs

Summary report on the legal framework in the United Kingdom for:

- (A) policies on foreign investment;**
- (B) repatriation of capital and/or remittance of profits; and**
- (C) taxation (the "Report")**

1. Our role

We are acting as the legal counsel to Eco World International Berhad ("Addressee" or "Company") (a company incorporated in Malaysia) in respect of Eco World Management & Advisory (UK) and the laws of England, in connection with an initial public offering and listing of and quotation for the Company's securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad ("Listing"). This Report is prepared in connection with the prospectus to be issued by the Company in connection with the Listing ("Prospectus").

We are duly qualified to practice law within England and Wales, and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever.

This Report deals with matters of English law only. In this Report, headings are for ease of reference only and shall not affect the interpretation of this Report. This Report is limited to the matters stated herein and no matter is implied or may be inferred beyond the matters expressly stated herein.

2. Reliance

This Report is solely for the benefit of the Addressee only in connection with the Listing and no other person may rely on it. It may not be disclosed to or relied on by any other person or for any other purpose and is not to be quoted or referred to or made public in any way without our

Osborne Clarke LLP

One London Wall, London, EC2Y 5EB DX 466 London Chancery Lane WC2 T +44 207 105 7000 F +44 207 105 7005

Osborne Clarke LLP is a limited liability partnership registered in England and Wales with registered number OC397443 whose registered office is at One London Wall London EC2Y 5EB. It is authorised and regulated in the UK by the Solicitors Regulation Authority (SRA) and is registered as a recognised body with SRA number 619990

The term 'partner' refers to a member of Osborne Clarke LLP. A list of members of Osborne Clarke LLP and their professional qualifications is available for inspection at the registered office. Any advice given by any individual member, employee, or consultant is the responsibility of Osborne Clarke LLP and not the individual.

Osborne Clarke LLP is part of an international legal practice

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prior written consent, save for: (a) the publication and inclusion of a copy of this Report in the Prospectus; (b) a copy of this Report being provided to the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and/or any other regulatory authority, if required, in connection with the Listing; and/or (c) disclosed to the advisers of the Addressee (acting in that capacity); but in each case, only on the basis that we do not assume any duty or liability to any person other than the Addressee.

No other person (whether or not a recipient of the Report) is Osborne Clarke LLP's ("Osborne Clarke") client in relation to the Listing, and Osborne Clarke is not offering advice to any other person in relation to the Listing. In particular, this Report is not a recommendation to any shareholders of the Company on how they ought to vote on the matters contained within the Prospectus. Persons to whom the Report is disclosed (other than the Addressee) should obtain their own professional advice in respect of the matters revealed by it.

Other than to the Addressee, no responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Osborne Clarke and any of its members, partners, officers, affiliates, employees, advisers, associated firms or agents for any misstatements, misrepresentations in or omissions from the Report to the extent permissible by law.

This Report does not constitute a legal opinion or legal advice specific to any particular circumstance. This Report provides a high level summary of the legal framework in relation to policies on foreign investment, repatriation of capital and/or remittance of profits and taxation in the context of the Listing only, and does not purport to be an exhaustive report on the subject matter which it covers. This Report is limited to the matters stated herein and no Report is implied or may be inferred beyond the matters expressly stated herein.

3. No other examination or enquiry

Except as stated in this Report, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents entered into by or affecting the Company nor any other corporate records of the Company. We have made no further enquiries concerning the Company or the Listing or any other matter in connection with the giving of this Report.

4. English law as at today's date

This Report is based upon and limited to the laws of England and Wales in force at the date of this Report as applied by the English courts ("English Law") and no view is expressed as to European Community law save to the extent that it has been embodied into generally applicable English Law. It should be noted that on 23 June 2016, a referendum was held in the United Kingdom whether to remain in the European Union ("EU"), which resulted in a vote for the United Kingdom to exit the EU. It is not clear whether and how this will be carried out, and the effect it will have on EU legislation that is applicable in the United Kingdom.

This Report is given on the basis that this Report and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English Law.

This Report is not to be taken as expressing a report on any matter or question which would be determined by reference to a law other than English Law and we have not investigated for the purposes of this Report, the laws of any jurisdiction other than England.

This Report is given on the basis that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Report or its subject matter.

5. Third parties

No term of this Report is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person.

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6. The Report

This Report is a summary of the legal framework for policies on foreign investment, repatriation of capital and/or remittance of profits and taxation under English law. It is divided into three Sections:

- A Policies on foreign investment;
- B Repatriation of capital and/or remittance of profits; and
- C Taxation.

The following summaries do not constitute legal advice specific to any particular circumstances and are intended only as a general guide to current United Kingdom ("UK") or English law (which is subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of UK or English law relating to their subject matter, including tax treatment of certain companies that are involved in the property development sector. The comments are general, so that they are not specific to the structure of any particular company or companies.

A. Policies on foreign investment

1. *Foreign investment policy*

The UK does not have foreign investment policies of general application which restrict or limit direct investment, equity ownership or acquisition of property by overseas entities save for certain restrictions applying to sensitive industries, such as defence, media, financial services, and other regulated industries.

The UK does enforce a sanctions regime, which could effectively restrict investing in the UK for particular nationals. Malaysia is not currently subject to the EU sanctions regime. It is only necessary to consider the impact of EU sanctions since they have direct effect in the UK, all United Nations sanctions are adopted by the EU, and the UK has not implemented its own autonomous sanctions regime in respect of Malaysia.

Notwithstanding this, it may still be possible for an individual or entity in Malaysia to be subject to EU sanctions in the form of an asset freeze (a "Designated Person"). All funds and economic resources belonging to, owned, held or controlled by a Designated Person (or bodies associated with the Designated Person) shall be frozen. It is prohibited for an EU person to (directly or indirectly) provide funds or economic resources to a Designated Person (or a person owned or controlled by a Designated Person). This extends to 'dealing' with any funds of the Designated Person. Such listing would effectively bar a Designated Person from investing in the UK.

A consolidated list of Designated Persons is maintained by HM Treasury.

2. *Foreign exchange controls*

The UK does not have a regime of foreign exchange controls, so there are no general restrictions on the import and export of funds into or out of the UK, whether in domestic or foreign currency.

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B. Repatriation of capital and/or remittance of profits

1. General

This Report gives a high level summary of the ways or methods in which an English-incorporated company can repatriate capital and/or remit profit to a non-resident shareholder. This is usually done through a corporate action, most commonly a dividend (but other methods of achieving this are also available, set out in more detail below), or an intra-group arrangement.

For the reasons set out in paragraph 1 of Section A above, repatriation of capital and/or remittance of profits is not restricted by complex foreign exchange controls or currency restrictions.

2. Corporate actions

The Companies Act 2006 ("CA 2006") is the principal legislation that governs the return of value to shareholders by a company incorporated in England. This can be done in a variety of ways, principally:

- distribution;
- reduction of capital;
- share buyback;
- redemption of shares, or
- distribution of assets on winding up.

Depending on the circumstances, these actions may be treated as either income or capital events. The tax treatment of those events for resident and non-resident shareholders is considered in Section C of this Report.

(a) Distributions

A distribution covers any distribution of a company's assets to its members, whether in cash or otherwise. When making a distribution, a company must comply with Part 23 of CA 2006. These provisions are of general application and do not restrict distributions by reference to the nationality of a recipient. A company must have distributable profits in order to make a distribution. In general terms, these are "accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made".

The most common form of distribution is a cash dividend.

(b) Reduction of capital

A private company limited by shares can reduce its share capital by a special resolution of its shareholders, supported by either (i) court approval, or (ii) a solvency statement from its directors. A reduction of capital can create a distributable reserve out of which a distribution may be made, or can be used to distribute assets directly to shareholders in consideration for the reduction in capital.

(c) Share buyback

A buyback contract is an agreement between the company and one or more of its shareholders whose shares are to be repurchased. The agreement needs to be approved by its shareholders. Under a buyback, the company effectively returns capital to its shareholders by using assets of the company to acquire the shares.

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A buyback can be funded from distributable profits of the company, from the proceeds of a fresh issue of shares made for the purpose of financing the buyback, out of capital, or from cash subject to a de minimis threshold. Each is subject to detailed rules. These rules are of general application and do not restrict distributions by reference to the nationality of a recipient.

(d) Redemption of shares

A company may issue redeemable shares, which must be redeemed by a company in accordance with the terms attaching to those shares. A redemption of redeemable shares is treated in the same way and is subject to the same restrictions as a buyback of ordinary shares.

(e) Distribution of assets on winding up

A members' voluntary liquidation ("MVL") is a procedure by which the value inherent in the assets of a company is realised and the proceeds are distributed to the company's creditors and members. At the end of the liquidation, the company is dissolved. The process is managed by an appointed liquidator. Under an MVL, all creditors of the company must first be paid in full prior to any proceeds being distributed to shareholders. A company can only go into MVL if its directors are prepared to swear a statutory declaration of solvency of the company under section 89 of the Insolvency Act 1986.

3. ***Intra-group arrangements***

Profit may be remitted to non-resident shareholders from UK resident companies via intra-group arrangements such as management charges or interest on intra-group loan arrangements. If arrangements such as these are contemplated they may be subject to the UK transfer pricing rules, which also incorporate a thin capitalisation regime. These rules govern, amongst other things, whether costs or interest incurred by the UK resident company are deductible for tax purposes.

C. UK Taxation

1. ***General***

A property developer operating in the UK will be subject to UK taxation, but the precise incidence of taxation will depend amongst other factors on its residence, its corporate and organisational structure, the scope of its development obligations and the terms of any double taxation treaty that applies to it.

A company that is resident for the purposes of taxation in the UK is liable to UK corporation tax on its profits. The same applies to a company that is resident in another jurisdiction to the extent that it operates through a UK permanent establishment, or derives profits from carrying on the trade of dealing in land or in developing land in the UK.

This Report addresses the position for a company which is either the owner of land which is to be developed and sold (i.e. the property developer) or is a company that provides services to a property developer (i.e. a service company). Set out below are the principal taxes that are charged. These notes are general and high level. They only address certain aspects of taxation that may be applicable to the Company and the Listing and do not purport to be a comprehensive tax review.

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2. **Corporation Tax Acts**

Under the terms of various statutes, notably the Corporation Tax Acts, a UK resident company will be liable to UK corporation tax, currently at the rate of 20% on its profits. A non UK resident company for tax purposes will also be liable to such UK tax at the same rate to the extent that it is trading in the UK through a permanent establishment and broadly those profits are attributable to the permanent establishment. The Government has also recently introduced provisions that apply UK corporation tax to the profits of a company which trades in land or in developing land in the UK (regardless of its residence for tax purposes).

The precise incidence of UK tax incurred by a non UK resident company that does not have a permanent establishment will depend amongst other factors on the nature of its profits and the manner of its operation. The UK, in common with other countries within the Organisation for Economic Co-operation and Development ("OECD"), is working on the Base Erosion and Profit Shifting ("BEPS") Project to address tax planning strategies that shift profits from one jurisdiction to another for tax purposes. The UK also introduced with effect from April 2015 its own rules to deal with such strategies. The result was the diverted profits tax which is set at the rate of 25%.

The UK tax code includes detailed rules to determine the amount of any taxable profit. These rules operate alongside generally accepted accounting principles. In some instances the accounting treatment will determine the tax treatment, but in other instances it will not (and the tax rules will set out a distinct and separate set of rules). For example, there are detailed rules that govern the deduction of interest and other financing costs and also on depreciating the cost of fixed assets.

Subject to the agreement of the UK tax authority and any changes in UK tax legislation, tax losses arising from the respective companies' property development activities in the United Kingdom may be carried forward and set off against profits arising from the same activities in the respective companies in future years. In the UK Autumn Statement 2016, the United Kingdom government published draft legislation that will take effect from 1 April 2017 that will amend the rules in respect of corporation tax losses. The changes are as follows: (i) from 1 April 2017, companies will be able to use carried forward losses against profits from other activities or from other companies within a group; and (ii) from 1 April 2017, the amount of profit that can be offset against losses carried forward will be restricted to 50% of the amount of profits in excess of £5 million. Where the company is in a group, the £5 million allowance applies to the group.

In common with other jurisdictions, the UK has a detailed set of rules to deal with transfer pricing, which are aimed at ensuring that the pricing of goods, services, intellectual property and other transactions between relevant connected parties are treated for tax purposes on the basis that they are set on arms-length terms. The UK also has a detailed set of rules dealing with thin capitalisation and other concepts, in each case for tax purposes to apply arms-length principles to debt and financing between relevant connected parties (or guaranteed by such parties), in certain circumstances to characterise debt as equity and to ensure that the UK resident members of corporate groups are not excessively funded by debt relative to the rest of the group.

From 1 April 2017, the UK government will introduce new rules to limit tax deductions for interest expense and other similar financing costs, with the aim of aligning such deductions with the economic activities undertaken in the UK. Large businesses within the charge to corporation tax which incur net interest expense and other similar financing costs (within the scope of corporation tax) above £2million per annum will be affected. Where a worldwide group has a period of account (as defined for the purposes of the interest restriction rules) that spans that date, it will have to split the results of the period so that the new rules have effect from 1 April 2017.

There are two main changes: (i) a fixed ratio rule will limit the amount of net interest expense that a worldwide group can deduct against its taxable profits to 30% of its taxable earnings before interest, taxes, depreciation, and amortisation (EBITDA); and (ii) a group ratio rule will

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provide for a 'group ratio' to be substituted for the 30% figure. The group ratio is based on the net interest expense to EBITDA ratio for the worldwide group based on its consolidated accounts.

Certain payments of interest and royalty income received by a non UK resident company for tax purposes may have a UK source and therefore arise in the UK for tax purposes. If so, they may be subject to income tax currently set at the rate of 20% which may be withheld at source. In some cases the withholding tax may be reduced or eliminated under the terms of an applicable double taxation treaty.

3. **Shareholders**

There is generally no UK withholding tax on dividends, distributions and the other returns of value (referred to at paragraph 3 of Section B above) paid by a UK company. The right of a shareholder which is a non UK resident company for tax purposes to a tax credit in respect of a dividend and to claim payment from HM Revenue & Customs (HMRC, being the UK tax authority) of any part of that tax credit will depend on the existence and terms of any double tax treaty between the UK and the country in which the shareholder is resident for tax purposes.

A shareholder which is a non UK resident company for tax purposes (and which does not hold shares through or for the purposes of a permanent establishment in the UK through which it carries on a trade) will have no liability to pay UK tax on chargeable gains in respect of any increase in value of the shares (including any amount realised on a disposal of the shares).

The precise tax treatment for a UK resident company receiving a dividend, distribution or other return of value (referred to at paragraph 3 of Section B above) will depend on the circumstances of the recipient and the precise facts of the transaction.

4. **Value Added Tax**

Under the terms of the Value Added Tax Act 1994, value added tax (VAT) is charged on the supply of goods or services in the UK. VAT is a tax that is derived from European Union directives, so that there is a common system in operation across the EU. The standard rate of VAT in the UK is 20%. A UK company that makes annual supplies of good or services in excess of the registration threshold (currently £83,000) is required to register for VAT.

A property developer will be required, for example, to charge VAT at the rate of 20% on the freehold sale of a new commercial building (one that is less than 3 years old). This cost is passed on to the buyer. The cost of acquiring the land for development may have been subject to VAT in the first place, as may the cost of building services, but the developer is generally able to recover these costs where they lead to a sale which will be subject to VAT.

A service company will also usually be required to charge VAT on its services.

VAT can become an absolute cost to a business in some instances. However, businesses will typically plan the precise VAT treatment of each development or activity in advance to ensure either that VAT does not become a cost to the business or that it is taken into account in its projections, charges and cash flows.

5. **Construction Industry Scheme and employee tax deductions**

Under the terms of the Finance Act 2004, the construction industry scheme (CIS) applies to property developers which commission construction works. Broadly, a developer is required in prescribed circumstances to register as a "contractor" under the CIS. This obliges the developer to check with HMRC the tax status of any sub-contractor. For these purposes, the main contractor appointed by the developer to carry out the construction operations will be a

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sub-contractor. HMRC will direct whether the developer can pay the sub-contractor gross or whether it must deduct tax and pay it over to HMRC. Whether a service company is subject to the CIS will depend on the precise scope of its activities.

Additionally, any business is required to operate a payroll tax deduction scheme (PAYE) with respect to any employees or certain other operatives that may be employed or engaged with or by the company. This scheme will apply to UK resident and non UK resident companies where it has employees or other relevant operatives who work in the UK. Under the PAYE scheme, income tax is required to be deducted from all payments or accounted for with respect to other relevant benefits. National insurance contributions are also levied on the employee or other relevant operative and the employer. These are also paid through the PAYE scheme.

6. ***Stamp duty land tax***

Under the terms of the Finance Act 2003, stamp duty land tax ("SDLT") is charged on the acquisition of land and other related interests in England. The rate of charge depends primarily on whether the land is commercial or residential. The maximum rate for commercial property transactions is 5%.

The rate for residential property depends on a number of factors. The general rule is that the percentage rate increases (from 0% to 12%) on increasing portions of the consideration. The 12% rate applies to the extent that the consideration exceeds £1.5 million. A further 3% is added to each rate band (making the top rate 15%) where a company acquires any dwelling. There are very few exceptions that apply here. A company can also be charged SDLT at the rate of 15% where it acquires a dwelling for a consideration in excess of £500,000. There are a number of exceptions to this 15% charge, including for qualifying property developers.

7. ***Business rates***

Business rates are charged on most non-domestic properties in England. These are collected by the local or municipal authority in the area where the property is located. Business rates are worked out by multiplying the rateable value of a property (set by a government agency) by the business rates multiplier (set by central government).

Specific advice must always be taken when reviewing the tax affairs of any company or business or other structure.

Yours faithfully



Osborne Clarke LLP

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO FOREIGN INVESTMENTS, TAXATION, REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR FOREIGN SUBSIDIARIES AND JOINT VENTURES BY OR TO OUR COMPANY
(Cont'd)

MOURANT OZANNES

The Board of Directors
Eco World International Berhad
Lot 6.05, Level 6
KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

(the **Addressee**)

31 January 2017

Our ref: 8020837/69513265/1

22 Grenville Street
St Heller
Jersey JE4 8PX
Channel Islands
T +44 1534 676 000
F +44 1534 676 333
mourantozannes.com

Dear Sirs

JERSEY LAWS ON (I) TAXATION, (II) REPATRIATION OF CAPITAL AND/OR REMITTANCE OF PROFITS, AND (III) POLICIES ON FOREIGN INVESTMENT

- 1.1 We have acted as legal advisers to the Addressee, a company incorporated in Malaysia, as to matters of Jersey law.
- 1.2 The Addressee has requested that we provide an opinion in connection with an initial public offering and listing of and quotation for the Addressee's securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (the **Offering**) having regard to the interest of the Addressee in the following Jersey incorporated companies (together, the **Companies** and each a **Company**):
 - (a) Eco World Investment Co Ltd;
 - (b) Eco World ACE Co Ltd;
 - (c) Eco World-Ballymore Holding Company Limited
 - (d) Eco World-Ballymore Arrowhead Quay Company Limited;
 - (e) Eco World-Ballymore Embassy Gardens Company Limited; and
 - (f) Eco World-Ballymore London City Island Company Limited.
- 1.3 Specifically, the Addressee has requested that we summarise the following matters:
 - (a) Jersey taxation insofar as it applies to a company (including any Company);
 - (b) the ability of a company incorporated in Jersey (including any Company) to repatriate capital and/or remit profits to a shareholder that is a body corporate not incorporated in Jersey; and
 - (c) any restrictions under Jersey law in relation to foreign investment into a Jersey company.

Mourant Ozannes is a Jersey partnership
A list of the partners is available at mourantozannes.com

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2. Opinion

- 2.1 **Taxation:** Schedule 1 is a materially accurate summary of Jersey taxation laws insofar as they apply to a Jersey company (including any Company).
- 2.2 **Repatriation of capital and/or remittance of profits:** Schedule 2 is a materially accurate summary of the methods by which a Jersey company (including any Company) may repatriate capital and/or remit profits to its shareholders (whether or not such shareholders are resident or non-resident in Jersey) under the Companies (Jersey) Law 1991.
- 2.3 **Foreign Investment:** Schedule 3 is a materially accurate summary of Jersey laws relevant to foreign investment into a Jersey company (including any Company).

3. Limitations

- 3.1 This opinion is limited to the matters expressly stated in it and it is given solely in connection with the Offering in the manner set out in the prospectus (the **Prospectus**) to be issued by the Addressee in connection therewith.
- 3.2 We offer no opinion on the commercial terms of the Offering or the Prospectus (unless otherwise expressly stated in this opinion).
- 3.3 We have made no investigation of, and express no opinion with respect to, the laws of any jurisdiction other than Jersey. We express no opinion as to matters of fact.
- 3.4 We assume no obligation to update the Addressee in relation to changes of fact or law that may have a bearing on the continuing accuracy of this opinion.

4. Governing law

This opinion, and any non-contractual obligations arising out of it, shall be governed by, and construed in accordance with:

- (a) Jersey law; and
- (b) extra-statutory guidance issued by any governmental, regulatory or tax authority in Jersey,

in force, and as amended, on the date of this opinion.

5. Reliance

- 5.1 This opinion is only addressed to, and for the benefit of, the Addressee. It may not, without our prior written consent, be relied upon by any other person.
- 5.2 We consent to this opinion being:
- (a) included in the Prospectus to be issued by the Addressee in connection with the Offering, and to provide a copy of this letter to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if so required in connection with the Offering; and
- (b) disclosed to the advisers of the Addressee (acting in that capacity),

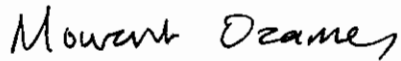
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but, in each case, only on the basis that: (a) we do not assume any duty or liability to any person other than the Addressee; and (b) in preparing this opinion we only had regard to the interests of the Addressee.

Yours faithfully



Mourant Ozannes

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Schedule 1

Jersey Taxation

1. **General:** Under the Income Tax (Jersey) Law 1961, as amended (the **Jersey Income Tax Law**), a Jersey company (including any Company) will be regarded as either:
 - (a) not resident in Jersey under Article 123(1) of the Jersey Income Tax Law; or
 - (b) resident in Jersey under Article 123C of the Income Tax Law.
2. **Income tax (non-resident):**
 - (a) a Jersey company (including any Company) will not be regarded as resident in Jersey if:
 - (i) the business of that company is centrally managed and controlled in a jurisdiction other than Jersey;
 - (ii) the highest rate at which that company may be charged to tax in such non-Jersey jurisdiction on any part of its income is 20 per cent or higher; and
 - (iii) such Jersey company is resident for tax purposes in such non-Jersey jurisdiction.
 - (b) a Jersey company (including any Company) that is regarded as not resident in Jersey is not liable to income tax in Jersey on its profits, save as described in paragraphs 5 and 6.
3. **Income tax (non-resident with permanent establishment):** notwithstanding paragraph 2, a non-resident Jersey company (including any Company) that has a permanent establishment in Jersey will be liable to Jersey income tax on its profits at a rate of zero per cent., save as described in paragraphs 5 and 6.
4. **Income tax (resident):** save as described in paragraphs 5 and 6, a resident Jersey company (including any Company) is liable to Jersey income tax on its profits at a rate of zero per cent.
5. **Income tax (financial services companies and utility companies):**
 - (a) save as described in paragraph 6, a financial services company, as defined in the Jersey Income Tax Law, is liable to Jersey income tax on its profits at a rate of 10 per cent.;
 - (b) a utility company, as defined in the Jersey Income Tax Law, is liable to Jersey income tax on its profits at a rate of 20 per cent.
 - (c) under the Jersey Income Tax Law, a **financial services company** is any company (whether resident or non-resident) that:
 - (i) is registered under the Financial Services (Jersey) Law 1998 to carry out:

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- (1) investment business,
- (2) trust company business, or
- (3) fund services business, as an administrator or custodian in relation to an unclassified fund or an unregulated fund;
- (ii) is registered under the Banking Business (Jersey) Law 1991, other than a company registered for business continuity under that Law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002; or
- (iii) holds a permit under the Collective Investment Funds (Jersey) Law 1988 by virtue of being a functionary who is an administrator or custodian mentioned in Part 2 of the Schedule to that Law;
- (d) under the Jersey Income Tax Law, a **utility company** is any of the following:
 - (i) The Jersey New Waterworks Company Limited, registered by Act of the Royal Court dated 11th February 1882 in accordance with the provisions of the Loi (1861) sur les Sociétés à Responsabilité Limitée;
 - (ii) the Jersey Gas Company Limited continued in existence by Article 2 of the Jersey Gas Company (Jersey) Law 1989;
 - (iii) the Jersey Electricity Company Limited registered by Act of the Royal Court dated 5th April 1924 in accordance with the provisions of the Loi (1861) sur les Sociétés à Responsabilité Limitée; or
 - (iv) a person licensed to run part or all of a public telecommunications system under the Telecommunications (Jersey) Law 2002; or
 - (v) a person authorised to convey letters by a licence granted under the Postal Services (Jersey) Law 2004.
- 6. **Income tax (Jersey real estate and hydrocarbons):** If a Jersey company, whether resident or non-resident in Jersey, derives any income from the renting or development of land in Jersey or the importation and supply of hydrocarbon oil into Jersey, such income will be subject to tax in Jersey at the rate of 20 per cent. We understand none of the Companies is expected to derive any such income.
- 7. **Stamp duty and fees (general):** except for the payment of court fees in the event of litigation before the Jersey courts, no registration fee, stamp duty or other documentary charge is required to be paid in Jersey in relation to documents entered into by a Jersey company (including any Company).
- 8. **Stamp duty and fees (share transfers):** No stamp duty is payable in Jersey on the issue or *inter vivos* transfer of shares in a Jersey company (including any Company). A land transaction tax applies on the transfer of shares in companies the ownership of which confers a right of occupation of real estate located in Jersey. Land transaction tax is calculated on the market value of the shares purchased. The standard rate charge is £80 plus an amount calculated by reference to the standard land transaction tax rate bands. The relevant tax rate bands range from 0.5 per cent. for a transaction valued between zero and £50,000; and 9 per cent. in relation to a transaction valued in excess of £6,000,000. Reduced rates apply to first time buyers and other concessions are also available.

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9. **Non-resident shareholders:** a shareholder of a Jersey company (including any Company) that is not resident in Jersey will not be subject to tax in Jersey on any distribution or other payment made to it in respect of shares held in that Jersey company.
10. **Withholding tax:** a Jersey company (including any Company) is not required to make any deduction or withholding for, or on account of, Jersey income tax from any:
- (c) payment it may make under any document to which it is party; or
 - (d) distribution or return of capital in respect of shares paid to the holder of shares in such Jersey company (including any Company).
11. **Goods and services tax:**
- (a) We understand that each Company is an "International Services Entity" for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the **GST Law**). A Jersey company that is an International Services Entity (an **ISE**) is not required to:
 - (i) register as a taxable person pursuant to the GST Law;
 - (ii) charge goods and services tax in Jersey in respect of any supply made by it; or
 - (iii) subject to paragraphs 5(b) and (c) below, pay goods and services tax in Jersey in respect of any supply made to it.
 - (b) Where a taxable supply made to an ISE by a person registered as a taxable person under the GST Law has a value of less than £1,000, that ISE will be required to pay goods and services tax in Jersey (at five per cent of the value of the supply) on such supply if the supply is made under the retail scheme established under Article 43 of the GST Law and the supplier elects to charge goods and services tax on such supply. That ISE may be entitled to a refund of such goods and services tax, subject to compliance with the relevant provisions of the GST Law.
 - (c) Where a taxable supply made to an ISE by a person registered as a taxable person under the GST Law is a supply of goods for onward re-supply of such goods in Jersey in the same state in which they existed when supplied to that ISE, that ISE will be required to pay goods and services tax in Jersey (at five per cent of the value of the supply) on such supply.

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Schedule 2

Repatriation of Capital and Remittance of Profits

Section 1 – Distributions (including Dividends)

Section 2 – Redemptions and Purchases by a Jersey Company of its Own Shares

Section 3 – Reductions of Capital

Section 4 – Summary Winding Up

Section 5 – Converting a Par Value Jersey Company to a No Par Value Jersey Company

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Section 1 – Distributions (including Dividends)(Companies (Jersey) Law 1991, Part 17)

1. Requirements

- (a) Distribution is defined by the Companies (Jersey) Law 1991¹ to mean every description of distribution of a Jersey company's assets to its members as members, whether in cash or otherwise, other than a distribution by way of:
- (i) an issue of shares as fully or partly paid bonus shares;
 - (ii) the redemption or purchase of any of the Jersey company's shares;
 - (iii) any reduction of capital made in accordance with Part 12 of the Companies (Jersey) Law 1991; or
 - (iv) a distribution of assets to members of the Jersey company on its winding up.

A distribution made in accordance with Article 115 of the Companies (Jersey) Law 1991 is not a reduction of capital for the purposes of Part 12 of the Companies (Jersey) Law 1991.² In the case of a Jersey company with shares, the members are the subscribers to the memorandum and thereafter the registered shareholders from time to time.

- (b) A dividend is a form of distribution and a Jersey company will therefore need to comply with the distribution rules set out below in order to pay a dividend. Not every distribution will constitute a dividend.
- (c) A Jersey company may make a distribution at any time.³ The general rule is that a Jersey company (other than an open-ended investment company) may make a distribution only if the directors who are to authorise the distribution make a statement⁴ that they have formed the opinion:
- (i) that, immediately following the date on which the distribution is proposed to be made, the Jersey company will be able to discharge its liabilities as they fall due; and
 - (ii) that, having regard to:
 - (1) the prospects of the Jersey company and to the intentions of the directors with respect to the management of the Jersey company's business, and
 - (2) the amount and character of the financial resources that will in their view be available to the Jersey company,

the Jersey company will be able to:

¹ Companies (Jersey) Law 1991: Article 114

² Companies (Jersey) Law 1991: Article 115(9)

³ Companies (Jersey) Law 1991: Article 115

⁴ Companies (Jersey) Law 1991: Article 115(3)

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(A) continue to carry on business, and

(B) discharge its liabilities as they fall due

until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until the Jersey company is dissolved under Article 150 of the Companies (Jersey) Law 1991, whichever first occurs.⁵

- (d) "Liabilities" is defined for the purposes of the Companies (Jersey) Law 1991 as including any amount reasonably necessary to be retained for the purpose of providing for any liability or loss which is either likely to be incurred or certain to be incurred but uncertain as to amount or as to the date on which it will arise.⁶
- (e) The directors are not required to make this solvency statement if the proposed distribution does not reduce the net assets of the Jersey company (unless the distribution is in respect of shares which, under the generally accepted accounting principles adopted by the Jersey company, must be treated as liabilities in the Jersey company's accounts).⁷ The following points may be made about this exception:
- (i) This relaxation of the normal requirements is intended to avoid unnecessary impediments to commercial transactions between companies and their shareholders where the transaction might conceivably be considered to be a "distribution" (such as, in some circumstances, an upstream guarantee) but does not involve a reduction in the Jersey company's accounting net assets. In order to fall within the exception, the transaction must not have the immediate effect of reducing the net assets of the Jersey company as determined in accordance with the generally accepted accounting principles adopted by the Jersey company.
- (ii) This guide focuses on payments to shareholders which are, in fact, intended to transfer net asset value from the Jersey company to the shareholder, rather than those which do so inadvertently. In such cases the payment is necessarily intended to cause a reduction in the Jersey company's net assets and therefore the solvency statement will always be required (irrespective of whether or not the distribution is in respect of shares treated as liabilities in the Jersey company's accounts).
- (f) A director who makes a statement referred to in paragraph (c) above without having reasonable grounds for the opinion expressed in the statement is guilty of an offence⁸. The statement referred to in paragraph (c) above is not a matter of public record, but should instead be filed with the relevant board minutes in the Jersey company's statutory books.

⁵ Companies (Jersey) Law 1991: Article 115(4)

⁶ Companies (Jersey) Law 1991: Article 1

⁷ Companies (Jersey) Law 1991: Article 115(2).

⁸ Companies (Jersey) Law 1991: Article 115(5)

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- (g) A Jersey company (other than an open ended investment Jersey company) may not make a distribution other than in accordance with the above provisions.
- (h) Distributions may be funded from profits or certain capital sources. If a distribution is made out of profits this should be debited by the Jersey company to its profit and loss account. A par value Jersey company cannot make a distribution of capital out of nominal share capital or a capital redemption reserve⁹ but it can make a distribution from a share premium account or other capital reserve account. However, no such restriction applies to a no par value Jersey company which may make distributions from any capital source, which means a par value Jersey company may consider converting to a no par value Jersey company in order to make a distribution out of nominal share capital or capital redemption reserve.
- (i) If a distribution, or part of a distribution, is made by a Jersey company to one of its shareholders in contravention of any of the above requirements (including the solvency statement, where required) and, at the time of the distribution, the shareholder knows or has reasonable grounds for believing that it is so made, he is liable to repay it, or the relevant part of it, to the Jersey company. In the case of a distribution made other than in cash, he is liable to pay the Jersey company a sum equal to the value of the distribution or the relevant part of it at that time.¹⁰ Additionally, the directors themselves may be personally liable in relation to any contravention of the law or the Jersey company's articles of association.

2. Procedure

- (a) Subject to the constitution of the Jersey company, a dividend may be approved by resolution of the board of directors or declared by an ordinary resolution of the Jersey company. The directors should consider the financial position of the Jersey company and identify the source(s) of funds from which the dividend will be paid, for the purposes of ensuring compliance with the above rules. The articles of association of the Jersey company also need to be considered and any special provisions relating to the declaration and payment of dividends complied with. Procedures for the automatic declaration or payment of dividends without oversight by the board of directors (whether or not delegated) may result in the payment of such distributions being unlawful and a breach by the directors of their duties.
- (b) Where they are required to make the solvency statement, the directors must satisfy themselves that the solvency test referred to in paragraph 1(c) above will be satisfied. A previous statutory obligation to make full enquiry into the Jersey company's affairs has been removed but usually, as a minimum, the latest report and accounts and any management accounts will be tabled, and enquiries will be made of the Jersey company's accountants or auditors.
- (c) Once the above requirements have been met, the dividend may be paid.
- (d) **Final Dividends:** Subject to the rights attaching to particular shares and the articles of association of the Jersey company, final dividends may generally be declared by the Jersey company in general meeting upon and subject to the recommendation of the directors. The articles of association will usually

⁹ Companies (Jersey) Law 1991: Article 115(7)(b)

¹⁰ Companies (Jersey) Law 1991: Article 115A

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provide that a final dividend may not exceed the amount recommended by the directors.

- (e) **Interim Dividends:** Where permitted by the articles of association, and subject to the rights attaching to the relevant shares, interim dividends may generally be approved between annual general meetings by the directors and paid from time to time. Before an interim dividend is approved, the directors must satisfy themselves that the financial position of the Jersey company warrants and permits the payment of such dividend, as set out above. The payment of an interim dividend is not conditional upon the subsequent declaration of such a dividend by general meeting. A resolution by the directors to pay an interim dividend may be rescinded by a resolution of the directors before the payment date arrives.¹¹ Once declared (by way of a resolution of the Jersey company) and payable, a dividend is regarded as a debt and the shareholder is entitled to sue the Jersey company in respect of it unless the Jersey company passes a further resolution cancelling the dividend.

3. Retrospective validation by the Court

- (a) A Jersey company can apply to the Royal Court of Jersey for retrospective validation of a distribution which was not made in accordance with the statutory requirements.
- (b) In order to be able to take advantage of the procedure for retrospective validation by the court, the Jersey company will need to satisfy the court that (i) immediately after the distribution was made the Jersey company was able to discharge its liabilities as they fell due; (ii) at the time when the application is determined by the court the Jersey company is able to discharge its liabilities as they fall due; and (iii) where the distribution was made less than 12 months before the date on which application is determined, the Jersey company will be able to carry on business, and discharge its liabilities as they fall due, until the end of the period of 12 months beginning with the date on which the distribution was made. Before granting the relief the court must also be satisfied that "it would not be contrary to the interests of justice to do so".¹²
- (c) No notice of the application need be given to the Jersey company's creditors, or any other person, unless the court otherwise directs.¹³
- (d) "Liabilities" is defined for the purposes of the Companies (Jersey) Law 1991 as including any amount reasonably necessary to be retained for the purpose of providing for any liability or loss which is either likely to be incurred or certain to be incurred but uncertain as to amount or as to the date on which it will arise.¹⁴

4. Points to Note - Timing

There are no specified time periods set out in the Companies (Jersey) Law 1991 for the making of a distribution. Accordingly if all information is available, documents

¹¹ *Lagunas Nitrate Co. v Schneder* (1901) 85 L.T. 22.

¹² Companies (Jersey) Law 1991: Article 115ZA

¹³ Companies (Jersey) Law 1991: Article 115ZA(3)

¹⁴ Companies (Jersey) Law 1991: Article 1

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have been drafted and all parties are in agreement, a dividend could potentially be declared and paid by a Jersey company within a single day.

5. Points to Note - Statement

Failure to make the statement referred to in paragraph 1(c) above would make the distribution unlawful, and therefore the recipient of the payment potentially liable to repay it in the manner described in paragraph 1(i) above. An application to the court for retrospective validation (see paragraph 3 above) may only be brought by the Jersey company itself. Moreover, the relief is discretionary and its availability will depend on circumstances existing at the time of the court's decision (including the solvency of the Jersey company). It is therefore very important for the relevant directors to make the required statement whenever a distribution is made. This is so even where, for instance, the terms of preference shares provide for the *ipso facto* payment of dividends.

6. Points to Note - Income or Capital Payment

As set out above, a dividend is a form of distribution. Dividends are usually intended to be income in the hands of the recipient shareholder. A distribution made by a Jersey company may not constitute a dividend. If it is important that the payment by the Jersey company be treated as an income (or capital) payment in the hands of the recipient, then further analysis is required on a case-by-case basis as to the most appropriate method of returning funds to the relevant shareholder in order to achieve the desired income or capital treatment.

7. Points to Note - Articles of Association which refer to dividends payable out of distributable profits

The articles of association of many Jersey Companies are in a form pre-dating the removal of the statutory requirement that distributions are paid out of distributable profits. The statutory position is that distributions may be funded from either profits or certain capital sources referred to in paragraph 1(h) above. A Jersey company's articles may nevertheless refer to dividends, or interim dividends, as having to be paid out of "profits available for distribution". Where it is intended that a distribution is paid out of a capital source, it is necessary to consider whether the Jersey company's articles are restrictive in this regard and need updating.

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Section 2 – Redemptions and Purchases of a Jersey Company's Own Shares (Companies (Jersey) Law 1991, Part 11)

1. Redemption of shares

- (a) A Jersey company may, if authorised to do so by its articles, issue limited shares that may be redeemed either in accordance with their terms, or at the option of the Jersey company or of the shareholder. Similarly, a Jersey company may convert existing non-redeemable shares, whether issued or not, into such redeemable shares.¹⁵
- (b) Redeemable shares may not be issued at a time when there are no non-redeemable shares in issue, and no non-redeemable shares may be converted into redeemable shares, if, as a result, there would be no non-redeemable shares left in issue.¹⁶
- (c) The redeemable limited shares of a par value Jersey company (other than an open-ended investment company) may be redeemed from any source but only when they are fully paid up.¹⁷
- (d) The redeemable limited shares of a no par value Jersey company (other than an open-ended investment company) may be redeemed from any source but only when they are fully paid up.¹⁸
- (e) The redeemable limited shares of a par value Jersey company or a no par value Jersey company (other than in either case an open-ended investment company) are not capable of being redeemed unless all the directors of the Jersey company who authorise the redemption make a statement in the form specified in paragraph 1(f) below.¹⁹
- (f) The statement must state that the directors authorising the redemption have formed the opinion:
 - (i) that, immediately following the date on which the payment is proposed to be made, the Jersey company will be able to discharge its liabilities as they fall due; and
 - (ii) that, having regard to:
 - (1) the prospects of the Jersey company and to the intentions of the directors with respect to the management of the Jersey company's business; and
 - (2) the amount and character of the financial resources that will in their view be available to the Jersey company,

the Jersey company will be able to:

¹⁵ Companies (Jersey) Law 1991: Article 55(1)

¹⁶ Companies (Jersey) Law 1991: Article 55(2) and 55(3)

¹⁷ Companies (Jersey) Law 1991: Article 55(4)

¹⁸ Companies (Jersey) Law 1991: Article 55(5)

¹⁹ Companies (Jersey) Law 1991: Article 55(8)

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- (A) continue to carry on business, and
- (B) discharge its liabilities as they fall due

until the expiry of the period of 12 months immediately following the date on which the payment is proposed to be made or until the Jersey company is dissolved under Article 150 of the Companies (Jersey) Law 1991, whichever first occurs.²⁰

- (g) "Liabilities" is defined for the purposes of the Companies (Jersey) Law 1991 as including any amount reasonably necessary to be retained for the purpose of providing for any liability or loss which is either likely to be incurred or certain to be incurred but uncertain as to amount or as to the date on which it will arise.²¹
- (h) A director who makes a statement referred to in paragraph 1(f) above without having reasonable grounds for the opinion expressed in the statement is guilty of an offence.²² The statement referred to in paragraph 1(f) above is not a matter of public record, but should instead be filed with the relevant board minutes in the Jersey company's statutory books.
- (i) Upon the redemption of limited shares of a par value Jersey company, the amount of the Jersey company's issued share capital is diminished by the nominal value of those shares but the redemption is not taken as reducing the authorised share capital of the Jersey company.²³ Where a par value Jersey company is about to redeem limited shares (other than shares it intends to hold as treasury shares), it may issue shares up to the nominal amount of the shares to be redeemed as if those shares had never been issued.²⁴
- (j) A payment on redemption of shares may be made either in cash or otherwise than in cash, or a combination of the two.²⁵

2. Purchase of a Jersey company's own shares

- (a) A Jersey company may purchase its own limited shares (including any redeemable shares).²⁶ Generally, the provisions relating to share redemptions, set out above, also apply when a Jersey company purchases its own shares.²⁷

²⁰ Companies (Jersey) Law 1991: Article 55(9)

²¹ Companies (Jersey) Law 1991: Article 1

²² Companies (Jersey) Law 1991: Article 55(10)

²³ Companies (Jersey) Law 1991: Article 55(17)

²⁴ Companies (Jersey) Law 1991: Article 55(18)

²⁵ Companies (Jersey) Law 1991: Article 55(12A)

²⁶ Companies (Jersey) Law 1991: Article 57(1)

²⁷ Companies (Jersey) Law 1991: Article 57(6)

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- (b) A purchase by a Jersey company of its own shares must be sanctioned by a special resolution of the Jersey company, unless it is a purchase by a Jersey company that is a wholly owned subsidiary of another Jersey company.²⁸
- (c) A printed copy of the special resolution must be delivered to the registrar of companies in Jersey within 21 days of the special resolution being passed.²⁹
- (d) If the shares are to be purchased other than on a stock exchange, they may only be purchased pursuant to a contract approved in advance by a resolution of the Jersey company. In these circumstances, the shares themselves do not carry the right to vote on the resolution sanctioning the purchase or approving the contract.³⁰
- (e) If the shares are to be purchased on a stock exchange, the resolution authorising the purchase must specify:
 - (i) the maximum number of shares to be purchased;
 - (ii) the maximum and minimum prices which may be paid; and
 - (iii) a date, not being later than 5 years after the passing of the resolution, on which the authority to purchase is to expire.³¹
- (f) For the purposes of paragraph 2(e)(ii) above, maximum and minimum prices shall be determined by specifying particular sums, or by specifying a basis or formula by which those amounts can be calculated without reference to any person's discretion or opinion.³²
- (g) The provisions described in paragraphs 2(b), (d) and 2(e) do not apply to open-ended investment companies.³³
- (h) A Jersey company may not purchase its own shares if, as a result of the purchase, there would no longer be a shareholder of the Jersey company holding shares other than redeemable shares or treasury shares.³⁴

3. Points to Note - Timing

There are no specified time periods set out in the Companies (Jersey) Law 1991 in relation to the redemption or repurchase by a Jersey company of its shares. Accordingly if all information is available, documents have been drafted and all parties are in agreement, a redemption or purchase of shares could potentially be made by a Jersey company within a single day.

²⁸ Companies (Jersey) Law 1991: Article 57(2)

²⁹ Companies (Jersey) Law 1991: Article 100

³⁰ Companies (Jersey) Law 1991: Article 57(3)

³¹ Companies (Jersey) Law 1991: Article 57(4)

³² Companies (Jersey) Law 1991: Article 57(4A)

³³ Companies (Jersey) Law 1991: Article 57(5)

³⁴ Companies (Jersey) Law 1991: Article 57(7)

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4. Points to Note – Purchases of depository certificates

In addition to permitting a Jersey company to purchase its own shares, the Companies (Jersey) Law 1991 enables a Jersey company to purchase its own depository certificates. "Depository certificates" means an instrument (whatever it is called and whether it is held in paper or electronic form) which confers on a person a right or rights (other than an option or security interest) in respect of a share or shares held by another person. This mechanism was introduced into the Companies (Jersey) Law 1991 to simplify the share buy-back process for companies with depository receipt or depository share programmes.

5. Points to Note - Redemptions / purchases of unlimited shares

- (a) The provisions relating to redemptions and purchases of shares by Jersey companies are only expressed to apply to limited shares. There is no juridical or other authority in Jersey as to whether the provisions relating to redemptions and purchases of shares may also be applied to unlimited shares. It is understood that English law in this regard also refers only to limited companies but that the view is taken that it is possible under English law for unlimited companies to redeem or purchase their own shares (on the basis, it is assumed, that there is no infringement of the principles of maintenance of capital). Where statutory provisions are similar, English law and practice may be taken by the courts in Jersey as a useful guide but, until the question has been determined definitively in Jersey, the safer course is to work on the basis that the law does not apply to unlimited companies.
- (b) However, a Jersey company can convert its limited shares to unlimited shares, and vice-versa³⁵. The inability of a Jersey company to redeem or purchase its own unlimited shares should not therefore present an obstacle in the majority of cases.

6. Points to Note - Fully paid shares only

Only fully paid shares may be purchased or redeemed.³⁶

7. Points to Note - Price

There is no requirement that shares must be purchased or redeemed at a particular price. It is therefore possible for a Jersey company to redeem or purchase its shares for a price higher than net asset value. If this occurs then consideration will need to be given to matters such as corporate benefit and directors' duties, and whether the payment could be subject to clawback if the Jersey company were to become insolvent. In this regard a redemption or purchase is not a distribution.³⁷

8. Points to Note - Statement

Failure to make the statement referred to above would make the redemption or purchase of the shares by the Jersey company unlawful, and the recipient of the relevant payment would potentially be liable to repay it. It is therefore imperative for the relevant directors to make the required statement whenever a Jersey company redeems or purchases its own shares.

³⁵ Companies (Jersey) Law 1991: Article 3D(2)

³⁶ Companies (Jersey) Law 1991: Article 57(6), 55(4) and 55(5)

³⁷ Companies (Jersey) Law 1991: Article 114(2)

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9. Points to Note - No reduction of capital

The redemption, purchase or cancellation by a Jersey company of its shares under Part 11 of the Companies (Jersey) Law 1991 is not a reduction of capital for the purposes of Part 12 of the Companies (Jersey) Law 1991.

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Section 3 – Reductions of Capital (Companies (Jersey) Law 1991, Part 12)

1. Requirements

- (a) A Jersey company may by special resolution reduce its capital accounts in any way.³⁸
- (b) Except as provided in paragraph 1(c) below, every reduction of capital must either be confirmed by the Royal Court of Jersey or be supported by a registered solvency statement in order for it to be effective.³⁹
- (c) The following reductions of capital do not need to be confirmed by the court or supported by a solvency statement:
 - (i) extinguishing or reducing a capital account maintained in respect of unlimited shares;⁴⁰ and
 - (ii) reducing a share capital account or stated capital account that is, in either case, maintained in respect of limited shares provided that:
 - (1) the reduction does not extinguish or reduce the liability on any share in respect of capital that is not paid up; and
 - (2) the reduction does not reduce the net assets of the Jersey company,
 and the amount of the reduction is credited to a capital redemption reserve that may be applied only in paying up unissued shares that are to be allotted to shareholders as fully paid bonus shares.⁴¹

2. Procedure where confirmation by the Court is sought

- (a) Confirmation is sought from the Jersey Financial Services Commission (the **JFSC**) that they have no objections to the proposed capital reduction. This confirmation will be exhibited to the affidavit referred to below, and will provide comfort to the Jersey court in making its decision to confirm the reduction.
- (b) The Jersey company passes (at a meeting or, subject to the constitution of the Jersey company, in writing) a special resolution for the reduction of the Jersey company's share capital.
- (c) The Jersey company applies to the court for an order confirming the reduction. The following documents are required for the application to the court:
- (d) a representation to the court to be made by the Jersey company;

³⁸ Companies (Jersey) Law 1991: Article 61(1)

³⁹ Companies (Jersey) Law 1991: Article 61(3)

⁴⁰ Companies (Jersey) Law 1991: Article 61(4)

⁴¹ Companies (Jersey) Law 1991: Article 61(5)

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- (e) a draft minute showing the following information in respect of the Jersey company:
- (i) the amounts of its capital accounts;
 - (ii) the number of shares into which its share capital is to be divided and, in the case of a par value Jersey company, the amount of each share;
 - (iii) in the case of a par value Jersey company the amount (if any), at the date of the registration of the act confirming the order (the **Act**) and minute, which will remain paid up on each share which has been issued; and
 - (iv) in the case of a no par value Jersey company, the amount (if any) remaining unpaid on issued shares.⁴²
- (f) an affidavit sworn by a director of the Jersey company and exhibiting, among other things:
- (i) the representation;
 - (ii) the Jersey company's certificate of incorporation;
 - (iii) the Jersey company's memorandum and articles of association;
 - (iv) minutes of the extraordinary general meeting at which the special resolution to reduce the capital was passed, or (if applicable) a copy of the signed written special resolution;
 - (v) the Jersey company's latest accounts and a balance sheet and profit and loss account to give a recent indication of the Jersey company's financial position. Although not a strict legal requirement, it may be appropriate for these accounts to be audited, as it is possible that the court will require audited accounts;
 - (vi) letters of consent to the reduction of the share capital from each of the Jersey company's creditors (including any professional advisers);⁴³
 - (vii) a letter from the Comptroller of Income Tax to confirm that the Jersey company has no outstanding Jersey tax liabilities;⁴⁴ and
 - (viii) the letter from the JFSC confirming that they have no objection to the proposed reduction of share capital.
- (g) The representation is made *ex parte* by an Advocate in court on a Friday afternoon. If the reduction will involve a reduction of the liability in respect of any amount unpaid on a share or a payment (whether in cash or otherwise) to shareholders of any paid up capital or if the court so directs, any creditor who is entitled to a debt or claim which would be admissible in

⁴² Companies (Jersey) Law 1991: Article 64(1) and (2)

⁴³ Companies (Jersey) Law 1991: Article 62(3) and 63(1)

⁴⁴ Companies (Jersey) Law 1991: Article 62(3) and 63(1)

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proof against the Jersey company in a winding-up, may object to the reduction of capital.⁴⁵ The court has power to settle a list of creditors and to hear anyone who objects to the reduction.⁴⁶ It may also publish notices for the benefit of creditors not entered on the list⁴⁷. Generally, however, the court will conclude that none of this is necessary if it is satisfied that the consent of all the creditors has been obtained or that arrangements have been made to pay or secure the payment of the relevant debts.⁴⁸

- (h) If the order is granted, the Act and an approved minute containing the required details concerning the reduction of share capital, as described above, must be delivered to the registrar of companies in Jersey for registration.⁴⁹ Upon registration the resolution for reducing the share capital takes effect.⁵⁰ The Registrar then issues a certificate, which is conclusive evidence that all of the requirements of the Companies (Jersey) Law 1991 with respect to the reduction of capital have been complied with, and that the Jersey company's share capital is as stated in the minute.⁵¹
 - (i) The court may also require the Jersey company to publish the reasons for the reduction of capital and such other information as the court thinks appropriate for the information of the public.⁵²
 - (j) Once the court approved minute has been registered, the minute is deemed to be substituted for the corresponding part of the Jersey company's memorandum of association.⁵³
3. **Out-of-court procedure where the reduction is supported by a solvency certificate**
- (a) The out-of-court procedure requires the directors authorising the reduction to make a solvency statement not more than 15 days before the special resolution sanctioning the reduction is passed.⁵⁴
 - (b) The solvency statement is a similar form to others required by the Companies (Jersey) Law 1991. The statement must state that the directors authorising the reduction have formed the opinion:
 - (i) that, as at the date that the statement is made, the Jersey company will be able to discharge its liabilities as they fall due; and
 - (ii) that, having regard to:

⁴⁵ Companies (Jersey) Law 1991: Article 62(2) and 62(3)

⁴⁶ Companies (Jersey) Law 1991: Article 62(4)

⁴⁷ Companies (Jersey) Law 1991: Article 62(4)

⁴⁸ Companies (Jersey) Law 1991: Article 62(5)

⁴⁹ Companies (Jersey) Law 1991: Article 64(1)

⁵⁰ Companies (Jersey) Law 1991: Article 64(2A)

⁵¹ Companies (Jersey) Law 1991: Article 64(3)

⁵² Companies (Jersey) Law 1991: Article 63(2)

⁵³ Companies (Jersey) Law 1991: Article 64(4)

⁵⁴ Companies (Jersey) Law 1991: Article 61A(1)

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- (1) the prospects of the Jersey company and to the intentions of the directors with respect to the management of the Jersey company's business; and
 - (2) the amount and character of the financial resources that will in their view be available to the Jersey company,
- the Jersey company will be able to:
- (A) continue to carry on business and
 - (B) discharge its liabilities as they fall due,
- until the expiry of the period of 12 months immediately following the date of the statement or until the Jersey company is dissolved under Article 150 of the Companies (Jersey) Law 1991, whichever first occurs.⁵⁵
- (c) A director who makes a solvency statement without having reasonable grounds for the opinion expressed in it is guilty of an offence.⁵⁶
 - (d) The Jersey company must, within 15 days after the special resolution is passed, deliver to the Jersey registrar of companies (i) a copy of the solvency statement; and (ii) a minute containing the same information in respect of the Jersey company as is required in the case of a reduction of capital account which is confirmed by the court. The minute must show:
 - (i) the amounts of its capital accounts;
 - (ii) the number of shares into which its share capital is to be divided and, in the case of a par value Jersey company, the amount of each share;
 - (iii) in the case of a par value Jersey company the amount (if any), at the date of the registration of the solvency statement and minute, which will remain paid up on each share which has been issued; and
 - (iv) in the case of a no par value Jersey company, the amount (if any) remaining unpaid on issued shares.⁵⁷
 - (e) "Liabilities" is defined for the purposes of the Companies (Jersey) Law 1991 as including any amount reasonably necessary to be retained for the purpose of providing for any liability or loss which is either likely to be incurred or certain to be incurred but uncertain as to amount or as to the date on which it will arise.⁵⁸
 - (f) There is no requirement under the out-of-court procedure for an affidavit to be filed in support.

⁵⁵ Companies (Jersey) Law 1991: Article 61A(2)

⁵⁶ Companies (Jersey) Law 1991: Article 61A(3)

⁵⁷ Companies (Jersey) Law 1991: Article 61B

⁵⁸ Companies (Jersey) Law 1991: Article 1

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- (g) The registrar registers the solvency statement and minute, and thereupon the resolution for reducing the capital takes effect.
- (h) The registered minute is then deemed to be substituted for the corresponding part of the Jersey company's memorandum.

4. Points to Note – Timing in the case of confirmation by the Court

Most time will be spent in discussing the matter with the JFSC and in obtaining the necessary order. A period of at least two weeks should be allowed for the discussions with the JFSC. In relation to the order, if the order is made on a Friday afternoon, the Act confirming the order will usually be received in the middle of the following week and can then be delivered to the registrar of companies together with the minute.

5. Points to Note – Public filing of solvency statement for the out-of-court procedure

Unlike the similar solvency statements required for distributions, redemptions of shares and a Jersey company's purchase of its own shares, the solvency statement required in connection with the out-of-court procedure for a reduction of a capital account must be filed with the Jersey registrar of companies and will appear on the Jersey company's public file.

6. Points to Note – Unlimited shares

A Jersey company can convert its limited shares to unlimited shares, and vice-versa.⁵⁹ A reduction of capital by extinguishing or reducing a capital account maintained in respect of unlimited shares is not subject to court confirmation. The reduction is therefore effective as soon as the relevant special resolution is passed.

⁵⁹ Companies (Jersey) Law 1991: Article 3D

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Section 4 – Summary Winding Up (Companies (Jersey) Law 1991, Part 21, Chapter 2)

1. Requirements

- (a) A summary winding up may be used in respect of a Jersey company⁶⁰ that:-
- (i) has no liabilities;
 - (ii) has liabilities that have already fallen due or that fall due within six months after the commencement of the winding up, that it will be able to discharge in full within six months of the commencement of the winding up;
 - (iii) has liabilities that will arise more than six months after the commencement of the winding up that it will be able to discharge in full as they fall due; or
 - (iv) has a combination of the liabilities mentioned in paragraphs 1(a)(ii) and (iii) above,
- and in respect of which no declaration has been made under the Bankruptcy (Désastre) (Jersey) Law 1990⁶¹ (unless such declaration has been recalled).
- (b) A Jersey company may be wound up summarily⁶² by:
- (i) all of the directors of the Jersey company signing a statement of solvency in relation to the Jersey company in the required terms (see paragraph (c) below);
 - (ii) passing, within 28 days after the statement of solvency has been signed, a special resolution that the Jersey company be wound up summarily; and
 - (iii) delivering a copy of the special resolution and the statement of solvency to the Jersey registrar of companies within 21 days after the special resolution has been passed.⁶³
- (c) The statement of solvency must be signed by each of the directors and state that, having made full enquiry into the Jersey company's affairs, each director is satisfied that:
- (i) the Jersey company has no assets and no liabilities;
 - (ii) the Jersey company has assets and no liabilities;
 - (iii) the Jersey company will be able to discharge its liabilities in full within the six months after the commencement of the winding up;

⁶⁰ Companies (Jersey) Law 1991: Article 145(1)

⁶¹ Companies (Jersey) Law 1991: Article 146(1)

⁶² Companies (Jersey) Law 1991: Article 146(2)

⁶³ Companies (Jersey) Law 1991: Article 146(3)

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- (iv) the Jersey company has liabilities that will fall due more than six months after the commencement of the winding up that it will be able to discharge in full as they fall due; or
- (v) both paragraphs 1(c)(iii) and (iv) apply to the Jersey company.⁶⁴
- (d) The summary winding up of a Jersey company commences on the passing of the special resolution referred to in paragraph 1(b)(ii) above⁶⁵. From that moment, the Jersey company's powers may not be exercised except so far as may be required:
 - (i) to realise its assets;
 - (ii) to discharge its liabilities; and
 - (iii) to distribute its assets in accordance with the law.⁶⁶
- (e) A Jersey company may, on or after the commencement of its summary winding up, by special resolution appoint a person to be liquidator for the purposes of the winding up but is not obliged to do so. If a liquidator is not appointed, the directors will conduct the winding up.⁶⁷
- (f) If a liquidator is appointed, the directors cease to be authorised to exercise their powers in respect of the Jersey company and those powers are exercised by the liquidator.⁶⁸ This is subject to the terms of the resolution appointing the liquidator and any subsequent special resolution of the Jersey company and any contrary provisions in the law relating to the application of the Jersey company's assets and its dissolution.
- (g) On the registration by the Jersey registrar of companies of a statement that the Jersey company has no assets and no liabilities the Jersey company is dissolved.⁶⁹
- (h) Where the Jersey company has assets and no liabilities the Jersey company must, on the registration of the statement of solvency by the Jersey registrar of companies, distribute its assets among its members according to their rights or otherwise as provided by its memorandum or articles of association.⁷⁰
- (i) Where the Jersey company has liabilities, the Jersey company, after the registration of the statement of solvency by the Jersey registrar of companies:
 - (i) must satisfy those liabilities as they become due or within six months of commencement, as the case may be; and

⁶⁴ Companies (Jersey) Law 1991: Article 146(2)

⁶⁵ Companies (Jersey) Law 1991: Article 147

⁶⁶ Companies (Jersey) Law 1991: Article 148

⁶⁷ Companies (Jersey) Law 1991: Article 149(1)

⁶⁸ Companies (Jersey) Law 1991: Article 149(2)

⁶⁹ Companies (Jersey) Law 1991: Article 150(2)

⁷⁰ Companies (Jersey) Law 1991: Article 150(3)

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- (ii) if the directors of the Jersey company reasonably believe that the Jersey company is able to pay any remaining liabilities as they fall due, may then distribute its remaining assets among its members according to their rights or otherwise as provided by its memorandum or articles of association.⁷¹
- (j) As soon as the Jersey company has distributed its assets in accordance with paragraphs 1(h) or 1(i), it must deliver to the Jersey registrar of companies a statement signed by each of the directors or, if applicable, the liquidator, stating that each director or the liquidator, having made full enquiry into the Jersey company's affairs, is satisfied that the Jersey company has no assets and no liabilities. Upon the registration of this statement, the Jersey company is dissolved.⁷²

2. Procedure

- (a) A meeting of the directors of the Jersey company is held to determine the assets and liabilities of the Jersey company and to:
 - (i) recommend to the members that the Jersey company be wound up; and
 - (ii) agree that each of the directors shall sign the statement of solvency stating that, having made full inquiry into the Jersey company's affairs, each of them is satisfied:
 - (1) that the Jersey company has no assets and no liabilities (this would be unusual for a Jersey company with share capital as it will have at least that to distribute to the members);
 - (2) that the Jersey company has assets and no liabilities;
 - (3) that the Jersey company will be able to discharge its liabilities in full within the six months after the commencement of the winding up;
 - (4) that the Jersey company has liabilities that will fall due more than six months after the commencement of the winding up that it will be able to discharge in full as they fall due; or
 - (5) both paragraphs 2(a)(ii)(3) and (4) apply to the Jersey company; and
 - (iii) convene within 28 days of the date of the statement of solvency an extraordinary general meeting of the members of the Jersey company to pass a special resolution that the Jersey company be wound up summarily, or resolve to distribute a written special resolution to the members for signature; and
 - (iv) determine if a liquidator is to be appointed to conduct the liquidation or if the directors will conduct the liquidation.

⁷¹ Companies (Jersey) Law 1991: Article 150(4)

⁷² Companies (Jersey) Law 1991: Article 150(5)

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- (b) A printed copy of the special resolution and the statement of solvency must be delivered to the registrar of companies in Jersey within 21 days of the special resolution being passed.⁷³
- (c) The statement of solvency is filed with the Jersey registrar of companies with the following effect:
 - (i) on the registration by the registrar of a statement of solvency that the Jersey company has no assets and no liabilities, the Jersey company is dissolved; or
 - (ii) on the registration by the registrar of a statement of solvency that the Jersey company has assets and no liabilities, the Jersey company must distribute its assets among its members according to their rights or otherwise as provided by its memorandum or articles of association;⁷⁴ or
 - (iii) on the registration by the registrar of a statement of solvency that the Jersey company has liabilities, the Jersey company:
 - (1) must satisfy those liabilities as they become due or within six months of that commencement, as the case may be; and
 - (2) if the directors of the Jersey company reasonably believe that the Jersey company is able to pay any remaining liabilities as they fall due, may then distribute its remaining assets among its members according to their rights or otherwise as provided by its memorandum or articles of association.⁷⁵
- (d) If a liquidator is appointed, the liquidator will take possession of all Jersey company books, records and assets. The directors' responsibilities cease and the liquidator will have the sole control and responsibility for the winding up of the Jersey company.⁷⁶ If no liquidator is appointed, it is the directors' responsibility to undertake the winding up in accordance with the requirements of the Companies (Jersey) Law 1991.
- (e) If a liquidator is appointed the Jersey company must record the appointment in a register in the same way as it would record the appointment of a director.⁷⁷
- (f) If the Jersey company has liabilities then, subject as provided in paragraph 2(c)(iii)(2) above, the liquidator, or directors, as the case may be, must:
 - (i) notify all possible creditors and parties involved in the transactions entered into by the Jersey company of the commencement of the liquidation process;
 - (ii) receive and settle any claims made against the Jersey company;

⁷³ Companies (Jersey) Law 1991: Article 100

⁷⁴ Companies (Jersey) Law 1991: Article 150(3)

⁷⁵ Companies (Jersey) Law 1991: Article 150(4)

⁷⁶ Companies (Jersey) Law 1991: Article 149(2)

⁷⁷ Companies (Jersey) Law 1991: Article 149(4)

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- (iii) recover any assets due to the Jersey company;
 - (iv) ensure that all obligations under the various agreements entered into by the Jersey company have been fulfilled; and
 - (v) prepare final accounts for the Jersey company.
- (g) If the directors are conducting the winding up, it will often be appropriate for the directors to hold a final meeting at which:
- (i) the final accounts are tabled;
 - (ii) they resolve to distribute any surplus assets; and
 - (iii) they resolve that once the distribution of assets is complete each of the directors shall sign a final statement of solvency stating that, having made full inquiry into the Jersey company's affairs, each of them is satisfied that the Jersey company has no assets and no liabilities.
- (h) Following the above, the surplus assets of the Jersey company should be distributed to the members and the final statement of solvency confirming that each of the directors is satisfied that the Jersey company has no assets and no liabilities is filed with the registrar of companies in Jersey, whereupon the Jersey company is dissolved.⁷⁸

3. Points to Note - Timing

Timing will depend on the circumstances of the Jersey company being wound up. If the Jersey company has no liabilities and readily distributable assets (e.g. cash) then, assuming all documents have been drafted and all parties are in agreement, a Jersey company could be summarily wound up in less than one week.

⁷⁸ Companies (Jersey) Law 1991: Article 150(5) and 150(6)

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Section 5 - Converting a Par Value Jersey Company to a No Par Value Jersey Company (Companies (Jersey) Law 1991, Part 8)

1. Introduction

- (a) A redemption or purchase of its own shares by a Jersey company may be funded from any source of funds; therefore the previous need to convert from a par value to a no par value Jersey company in order to return capital to shareholders is no longer required. However, under existing distribution rules, a par value Jersey company cannot make a distribution out of nominal capital or capital redemption reserve, but no such restriction is placed on a no par value Jersey company. In addition, a court approval for a reduction of capital can be avoided if the reduction comprises of a distribution in accordance with Article 115 of the Companies (Jersey) Law 1991. For this reason, par value companies may still look to convert to no par value companies.
- (b) The procedure for converting a Jersey par value Jersey company to a Jersey no par value Jersey company is set out below.

2. Requirements

- (a) A par value Jersey company may convert its shares into no par value shares (and vice-versa) by altering its memorandum of association by special resolution.⁷⁹ If there are different classes of shares then each class of shareholders must pass a special resolution.⁸⁰
- (b) All of the Jersey company's par value shares must be converted into no par value shares, as it is not possible for a Jersey company to have both par and no par value shares in issue.⁸¹
- (c) The special resolution:
 - (i) must specify the number of no par value shares into which each class of issued shares is to be divided;
 - (ii) may specify any number of additional no par value shares which the Jersey company may issue; and
 - (iii) should make such other alterations to the memorandum and articles of association as may be required in the circumstances.⁸²
- (d) Upon converting its shares into no par value shares, a Jersey company must transfer:
 - (i) from the share capital account for each class of shares to the stated capital account for that class, the total amount that has been paid up on the shares of that class; and

⁷⁹ Companies (Jersey) Law 1991: Article 40A and 40B

⁸⁰ Companies (Jersey) Law 1991: Article 40A(2)

⁸¹ Companies (Jersey) Law 1991: Article 40A(2)

⁸² Companies (Jersey) Law 1991: Article 40A(3)

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- (ii) any amount standing to the credit of a share premium account or capital redemption reserve to the stated capital account for the class of share which would have fallen to be issued if that amount had been applied in paying up unissued shares allotted to shareholders as fully paid bonus shares.⁸³
- (e) On the conversion of a Jersey company's shares in this way, any amount which is unpaid on any share immediately before the conversion remains payable when called or due.⁸⁴

3. Procedure

- (a) A meeting of the directors of the Jersey company is held to:
 - (i) approve the conversion of the Jersey company's par value shares into no par value shares;
 - (ii) convene an extraordinary general meeting of the shareholders and, where applicable, separately of each class of shareholders of the Jersey company to pass a special resolution that the Jersey company's shares be converted into no par value shares and making such amendments to the memorandum and articles of association of the Jersey company as may be appropriate, or resolve to distribute a written special resolution or resolutions to the shareholders for signature; and
 - (iii) subject to the special resolution(s) being passed, resolve to make the capital alterations referred to in paragraph 2(d) above.
- (b) The printed copy of the special resolution(s) will need to be filed with the Jersey Registrar of Companies within 21 days of the special resolution(s) being passed.⁸⁵

4. Points to Note - Fractions of shares

A Jersey company may issue fractions of shares (provided it is authorised to do so by its articles of association).⁸⁶

⁸³ Companies (Jersey) Law 1991: Article 40A(4)

⁸⁴ Companies (Jersey) Law 1991: Article 40A(5)

⁸⁵ Companies (Jersey) Law 1991: Article 100

⁸⁶ Companies (Jersey) Law 1991: Article 40

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Schedule 3

Policies on Foreign Investment

1. **Foreign ownership - general:**

- (a) Subject to paragraph (c), there is no legislative framework in Jersey that would restrict or prohibit investment in a Jersey company by reference only to the residence or nationality of a shareholder.
- (b) There is also no requirement under the Companies (Jersey) Law 1991 that a Jersey resident participates in the management of a Jersey company, or holds shares in a Jersey company. There may be specific requirements of Jersey law or regulation applicable to a Jersey company that:
 - (i) is part of an investment holding or fund structure;
 - (ii) issues securities to third party investors; and/or
 - (iii) operates a trading business in or from within Jersey involving the engagement of employment of Jersey resident persons and/or the occupation of premises in Jersey.

The application of relevant Jersey law and regulation depends, amongst other things, on the actual or intended activities of the Jersey company, the industry in which the company operates and/or the licences required by law to be held by that Jersey company.

- (c) Jersey has implemented laws that are intended to give effect to international sanctions adopted from time to time by supranational bodies such as the United Nations and the European Union. Sanctions may place restrictions or prohibitions on certain identified persons, sectors, countries or regions and, to the extent these apply to a shareholder, they will restrict or prohibit investment in any Jersey company.

2. **Exercise of management and control:**

- (a) There are no restrictions or prohibitions under Jersey law, or under the constitutional documents of any Company, that would prevent the Addressee, being a company incorporated in Malaysia, from holding (directly or indirectly) some or all of the shares in:
 - (i) Eco World Investment Co Ltd or Eco World ACE Co Ltd;
 - (ii) Eco World-Ballymore Holding Company Limited (the **JVCo**); or
 - (iii) Eco World-Ballymore Arrowhead Quay Company Limited, Eco World-Ballymore Embassy Gardens Company Limited or Eco World-Ballymore London City Island Company Limited (each, a **PropCo**).
- (b) There are no restrictions or prohibitions under Jersey law, or under the constitutional documents of any Company, that would prevent the Addressee, being a company incorporated in Malaysia, from exercising (or procuring) full management control over:
 - (i) Eco World Investment Co Ltd or Eco World ACE Co Ltd; or

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- (ii) subject to paragraph 2(c), the JVCo or any PropCo.
 - (c) The JVCo is party to a shareholders' agreement dated 30 April 2015 (the **Shareholders' Agreement**) between Eco World ACE Co. Ltd and ACE Investment Holdings Limited (the **JV Partner**). We understand that, reflecting the nature of the relationship between Eco World ACE Co. Ltd and the JV Partner in relation to the ownership, management and administration of the JVCo and each PropCo, the Shareholders' Agreement, which is governed by English law, contains certain restrictions and prohibitions (in favour of the JV Partner) that will prevent or hinder the Addressee from procuring full management control over the JVCo and/or any PropCo. The constitutional documents of the JVCo contain similar restrictions and prohibitions.
- 3. **Jersey situate real estate:** We understand that none of the Companies holds real estate interests situate in Jersey. Accordingly, we do not comment on the laws and regulations governing the ownership or exploitation of Jersey situate real estate.
- 4. **Exchange Control:** There is no exchange control legislation under Jersey law. Accordingly, no exchange control formalities or approvals are required in relation to any form of payment or capital transfer into or out of Jersey.

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MOURANT OZANNES

Palm Grove House
PO Box 4857
Road Town
Tortola
British Virgin Islands
T +1 284 852 1700
F +1 284 852 1799
mourantozannes.com

The Board of Directors
Eco World International Berhad
Lot 6.05, Level 6
KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

(the **Addressee**)

31 January 2017

Our ref: 8021215/66074662/6

Dear Sirs

BRITISH VIRGIN ISLANDS (BVI) LAWS ON (I) TAXATION, (II) REPATRIATION OF FUNDS AND (III) FOREIGN INVESTMENT

- 1.1 We have acted as legal advisers to the Addressee, a company incorporated in Malaysia, as to matters of BVI law.
- 1.2 The Addressee has requested that we provide an opinion in connection with an initial public offering and listing of, and quotation for, the Addressee's securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (the **Offering**), having regard to the interest of the Addressee in Fortune Quest Group Ltd (**FQG**), which is incorporated in the BVI.
- 1.3 Specifically, the Addressee has requested that we summarise the following matters:
 - (a) the BVI tax position of a Company (defined below);
 - (b) the ability of a Company to return its assets and/or remit profits to a shareholder that is a body corporate not incorporated in the BVI; and
 - (c) the BVI legal position with respect to foreign investment in a Company.
- 1.4 In this opinion:
 - (a) **Companies Act** means the BVI Business Companies Act 2004; and

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(b) **Company** means a company incorporated in the BVI and includes FQG.

2. Opinion

2.1 **Tax:** Schedule 1 is a materially accurate summary of the BVI tax position of a Company.

2.2 **Return of assets and/or remittance of profits:** Schedule 2 is a materially accurate summary of the methods by which a Company may return assets and/or remit profits to its shareholders (whether or not those shareholders are resident in the BVI).

2.3 **Foreign investment:** Schedule 3 is a materially accurate summary of the BVI legal position with respect to foreign investment in a Company.

3. Limitations

3.1 This opinion is limited to the matters expressly stated in it and is given solely in connection with the Offering as described in the prospectus (the **Prospectus**) to be issued by the Addressee in connection therewith.

3.2 We have not reviewed the Prospectus and offer no opinion with respect to the Offering or the Prospectus.

3.3 We have made no investigation of, and express no opinion with respect to, the laws of any jurisdiction other than the BVI. We express no opinion as to matters of fact.

3.4 We assume no obligation to update the Addressee in relation to changes of fact or law that may have a bearing on the continuing accuracy of this opinion.

4. BVI law

This opinion and its interpretation are governed by the laws of the BVI in force on the date of this opinion.

5. Reliance

5.1 This opinion is only addressed to, and for the benefit of, the Addressee. It may not, without our prior written consent, be relied upon by any other person.

5.2 We consent to a copy of this opinion being:

- (a) included in the Prospectus (to be issued by the Addressee in connection with the Offering);
- (b) provided to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if this is required in connection with the Offering; and
- (c) disclosed to the advisers of the Addressee (acting in that capacity),

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but, in each case, only on the basis that: (i) we do not assume any duty or liability to any person other than the Addressee; and (ii) in preparing this opinion we only had regard to the interests of the Addressee.

Yours faithfully



Mourant Ozannes

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Schedule 1

Tax

1. General

Under the Companies Act:

- (a) the following are exempt from taxation in the BVI:
 - (i) a Company;
 - (ii) all dividends, interest, rents, royalties, compensations and other amounts paid by a Company; and
 - (iii) capital gains realised with respect to any shares, debt obligations or other securities of a Company; and
- (b) no estate, inheritance, succession or gift tax is payable with respect to any shares, debt obligations or other securities of a Company.

2. Stamp duty

- (a) Subject to paragraph 2(b) below, under the Companies Act, the following are exempt from the payment of stamp duty in the BVI:
 - (i) all instruments relating to transfers of property to or by a Company;
 - (ii) all instruments relating to transactions in respect of the shares, debt obligations or other securities of a Company; and
 - (iii) all instruments relating to other transactions relating to the business of a Company.
- (b) Under the Companies Act, an instrument relating to any of the following is not exempt from the payment of stamp duty in the BVI:
 - (i) the transfer to or by a Company of an interest in land situated in the BVI; or
 - (ii) transactions in respect of the shares, debt obligations or other securities of a Company which has:
 - (1) an interest in any land in the BVI; or
 - (2) a subsidiary which has an interest in any land in the BVI.
- (c) Under the Stamp Act 1887, BVI stamp duty is charged at the rate of 12 per cent for foreign persons on either the purchase consideration or the market value of the land, whichever is higher.

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3. Non-resident shareholders

A shareholder of a Company that is not resident in the BVI will not be subject to taxation in the BVI on any distribution or other payment made to it in respect of shares held in that Company.

4. Withholding tax

A Company is not required by any law of the BVI to make any deduction or withholding for, or on account of, BVI taxation from any:

- (a) payment it may make under any document to which it is party for, or on account of, any BVI taxation; or
- (b) distribution or return of assets to a shareholder of that Company.

5. No goods and services tax

The BVI does not impose goods and service tax or value added tax on supplies of goods and services made to, or by, a Company.

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Schedule 2

Return of assets and/or remittance of profits

Section 1 – Distributions

Section 2 - Share purchases and redemptions

Section 3 – Voluntary liquidation

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Section 1 – Distributions

1. General

- (a) This Section and Section 2 below examine the key aspects of distributions and share purchases and redemptions under the Companies Act by:
- (i) a Company incorporated under the Companies Act (as FQG was); or
 - (ii) a BVI international business company that has been re-registered under the Companies Act and disappplied the transitional provisions in schedule 2 of the Companies Act.
- (b) A Company's articles of association will contain provisions dealing with the payment of distributions. The Companies Act imposes additional obligations relating to the payment of distributions.
- (c) There is no concept of share capital (whether in respect of par value or any amount paid in excess of it) under the Companies Act. Instead, the Companies Act refers to the *consideration* paid for the issue of a share and does not categorise the amount paid as being either capital or income in nature.

2. Definition of distribution

Under the Companies Act, a **distribution** is any direct or indirect transfer by a Company of any of its assets (other than any of its shares), or the incurring by it of a debt, to or for the benefit of, a shareholder, whether made by:

- (a) the purchase of any asset;
- (b) the purchase, redemption or other acquisition of any of its shares;
- (c) the transfer of any debt; or
- (d) any other means.

A distribution includes a dividend but excludes an issue of bonus shares.

3. Procedure

- (a) Unless a Company's articles of association provide otherwise, under the Companies Act, the directors of the Company may, by resolution, authorise a distribution at such time and of such amount as they think fit if they are satisfied on reasonable grounds that the Company will, immediately after the distribution is made, satisfy the following tests (the **solvency tests**):
- (i) the value of its assets will exceed its liabilities; and
 - (ii) it will be able to pay its debts as they fall due.

The solvency tests are frequently included in a Company's articles of association (and are included in FQG's articles of association). A resolution of directors

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authorising a distribution by a Company must contain a statement that, in their opinion, the Company will satisfy the solvency tests immediately after the distribution is made.

- (b) The directors should consider the financial position of the Company for the purposes of the statement mentioned in paragraph 3(a) above, and the director resolutions should note that the directors have reviewed recent management accounts of the Company (as a minimum).
- (c) As mentioned above, there is no concept of share capital under the Companies Act. Consequently, the Companies Act does not contain any maintenance of capital rules and any asset of a Company (including the consideration paid for its shares) can be distributed to its shareholders (whether or not those shareholders are resident in the BVI) if its directors comply with the requirements regarding the solvency tests mentioned above.

4. Clawback

- (a) If a distribution is made to a shareholder in circumstances where the Company did not satisfy the solvency tests immediately after the distribution was made, the Company may recover the distribution from the shareholder unless:
 - (i) the shareholder received the distribution in good faith without knowing that the Company did not satisfy the solvency tests;
 - (ii) the shareholder has taken actions relying on the validity of the distribution; and
 - (iii) it would be unfair to require the distribution to be repaid in whole or part.
- (b) If, after a distribution has been authorised but before it is made, a director:
 - (i) ceases to be satisfied on reasonable grounds that the Company would satisfy the solvency tests immediately after the distribution is made; and
 - (ii) fails to take reasonable steps to prevent the distribution being made,

the director is personally liable to repay to the Company any part of the distribution that is not recovered from the shareholders.

In addition, if a Company became insolvent as a result of a distribution being made, the directors would be in breach of their statutory and common law duties to the Company to act with care, diligence and skill and potentially personally liable to pay the Company an amount equal to the distribution.

5. Timing

The Companies Act does not specify any time period for the making of a distribution. Accordingly, if all information is available, all documents have been drafted and all parties are in agreement, a distribution could potentially be paid by a Company within a single day.

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Section 2 – Share purchases and redemptions

1. Distribution

Under the Companies Act, the purchase or redemption by a Company of its shares constitutes a distribution, except where the Company:

- (a) redeems the shares at the option of the shareholder, or on a specified date, in accordance with the rights attaching to the shares;
- (b) redeems the shares pursuant to a right of the shareholder to have the shares redeemed or to have them exchanged for cash or other property; or
- (c) compulsorily purchases shares under a squeeze out or purchases the shares at fair value as a result of a dissenting shareholder requiring it to do so under the Companies Act.

Consequently, a Company may generally only purchase or redeem its shares if the directors comply with the requirements regarding the solvency tests mentioned above.

However, even where the directors are not required by the Companies Act to be satisfied that the solvency tests will be met, they cannot authorise a purchase or redemption of shares if, as a result, the Company would become insolvent. This would amount to a breach of their statutory and common law duties to the Company to exercise care, skill and diligence.

2. Source and nature of payment

A Company may fund a purchase or redemption of its shares from any source. There is therefore no need to convert par value shares in a Company to no par value shares in order to return assets to its shareholders.

3. Procedure

- (a) The Companies Act sets out a procedure for the purchase or redemption of shares but this is usually disapplied in a Company's articles of association.
- (b) FQG's articles of association disapply the procedure set out in the Companies Act and, as is usual, provide that FQG may not purchase, redeem or otherwise acquire a shareholder's shares without the consent of the shareholder. FQG could purchase or redeem shares by sending the shareholder a short letter setting out the terms on which it proposed to purchase or redeem the shareholder's shares and the shareholder would countersign the letter and return it to FQG to signify the shareholder's consent.
- (c) The provisions of the Companies Act and requirements described in paragraphs 3(a) and 3(b) of Section 1 above would apply to a purchase or redemption by a Company of its shares.

4. Timing

See our comments in paragraph 5 of Section 1 above.

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Section 3 – Voluntary liquidation

1. General

The Companies Act sets out a procedure for liquidating a solvent Company called voluntary liquidation. This only allows a Company to be put into voluntary liquidation if it:

- (a) has no liabilities; or
- (b) is able to pay its debts as they fall due and the value of its assets equals or exceeds its liabilities.

2. First steps

To ensure that the voluntary liquidation procedure is as simple as possible, before a Company is put into voluntary liquidation, its directors should (to the extent practicable):

- (a) pay all of its creditors in full;
- (b) distribute any of its remaining assets to its shareholders; and
- (c) agree the amount of the fees and expenses of the voluntary liquidator(s) and provide for them or arrange for someone else (eg a parent company or other shareholder) to pay them on behalf of the Company.

3. Key documents

- (a) The key documents needed to carry out a voluntary liquidation are the declaration of solvency and the liquidation plan.
- (b) The declaration of solvency is made by the directors. It must state that, in the opinion of the directors, the:
 - (i) Company is, and will continue to be, able to discharge, pay or provide for, its debts as they fall due; and
 - (ii) value of the Company's assets equals or exceeds its liabilities.
- (c) A statement of the Company's assets and liabilities (prepared as at the latest practical date before the declaration of solvency is made) must be attached to the declaration of solvency. A copy of the declaration of solvency must be kept at the office of the Company's registered agent.
- (d) If a director makes a declaration of solvency without having reasonable grounds for the opinion that the Company is, and will continue to be, able to discharge, pay or provide for its debts as they fall due, the director is guilty of an offence and, upon conviction, is liable to a fine of up to US\$10,000.
- (e) The liquidation plan must specify:

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- (i) the reasons for liquidating the Company;
- (ii) the directors' estimate of the time needed to liquidate the Company;
- (iii) whether each voluntary liquidator is authorised to carry on the business of the Company if the voluntary liquidator determines that to do so would be necessary or in the best interests of the Company's creditors or shareholders;
- (iv) the name and address of each individual to be appointed voluntary liquidator;
- (v) the fees proposed to be paid to the voluntary liquidator(s); and
- (vi) whether the voluntary liquidator(s) must send to all shareholders a statement of account for the voluntary liquidation.

The liquidation plan should also specify the place where the Company's business is located or (if there is more than one place) its principal place of business.

4. Procedure

- (a) The procedure for a voluntary liquidation is as follows:
 - (i) the directors must:
 - (1) make the declaration of solvency not earlier than four weeks; and
 - (2) approve the liquidation plan not more than six weeks,

before the resolution to appoint the voluntary liquidator(s) is passed (in practice, the directors make the declaration and approve the liquidation plan at the same time);
 - (ii) each individual named in the liquidation plan as voluntary liquidator must consent in writing to being appointed;
 - (iii) the shareholders must approve the liquidation plan;
 - (iv) the voluntary liquidator(s) must be appointed by a resolution of the shareholders or (if they are permitted to do so by the Company's memorandum or articles of association and the shareholders have approved the liquidation plan) the directors;
 - (v) the shareholders or (if each voluntary liquidator was appointed by the directors) the directors must notify each voluntary liquidator of the appointment;
 - (vi) the voluntary liquidator(s) must file with the BVI registrar of corporate affairs (the **registrar**) within 14 days of being appointed:

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- (1) a notice of appointment;
 - (2) the declaration of solvency or an extract from it (the statement of the Company's assets and liabilities attached to the declaration need not be filed); and
 - (3) a copy of the liquidation plan;
- (vii) the voluntary liquidator(s) must, within 30 days of the date on which the notice of appointment is filed with the registrar, publish a notice of appointment in:
- (1) the BVI Official Gazette;
 - (2) at least one issue of a newspaper published and circulating in the BVI; and
 - (3) (unless the Company's principal place of business is in the BVI) at least one issue of a newspaper published and circulating in the place where its business is located or (if there is more than one place) its principal place of business, or if it does not have a place of business or the voluntary liquidator(s) does or do not know where its place of business is located, in any manner the voluntary liquidator(s) thinks or think is most likely to come to the attention of any of its creditors;
- (viii) the voluntary liquidator(s) must complete the Company's voluntary liquidation by paying or discharging the Company's debts and liabilities and distributing any surplus assets to its shareholders, prepare a statement of account for the voluntary liquidation and (if required to do so under the liquidation plan) send a copy of it to the shareholders;
- (ix) once the Company's voluntary liquidation has been completed, the voluntary liquidator(s) must file with the registrar a completion statement;
- (x) the registrar must strike off the Company's name from the register of companies and issue a certificate of dissolution; and
- (xi) the voluntary liquidator(s) must publish in the BVI Official Gazette a notice that the Company has been struck off and dissolved.
- (b) If the Company has shares in issue of a class that does not carry voting rights, the holders of the shares of that class may only vote as a class on the resolutions to appoint each voluntary liquidator and to approve the liquidation plan if they are permitted to do so by the Company's memorandum or articles of association.
- (c) The Company must send to each shareholder a copy of the notice of meeting and liquidation plan (if the necessary shareholder approvals are to be given at a meeting) or the resolutions in writing and liquidation plan (if the necessary shareholder approvals are to be given in writing) even if the shareholder is not entitled to approve the liquidation plan.

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5. Commencement date and effect of commencement

- (a) The voluntary liquidation of a Company commences on the date on which a voluntary liquidator files a notice of appointment with the registrar.
- (b) Once the voluntary liquidation of a Company commences:
 - (i) each voluntary liquidator has custody and control of the Company's assets; and
 - (ii) although they remain in office, the directors cease to have any powers, functions or duties, except that:
 - (1) where the liquidation plan does not authorise each voluntary liquidator to carry on the business of the Company, the directors may authorise each voluntary liquidator to do so if a voluntary liquidator determines that this power is necessary or in the best interests of the Company's creditors or shareholders; and
 - (2) the directors may exercise any powers given to them in a notice in writing from the voluntary liquidator(s).
- (c) The commencement of a Company's voluntary liquidation does not affect the right of a secured creditor to take possession of, and realise or otherwise deal with, the assets of the Company over which the creditor has security.

6. Timing

In most cases, a voluntary liquidation can be completed between 60 and 90 days from the date on which each voluntary liquidator is appointed.

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Schedule 3

Foreign investment in a Company

1. General

- (a) Subject to paragraph 1(d) below, there is no legislation in the BVI that would restrict or prohibit investment in a Company by reference only to the residence or nationality of a shareholder.
- (b) There is no requirement under the Companies Act that a BVI resident participate in the management of a Company or hold shares in a Company.
- (c) Requirements of BVI law may apply to an investment in a Company which carries on an activity that is regulated in the BVI.
- (d) Where the United Kingdom government enacts legislation that implements sanctions adopted by the European Union, it will extend the legislation to the BVI by an order in council or subsidiary legislation. The sanction legislation will impose restrictions and prohibitions that apply to specified persons, sectors, countries and regions and may prohibit a specified person from investing in a Company.

2. BVI situated real estate

It is unusual for a Company to hold an interest in any real estate situated in the BVI and we understand that FQG does not hold an interest in any real estate situated in the BVI. Accordingly, we do not comment on the laws and regulations governing the ownership or exploitation of BVI situated real estate.

3. Exchange control

There is no exchange control legislation in the BVI. Accordingly, no exchange control formalities or approvals are required in relation to any form of payment or transfer of assets into or out of the BVI.

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VANDENBULKE

To:

The Board of Directors

Eco World International Berhad
(the "**Addressee**")

9 February 2017

Dear Sirs,

Re: ACE Capital S.à r.l.

We, VANDENBULKE *société cooperative organisée sous forme de société anonyme*, with registered office at 35, Avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg Trade and Companies Registry under number B183487, are a law firm admitted for practice under the laws of the Grand Duchy of Luxembourg ("**Luxembourg**"). We confirm that we are duly qualified to practice law within Luxembourg and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are qualified to issue this Legal Opinion under Luxembourg law and registered on list V of the Luxembourg bar association ("**VANDENBULKE**").

We are acting as the legal counsel to Eco World International Berhad ("**EWI**") (a company incorporated in Malaysia) in respect of ACE Capital S.à r.l., a *société à responsabilité limitée* (the "**Company**") and the laws of Luxembourg, for the purpose of issuing this Legal Opinion in connection with an initial public offering and listing of and quotation for EWI securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad ("**Listing**"). This Legal Opinion (the "**Legal Opinion**") is prepared for purposes of inclusion in the prospectus to be issued by EWI in connection with the Listing.

This Legal Opinion may be relied upon by the persons to whom it is addressed (and their legal advisers) but may not be used or relied upon by, or circulated, furnished or quoted to, any

.../...

35, Avenue Monterey
L-2163 Luxembourg

T +352 26 383 350
F +352 26 383 349

Corporate, Finance and Tax Lawyers

VANDENBULKE
Société coopérative organisée comme une société anonyme
VAT no. LU26613929 RCS Luxembourg B183487

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other person, firm or corporation for any purpose other than in connection with the Listing without our prior written consent.

Any Addressee who is entitled to, and does, rely on this Legal Opinion agrees, by so relying, that, to the fullest extent permitted by law and regulation (and except in the case of wilful misconduct or fraud) there is no assumption of personal duty of care by, and such person will not bring any claim against, any individual who is a partner of, member of, employee of or consultant to VANDENBULKE and that such person (i) agrees that only VANDENBULKE shall have any liability in connection with this Legal Opinion and (ii) will confine any claim to VANDENBULKE, and for this purpose "claim" means, save only where law and regulation applies otherwise, any claim, whether in contract or tort (including negligence), for breach of statutory duty, or otherwise.

1. LUXEMBOURG LAW

For the purposes of this Legal Opinion, we have considered such questions of Luxembourg law as we have considered necessary or appropriate and, to this aim we have conducted such customary investigations as may be reasonably expected of a Luxembourg *Avocat à la Cour* in the circumstances in which this Legal Opinion is being rendered. This Legal Opinion (as any rights or liability deriving therefrom to the benefit of any person entitled to rely thereon) shall exclusively be governed by, and construed in accordance with, Luxembourg law. In this Legal Opinion, unless otherwise specified, the terms "law", "legislation" and "regulation" and all terms of similar import refer to all laws and regulations in full force and effect within the territory of Luxembourg, and references to Luxembourg law or to the laws of Luxembourg are to be read as references to the laws and regulations in full force and effect within the said territory as at the date hereof, as interpreted by the Luxembourg *Cour Supérieure de Justice* and the *Cour Administrative* (being respectively the supreme courts of the Luxembourg judiciary and administrative court systems) in their decisions reported in major legal publications.

Words appearing herein in the French language have the meaning ascribed to them under Luxembourg law and prevail over their translation into English set out herein. In this Legal Opinion, Luxembourg legal concepts are translated into the English language from their original terms expressed in the French language. Those concepts may not be identical to the concepts described by the same term in the English language as they exist under the laws of other jurisdictions.

The opinions given in this Legal Opinion are given on the basis that this Legal Opinion and any issues of interpretation or liability arising thereunder are (i) governed by and construed under Luxembourg law and (ii) subject to the jurisdiction of the Luxembourg courts.

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2. SCOPE OF THE OPINION

This Legal Opinion is strictly confined to the specific matters of Luxembourg law expressly set out in section 3 (*Legal Analysis*) below. In particular (but without prejudice to the generality of the foregoing), it should be understood that:

- (1) **No substitute for advice** – this Legal Opinion is a formal and necessarily concise statement of opinion as to certain specific matters of Luxembourg law, should not be treated as a substitute for legal advice in connection with the Listing and does not constitute a detailed and comprehensive description of all material legal or tax aspects of the Listing;
- (2) **Foreign laws not considered** – we do not purport to be experts on and do not purport to be generally familiar with or qualified to express legal opinions based on any law other than the laws of Luxembourg and accordingly express no legal opinion herein based upon any law other than the laws of Luxembourg as currently applied by the Luxembourg courts;
- (3) **No duty to update** – we shall have no duty to inform the Addressee or any other person of any changes in Luxembourg law occurring after the date of this Legal Opinion (or in the legal status of the Company, or any other circumstance, of which we may become aware after the date of this Legal Opinion) and which may affect the matters addressed herein.

3. LEGAL ANALYSIS

A. Repatriation of capital and remittance of profits from a corporation incorporated in Luxembourg to its non-resident parent company

Under the laws of Luxembourg, the capital and/or profits of a corporation incorporated in Luxembourg may be repatriated and/or remitted to its non-resident shareholder outside of Luxembourg in the following ways:

- (a) The repatriation and/or remittance of profits can be effected by payment of dividends, distribution of reserves, capital reduction, redemption of share capital, shares or issuance premiums. In the event the Company is liquidated, upon liquidation, proceeds of liquidation can be freely distributed to the shareholders without any withholding.
- (b) The repatriation and/or remittance of capital can be effected as Luxembourg does not prohibit or restrict the repatriation and/or remittance of capital by Luxembourg companies nor impose any exchange controls on all forms of payment or capital transfers in and out of

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Luxembourg. Accordingly, there is no restriction for the Company to repatriate and/or remit capital to its non-resident parent company, including capital and/or profits arising from capital distribution and capital gains.

- (c) The choice of method of repatriation and/or remittance must be examined on a case-by-case basis and should take into consideration different factors including, among other and not limited to, the capital structure of the Company, the availability of profits and reserves, the tax situation of the Company and the tax regime of the recipient of the repatriated profits.

For the purposes of paragraph A of this Legal Opinion, we have examined the Luxembourg law of 10 August 2015 on Commercial Companies.

B. Policies on foreign investment

Subject to any European Union ("EU") and Luxembourg regulation and law on money laundering, Luxembourg law does not provide any specific policies on foreign investment and restriction of such investments.

C. Taxation

In Luxembourg, there are three administration departments in charge of the assessment of taxes and tax collection with the view to enforcing the tax legislation. These departments are the Land Registration and Estates Department (*Administration de l'enregistrement et des domaines*), the Luxembourg Inland Revenue (*Administration des Impôts Directs*) and where applicable the Customs and Excise Agency (*Administration des Douanes et Accises*). All companies resident in Luxembourg, regardless of their legal form, are subject to Luxembourg taxation and the general principles applicable thereto. The Company is a private limited liability company incorporated in Luxembourg, which will mainly act as a financing company, is a tax resident in Luxembourg, and is therefore subject to Luxembourg taxes. The following is an overview of the main tax considerations pertaining to it. We will therefore focus mainly on:

- (i) the taxation of resident and non-resident companies in Luxembourg;
- (ii) the taxation of non-resident shareholders on Luxembourg-sourced income, specifically dividend, interest, royalty income and capital gains; and
- (iii) taxation issues relating to property developments.

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1. Taxation jurisdiction and collection in Luxembourg

The direct taxation process in respect of corporate income tax, business tax as well as the property tax is carried out by the Luxembourg Inland Revenue. In general, the taxpayer is only in contact with two departments (a) the Taxation Department which assesses and levies the tax due and (b) the Revenue department which collects the tax.

Taxes and duties related to the legal movement of goods fall under the responsibility of the Luxembourg Land Registration and Estate Department. This includes mainly: Value Added Tax ("**VAT**"), registration fees, inheritance rights and stamp duties.

The Customs and Excise Agency is responsible for the collection of the customs duties which are duties and taxes charged on imported goods.

Luxembourg is also a signatory of a large number of double tax treaties (80 in force and 19 under current negotiations) including a double tax treaty with the United Kingdom and Malaysia. Obligations under these double tax treaties take precedence over domestic law in case of inconsistency.

2. Taxation of resident and non-resident taxpayers companies in Luxembourg

2.1 Taxation of resident companies

(a) Overview

The amended Income Tax Act of 4 December 1967 (the "**Tax Act**") is the primary taxing statute in Luxembourg. In respect of a Luxembourg tax resident company, it broadly provides for the following:

- Luxembourg income tax is levied annually on the "taxable income" of a company;
- Taxable income is calculated on the increase in a company's net assets during the fiscal year after deduction of exempted revenues (for e.g. capital gain taxes on participations, tax exempted dividends, permanent establishment ("**PE**") in other countries, etc.);
- Income derived by a resident company from all sources worldwide is included in its taxable income;
- Generally, expenses incurred in the course of earning taxable income are regarded as allowable deductions;
- Capital gains in respect of certain assets may give rise to taxable income, irrespective of their source; and

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– Prior tax losses generated during and after 2017 can be carried forward for a maximum period of 17 years with no other particular limitation. Additionally, the tax carry forward losses incurred during the previous fiscal years will be carried forward indefinitely by the taxpayer who suffered them¹.

Based on the Luxembourg's domestic law, a company is considered to be a tax resident company in Luxembourg if either its registered office or place of central administration is located in Luxembourg. The registered office of the Company is designated to be in Luxembourg as set out in the Company's articles of incorporation, as well as its central administration which is also located in Luxembourg. Therefore, the Company is a tax resident company in Luxembourg.

It is to be noted that the place of central administration is generally understood to mean the place from where a company is managed and controlled. While this term is not legally defined, the location of the company's major place of management and control is determined by facts and circumstances, including the following:

- The place where meetings of the board of directors are held;
- The place where shareholders meetings are held;
- The place where the company's books and records are kept; or
- The place where other similar factors evidencing its effective management occur.

(b) Corporate tax, municipal tax and solidarity surtax

As a tax-resident company in Luxembourg, the Company will:

- a. be liable for corporate income tax (a) at a rate of 15% on its taxable income if the Company's taxable income does not exceed Euro ("EUR") 25,000; (b) if the Company's taxable income ranges between EUR 25,000 and EUR 30,001 its corporate income tax will amount to a fixed tax amount of EUR 3,750 plus an additional tax amount calculated at a rate of 33% on the difference of the Company's taxable income between EUR 25,000 and EUR 30,001 or (c) at a rate of 18% on its taxable income if the Company's taxable income exceeds EUR 30,000²;
- b. be liable to a 7% solidarity surtax imposed on the corporate income tax amount under sub-section a. above (i.e. 18% * 7%) leading to an additional 1.26% tax rate on its income.

¹ Article 114 of the Tax Act as amended by the Law of 27 December 2016

² Article 174, paragraph 1, of the Tax Act as amended by the Law of 27 December 2016.

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- c. In addition, the Company will be subject to municipal business tax, which is levied by the municipality in which the Company is established and varies from municipality to municipality. Provided that the Company continues to be a tax resident company in Luxembourg-city, the municipal business tax is currently set at 6.75% ($3\% * 225\%$)³.

It is worth noting that by derogation the corporate income tax rates applicable for year 2017⁴ are different from those referred in subsection (a.) above and that section (a.) should read therefore for 2017 as follows:

- a. be liable for corporate income tax (a) at a rate of 15% on its taxable income if the Company's taxable income does not exceed Euro ("EUR") 25,000; (b) if the Company's taxable income ranges between EUR 25,000 and EUR 30,001 its corporate income tax will amount to a fixed tax amount of EUR 3,750 plus an additional tax amount calculated at a rate of 39% on the difference of the Company's taxable income between EUR 25,000 and EUR 30,001 or (c) at a rate of 19% on its taxable income if the Company's taxable income exceeds EUR 30,000⁵;

Therefore, provided that the Company taxable income is in excess of EUR 30,000, the effective combined corporate income tax (a+b+c) for the Company in 2017 will be set at 27.08%, i.e. $19\% + (19\% * 7\%) + 6.75\%$.

(c) Capital gain tax

Capital gains are taxed as ordinary income. It is possible to defer the taxation of gains on certain fixed assets where the proceeds are used to acquire replacement items. Under certain conditions, capital gains and hidden reserves may be deferred or exempted and remain untaxed in a merger or another form of reorganization of resident companies or other EU companies.

In general, capital gains on the disposal of qualifying shareholdings held by entities eligible to the participation exemption regime are tax exempt, provided (i) the shareholding constitutes at least 10% of total ownership or an acquisition price of at least EUR 6 million and (ii) the disposing company has held the qualifying shareholding for at least 12 months.

A recapture system exists wherein the capital gains realised will become taxable up to the amount of the aggregate expenses and write-downs in relation to the participation, which were deducted during the year of realisation of the exempt capital gain and in the previous years.

³ Grand-Ducal decree of 26 November 2016..

⁴ Article 174, paragraph 7, of the Tax Act as amended by the Law of 27 December 2016.

⁵ Article 174, paragraph 1, of the Tax Act as amended by the Law of 27 December 2016.

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(d) Income tax on dividend

Dividends received by a Luxembourg resident company (or by a non-resident company with PE in Luxembourg in certain cases) should, in principle, be subject to corporate income tax.

A PE is considered as a fixed place of business through which the business of an enterprise is wholly or partly carried on.

However, dividends received may be tax exempt in Luxembourg, according to the so-called '**participation exemption**' regime, if the conditions described below are satisfied:

- The distributing company is:
 - a collective entity falling within the scope of the EU Council' Parent Subsidiary Directive;
 - a Luxembourg resident joint-stock company, which is fully taxable; or
 - a non-resident joint-stock company that is fully liable (in its state of residence) to a tax corresponding to the Luxembourg corporate income tax (i.e. as a general rule, it is required that the foreign tax be compulsorily levied at an effective rate of at least 10.5%, on a basis similar to the Luxembourg one).
- The beneficiary company is:
 - a Luxembourg resident collective entity, which is a fully taxable entity;
 - a Luxembourg PE of a collective entity falling within the scope of the Parent Subsidiary Directive;
 - a Luxembourg PE of a joint-stock company that is resident in a country with which Luxembourg has concluded a double tax treaty; or
 - a Luxembourg PE of a joint-stock company or of a cooperative company, which is a resident of a European Economic Area member state other than an EU member state.

At the date on which the income is made available, the beneficiary has been holding or undertakes to hold, directly (or through a tax transparent entity, *see Transparent entities below*), for an uninterrupted period of at least 12 months, a participation in the share capital of the subsidiary of at least 10% or with an acquisition price of at least EUR 1.2 million.

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Nevertheless, consistent with the general principle under the Luxembourg income tax law, which denies the deductibility of expenses connected to exempt income, any expenses incurred during the year in which a dividend is received, and which have a direct economic connection to the exempt participation, may only be deducted insofar as they exceed the exempt dividend for the year in question.

It is to be noted that the law of 18 December 2015 which transposes the Directive 2014/86/EU on anti-hybrid instruments and the Directive 2015/121/EU on the general anti-abuse rule amending the parent-subsidiary Directive 2011/96/EU, has slightly modified the participation exemption regime in Luxembourg. To this extent, the participation exemption shall be denied in case of arrangements between companies for no valid commercial reasons which do not reflect the economic reality.

Moreover, the dividends received by a Luxembourg company may not be tax exempt in Luxembourg if the income flow gives rise to a corresponding tax-deductible expense at the level of the distributing entity.⁶

(e) Debt/ equity rules

No thin capitalisation ratio is specifically provided by the Luxembourg tax law. In practice, the tax authorities apply an 85:15 debt-to-equity ratio for the intra-group financing of participations. Should the 85:15 ratio not be complied with by the taxpayer, the surplus of interest can be re-qualified by the tax authorities as a hidden distribution of profits that would be non-deductible and potentially subject to a 15% withholding tax.

(f) Cross border dealings between related entities (Transfer pricing rules in Luxembourg)

The arm's-length principle restated under the new transfer pricing legislation in the Article 56 and 56bis⁷ of the Tax Act provides that:

- when an enterprise participates, directly or indirectly, in the management, control, or capital of another enterprise or
- where the same individuals participate, directly or indirectly, in the management, control, or capital of two enterprises,

and where, in either instance, the two enterprises are, within their commercial or financial relations, subject to conditions made or imposed that differ from those that would be made between independent enterprises, the profits of these enterprises are

⁶ Article 166 alinea 2bis of the Tax Act as amended by the law of 18 December 2015.

⁷ As introduced by the Law of 23 December 2016

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to be determined under conditions prevailing between independent enterprises and taxed in consequence.

Luxembourg largely follows the transfer pricing guidelines issued by the Organisation for Economic Co-operation and Development ("OECD"). The arm's-length principle is to be applied to both domestic and cross-border transactions between related entities.

As far as transfer pricing documentation is concerned, under the new legislation, taxpayers are required by virtue of Paragraph 171 of the general law to (i) disclose their transactions with related parties and (ii) document their compliance with the arm's-length principle. No specific guidelines are provided on the nature and extent of the documentation required, which should depend on the circumstances of the case under consideration. However, as Luxembourg is an OECD country, these documentation requirements will be aligned with the OECD guidelines on the transfer pricing documentation requirements.

Similarly, the transfer pricing methods to determine the arm's-length nature of an inter-company transaction should follow the general guidelines set for by the article 56bis of the Tax Act which are based on the transfer pricing methods provided for in the OECD transfer pricing guidelines.

In terms of the burden of proof, Luxembourg tax authorities have to prove that there is an erosion of the taxable base in Luxembourg, whereas the taxpayer has to prove that the inter-company transactions did not result in a reduction or cancellation of taxes. The absence of proper documentation could result in a reversal of the burden of proof towards the taxpayer. The statute of limitations is generally five years from the end of the year in which the tax liability arises. This period may be extended if a deferred payment is granted. In case of tax evasion or fraud, the statute of limitations can be extended up to ten years. There are no specific penalties in relation to transfer pricing in Luxembourg, but the penalty regime under the corporate tax will be applicable.

In Luxembourg, taxpayers can file advance pricing arrangements ("APAs") with the Luxembourg tax authorities. An administrative fee in the amount of EUR 10,000 is payable to the Luxembourg tax authorities for the filing of the APAs. Generally, unilateral APAs have been mostly concluded in Luxembourg between taxpayers and Luxembourg tax authorities. However, there have also been a few cases of bilateral APAs.

For intra-group financing on-lending transactions, specific guidelines are provided for in the Circular No 56/1 – 56bis/1 issued by the Luxembourg tax authority on 27 December 2016 which revokes the two previous circulars issued by the Luxembourg tax authorities in 2011, No. 164/2 of 28 January 2011 and No. 164/2bis of 8 April 2011. According to the Circular No 56/1 – 56bis/1, the internationally acceptable arm's-

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length principle should be applied to determine the compensation of Luxembourg companies that are principally engaged in financial on-lending transactions. The remuneration of the Luxembourg company should be determined based on the functions performed, assets employed, and risks assumed. A written clearance (i.e. unilateral APA) from the Luxembourg tax authorities on the set of criteria for the determination of the transfer pricing for the financial on-lending transactions can be obtained, provided that the Luxembourg company meets certain substance and equity at risk requirements. The equity at risk requirement that the Luxembourg company must meet is to be determined on the basis of facts and circumstances specific to the intra-group financing transaction and the credit analysis methods. In this respect, the previous rule requiring a minimum equity at risk of at least 1% of the principal amount of the loans, or EUR 2,000,000, has been now removed by the Circular No 56/1–56bis/1.

It is worth to note that if the remuneration earned by a Luxembourg company that acts as an intermediary (i.e. grants loans to group companies and is refinanced or funded by group companies) is not supported by a transfer pricing report, the tax authorities will consider, for simplification purposes, that the relevant financing transactions shall sufficiently comply with the arm's length principles if they generate a minimum return on the financed assets. Currently, a return of 2% (two percent) after taxes is considered as the minimum acceptable return by the Luxembourg tax authorities. The intermediary company benefits from this simplification measure only if it has an effective presence in Luxembourg with the view to justify the control of risks. This would be, *inter alia*, the case if the Luxembourg company has a majority of its board members with the capacity to bind the company (a) residing in Luxembourg or if not (b) are taxable in Luxembourg for more than 50% of their income, and key decisions are being taken in Luxembourg. In addition, where this simplification rule applies, the transaction will be subject to the automatic exchange of information.

Finally, APAs concluded with the Luxembourg tax administration on the basis of the rules applicable before the introduction of the Law of 23 December 2016 will no longer bind the tax authorities as from January 1st 2017 for fiscal years subsequent to 2016⁸.

(g) Liquidation of the Company

Upon its liquidation, the Company must (a) determine its operating result; (b) pay corporate income tax on liquidation proceeds and (c) distribute any liquidation surplus to its partners.

No withholding tax shall be applied to the liquidation proceeds distribution.

⁸ Circular letter L.I.R. n° 56/1 – 56bis/1 dated 27 December 2016

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(h) Net wealth tax

Luxembourg tax resident companies are subject to annual net wealth tax at a rate of 0.5% on a base defined by their net asset value determined as at 1 January based on the annual commercial accounts of the preceding year.

The net wealth tax is assessed on the unitary value of a Luxembourg company, which equals its net asset value⁹. The taxable basis for the net wealth tax purpose is however reduced by the amount of qualified shareholdings¹⁰ held by the Luxembourg company.

In Luxembourg, the minimum corporate income tax which ceased to have effect after the tax year 2015 was replaced as of 1 January 2016 by a minimum net wealth tax liability¹¹, which is determined as follows:

- For entities with financial assets, receivables on related entities, transferable securities and cash at bank exceed 90% of their total gross assets and/or the amount of EUR 350,000, the minimum net wealth tax which replaces the minimum corporate income tax will be set at EUR 4,815¹².
- For all other companies, the minimum net wealth tax will range between EUR 535 and EUR 32,100 determined according to a progressive tax scale in accordance with their balance sheet as follows.

Total gross assets	Minimum net wealth tax
≤ EUR 350,000	EUR 535
> EUR 350,000 and ≤ EUR 2,000,000	EUR 1,605
> EUR 2,000,000 and ≤ EUR 10,000,000	EUR 5,530
> EUR 10,000,000 and ≤ EUR 15,000,000	EUR 10,700
> EUR 15,000,000 and ≤ EUR 20,000,000	EUR 16,050
> EUR 20,000,000 and ≤ EUR 30,000,000	EUR 21,400
> EUR 30,000,000	EUR 32,100

⁹ Net Asset Value is defined as the difference between asset and liabilities of an entity.

¹⁰ The Shareholding is qualifying if it represents 10% of the share capital of an entity subject to a corporate tax of at least 50% of the Luxembourg corporate tax rate i.e. 10.5%.

¹¹ As per the §8 (paragraph 2) of the amended law on the net wealth tax dated 16 October 1934.

¹² As per the article 3 §8 (paragraph 2) of the amended law on the net wealth tax dated 16 October 1934 as modified by the Law of 27 December 2016.

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO FOREIGN INVESTMENTS, TAXATION, REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR FOREIGN SUBSIDIARIES AND JOINT VENTURES BY OR TO OUR COMPANY
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2.2 Taxation of non-resident companies in Luxembourg

A non-resident company having neither a fixed place of business, a PE nor a permanent representative in Luxembourg is not liable to any Luxembourg tax.

Luxembourg non-residents companies are taxable on their Luxembourg sourced income only. However, this taxation is generally alleviated or mitigated through the application of the tax treaty for avoidance of double taxation. To this extent, the Luxembourg sourced income refers mainly to the categories as referred below:

(a) Dividends

Dividends include any distributions of corporate profit to holders of shares or participating certificates or similar claims, whether paid in cash or in any other form. Dividends are taxed as investment income. Distributions of profits by fully taxable Luxembourg tax resident companies are subject to a 15% withholding tax.

However, dividend distribution shall not be subject to any Luxembourg withholding tax (i.e. versus the 15% withholding tax that normally applies in Luxembourg), provided that the Luxembourg entity distributing dividends complies with the requirements set out in Article 147 of the Tax Act, as follows:

- The distributing entity is a fully taxable Luxembourg joint-stock company;
- The recipient of the dividends is an entity which is subject to corporate tax rate similar to the Luxembourg corporate income tax rate; and
- At the date on which the income is made available, the recipient entity has been holding or undertakes to hold directly, a participation of at least 10%, or with an acquisition price of at least EUR 1.2 million in the share capital of the Luxembourg entity for an uninterrupted period of at least 12 months.

As a consequence, any dividend distributions shall not be subject to any Luxembourg withholding tax, provided that the company complies with the minimum threshold and holding period requirement set out in Article 147 of the Tax Act.

Nevertheless, the withholding tax exemption granted pursuant to the Article 147 of the Tax Act shall not apply in case of artificial arrangements between companies which do not reflect the economic reality, even if the recipient entity would be regarded as a participation to which this specific exemption should apply¹³.

¹³ Article 147 alinea 2 of the Tax Act as amended by the law of 18 December 2015.

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(b) Interest

Interest income means any revenue from fixed-income investment. Interest paid by a Luxembourg company is in principle not subject to any Luxembourg withholding tax. The law provides for a final withholding tax of 20%¹⁴ on interest income paid by a paying agent established in Luxembourg to the beneficial owners residing in Luxembourg.

(c) Royalties

Royalty payments to both residents and non-residents are not subject to any Luxembourg withholding tax.

(d) Capital gains

Capital gains realised upon speculative transactions are taxable in Luxembourg. A transaction is deemed speculative when:

- a. Immovable property is sold within 2 years from the date of purchase; or
- b. Movable property is sold within 6 months from the date of purchase; or
- c. The sale precedes the purchase.

A speculative gain is calculated as the sales proceeds minus the purchase price and minus incidental costs i.e. notary's fees, transfer tax, agents' commission, advertising, improvement costs, etc.

3. Taxation issues for property developments

There is no separate regime for the taxation of property development activities. The general taxation rules set out above will therefore apply for the purposes of determining the income tax applicable to a property development. Consideration will also need to be given to the other taxes as indicated below:

(a) Income tax

A resident or non-resident company acting through a Luxembourg PE is liable to Luxembourg corporate income tax (including municipal business tax) at the combined rate of 27.08% (for companies or Luxembourg PEs in Luxembourg city) on any rental income or gains derived from real estate properties located in Luxembourg.

¹⁴ Article 9 of the amended Law of 23 December 2005 as modified by the Law of 27 December 2016.

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Resident or non-resident individuals investing directly in the real estate properties in Luxembourg are subject to Luxembourg personal income tax at a progressive scale with a top rate of 42% (plus a solidarity surcharge that is in a range of 4% up to 6%) on the net rental income and capital gains on the rental income and capital gains (excluding those from the sale of the taxpayers' principal residence which are tax exempt).

(b) Property tax

Property tax (*impôt foncier*), is charged annually by municipalities at varying rates which may not exceed 7.5% of the unitary value of property (depending on the location and nature of the property).

(c) Net wealth tax

Real estate properties located in Luxembourg held by a Luxembourg company or a non-resident taxpayer through a Luxembourg PE are subject to annual net wealth tax levied at 0.5%. Real estate properties abroad held by a Luxembourg company or a non-resident taxpayer through a Luxembourg PE are excluded from the net wealth.

(d) Other taxes, reporting and withholding obligations

The sale of buildings or buildings under construction is subject to a transfer tax at the rate of 6% increased by a transcription tax of 1% determined on the value of the building. A municipal surcharge of 50% of the transfer tax applies to any sale of buildings located in Luxembourg City which are intended for commercial use.

The aggregate registration fee pertaining to the sale of residential buildings in the Grand-Duchy of Luxembourg amounts to 7% whilst it reaches 10% for commercial buildings located in Luxembourg City. It is to be noted that the seller is liable to the payment of the registration fees unless otherwise agreed between the parties.

As an exception to the above mentioned rules, in the case of acquisition of buildings in view of future sale transfer, tax is increased up to 7.2% resulting in an aggregate registration fee of 8.2%. A tax refund is available to the buyer if a re-sale occurs within 4 years following the acquisition. This tax refund rates are (i) 6% for any re-sale that takes place within 2 years from the date of acquisition; and (ii) 4.8% for a re-sale that takes place between 2 to 4 years from the date of acquisition. Tax refund strictly applies to re-sale of buildings whereas any transfer by way of contribution or exchange of buildings is excluded.

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4 Relevant legislation

For the purposes of section 3.C of this Legal Opinion, we have examined the following laws, rules and regulations that are applicable to each of the above taxation issues described in section 3.C herein:

- (a) The amended Income Tax Act of 4 December 1967¹⁵ (the "Tax Act");
- (b) The amended law on the value added tax dated 12 February 1979;
- (c) The amended law on the net wealth tax dated 16 October 1934;
- (d) The amended parent subsidiary directive 2011/96; and
- (e) The general law ("Abgabeordnung").

This Legal Opinion addresses the legal consequences of only the facts existing or assumed as of the date hereof. The opinions expressed herein are based on an analysis of existing laws and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted, events occurring, or changes in the relevant facts, after the date hereof. We have not undertaken to determine, or to inform any person of, the occurrence or non-occurrence of any such actions, events or changes. We disclaim any obligation to update this Legal Opinion for events occurring or coming to our attention after the date hereof.

Very truly yours,


VANDENBULKE

¹⁵ As per the law of 18 December 2015.

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(Cont'd)

Our Ref: ACR.156539

31 January 2017



The Board of Directors
Eco World International Berhad

Dear Sirs

**Country: Australia, State: New South Wales (both hereafter referred to as Jurisdiction):
Policies On Foreign Investment**

We are acting as the legal counsel to Eco World International Berhad (**EWI**) (a company incorporated in Malaysia) in respect of its subsidiary company, Eco World Sydney Development Pty Limited (**Company**) on the laws of the Jurisdiction, for the purpose of issuing this legal opinion in connection with an initial public offering and listing of and quotation for EWI's securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (**Listing**). This legal opinion is prepared for purposes of inclusion in the prospectus issued by EWI in connection with the Listing (**Prospectus**).

We confirm that we are duly qualified to practice law within the Jurisdiction and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are duly qualified to issue this legal opinion.

We have assumed that other than the laws of the Jurisdiction, there is no law of any other jurisdiction which would have any implication in relation to the opinions expressed herein. We have made no investigation of and express no opinion in relation to, the laws of any jurisdiction other than the Jurisdiction. This legal opinion is to be governed by and construed in accordance with the laws of the Jurisdiction and is limited to and is given on the basis of the current law and practice in the Jurisdiction as at the date of this opinion. This legal opinion is issued solely for the benefit of EWI (and the benefit of EWI's advisers) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that EWI may include a copy of this legal opinion in the Prospectus, and to provide a copy of this legal opinion to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad, if so required, in connection with the Listing.

1. Policies On Foreign Investment

1.1 The Foreign Acquisitions and Takeovers Act 1975 (**Act**) and the Foreign Acquisitions and Takeovers Regulations (**Regulations**) deals with foreign corporations carrying on business in Australia. Other than the Act and the Regulations, there are no other relevant laws, rules and regulations within the Jurisdiction that are applicable for the purpose of this opinion.

The Act and the Regulations implement the Australian government policy of reviewing and evaluating certain overseas investment proposals.

T 61 2 8281 4555
F 61 2 8281 4567
E law@cbp.com.au
I www.cbp.com.au

Level 42, 2 Park Street
Sydney NSW 2000
Australia
ABN 28 166 080 682

GPO Box 214
Sydney NSW 2001
Australia
DX 280 Sydney

**Colin Biggers
& Paisley Pty Ltd**
Brisbane Melbourne
& Sydney
ADVOC network member

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO FOREIGN INVESTMENTS, TAXATION, REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR FOREIGN SUBSIDIARIES AND JOINT VENTURES BY OR TO OUR COMPANY
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31 January 2017
Eco World International Sdn Bhd



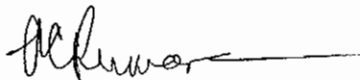
The administration of the Act and the Regulations is effected by the Australian Treasury and the Australian Taxation Office. The primary functions are undertaken by the Foreign Investment Review Board which is a division of the Australian Treasury.

The Company's acquisition of the property known as 76-100 Church Street, Parramatta in the State of New South Wales (**Property**) was exempt from the provisions of the Act and the Regulations due to it being a commercial property that had a purchase price below the relevant threshold (ie AUD254,000,000) and was acquired subject to leases.

The threshold is based on the purchase price as at the time of acquisition. The fact that a development may take place on a particular site which means that the value of the development may exceed that threshold is irrelevant and does not trigger any review by the Foreign Investment Review Board or reconsideration of the Act or its Regulations.

- 1.2 There are no other restrictions in relation to the activities of the Company in Australia nor with respect to any foreign equity or loans to the Company.
- 1.3 For the purposes of paragraph 1 of this opinion, we have examined the following laws, rules and regulations that are applicable to the legislative framework for foreign investment described in paragraph 1.1 herein:
 - (a) the Act; and
 - (b) the Regulations.
- 1.4 Based on the foregoing, we are of the opinion that a foreign corporation/individual (including the Company) is entitled to acquire the Property without the need for any statutory or regulatory approvals relating to foreign ownership and to develop and dispose of the Property at its discretion without any restrictions imposed under the Act or the Regulations.
- 1.5 On 26 November 2016, the Australian Federal Government announced that it will implement changes to the foreign investment framework to allow a foreign buyer to purchase an off-the-plan dwelling if that dwelling has already been sold to another foreign purchaser however that foreign purchaser failed to reach settlement. This policy change will only apply to dwellings which have just been built, or are still being built at the time the new contract is entered into and the title for the property has NEVER changed hands from the developer. This does not impose any new restrictions on foreign investment in a New South Wales company

Yours faithfully



Chris Rumore
Senior Partner
Email: acr@cbp.com.au

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PITCHER PARTNERS

PP NSW SERVICES PTY LTD

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address
GPO Box 1615
Sydney NSW 2001
Australia

Tel +61 2 9221 2099
Fax +61 2 92231762

www.pitcher.com.au
sydneypartners@pitcher.com.au

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Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

31 January 2017

The Board of Directors
Eco World International Berhad
Lot 6.05, Level 6,
KPMG Tower,
8 First Avenue,
Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

Dear Sirs

Australia:

- I. **Repatriation Of Capital And Remittance Of Profits From A Corporation Incorporated In Australia To Its Non-Resident Parent Company**
- II. **Taxation**

We are acting as the advisor to Eco World International Berhad (EWI) (a company incorporated in Malaysia) in respect of the laws of Australia for the above captioned matter, for the purpose of issuing this opinion in connection with an initial public offering and listing of and quotation for EWI's securities on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (Listing). This opinion is prepared for purposes of inclusion in the prospectus issued by EWI in connection with the Listing.

We are duly qualified tax specialists within Australia and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are duly qualified to issue this opinion.

We have assumed that other than the laws of Australia, there is no law of any other jurisdiction which would have any implication in relation to the opinions expressed herein. We have made no investigation of and express no opinion in relation to, the laws of any jurisdiction other than Australia. This opinion is to be governed by and construed in accordance with the laws of Australia and is limited to and is given on the basis of the current law and practice in Australia. This opinion is issued solely for your benefit (and the benefit of your advisers) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the prospectus to be issued by EWI in connection with the Listing, and to provide a copy of this letter to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if so required in connection with the Listing.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor, and no representations are made with respect to the

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Australian income tax consequences to any particular investor. Accordingly, you should consult your own tax advisors for advice with respect to their particular circumstances. You should also be cognisant that any changes to the legislation or judicial interpretation of the legislation may affect your investment. You should also note that taxation is only one of the matters that you need to consider when making a decision on a financial product.

The comments are based on the law and understanding of the practice of the tax authorities in Australia at the date of this opinion.

1. Repatriation Of Capital And Remittance Of Profits From A Corporation Incorporated In Australia To Its Non-Resident Parent Company

1.1 Under the laws of Australia, the capital and/or profits of a corporation incorporated in Australia may be repatriated and/or remitted to its non-resident shareholder outside of Australia in the following ways:

- (a) Share buy-backs.
- (b) Capital reduction.
- (c) Distribution of capital and profits on a winding-up.
- (d) Declaration and payment of dividends.

1.2 For the purposes of paragraph 1 of this opinion, we have examined the following laws, rules and regulations that are applicable to each of the methods described in paragraph 1.1 herein:

- (i) *Income Tax Assessment Act 1997*;
- (ii) *Income Tax Assessment Act 1936*;
- (iii) *Taxation Administration Act 1953*; and
- (iv) *Corporations Act 2001*.

1.3 Based on the foregoing, we are of the understanding that:

(a)(i) the taxation consequences of repatriation and/or remittance of capital through an equal access share buy-back will result in an amount of capital and a dividend being returned to the shareholder. The amount of the dividend will be determined at the time of the buy-back and will generally be represented by the amount debited to an account not being a share capital account. To the extent that the distribution is franked a franking credit will arise for the shareholder.

(a)(ii) We understand that at a high level for a share buy-back to be effective, there are a number of steps that must be undertaken, including:

- Where greater than 10% of the total shares issued are subject to a buy-back, shareholders' approval is required by way of an ordinary resolution of the company. Where the buy-back is for less than 10% of the total shares issued, no resolution is required.
- A buy-back offer document must be prepared setting out prescribed information, sent to shareholders and lodged with the Australian Securities and Investment Commission (ASIC) with the relevant forms.

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- The buy-back offer document must set out all material relevant information necessary for shareholders to make a decision (on acceptance of - or voting for - the proposal) and to adequately inform creditors. Importantly, no shareholder or creditor can be prejudiced as a result of a buy-back.
 - Paragraph 45 of ASIC Regulatory Guide 110 must be followed at a minimum.
 - Shareholders must be given a 'reasonable' opportunity to accept the offer, but there is no obligation for any shareholder to accept.
 - When shares are bought back, ownership is transferred back to the company and after the buy-back is completed the relevant shares bought back are cancelled.
- (b)(i) The taxation consequences of repatriation and/or remittance of profits through a share capital reduction will result in an amount of capital of the Australian company being distributed to the shareholder which will only be assessable if a capital gain arises. The taxation treatment of capital gains is outlined later in this opinion.
- (b)(ii) We understand that at a high level for a share capital reduction to be effective, there are a number of steps that must be undertaken, including:
- Shareholders' approval is required.
 - If the reduction involves cancelling shares, a special resolution needs to be passed.
- (c) The repatriation and/or remittance of capital and/or profits through a winding-up will result in an amount of capital and profits of the Australian company being distributed to the shareholder. The taxation consequences can only be determined at the time of liquidation and on the appointment of a formal liquidator. In general, to the extent that the liquidation distributions represent income or other taxable profits of the entity, these will be taken to be dividends paid to the shareholders. It is possible that the remaining amounts may be treated as a return of capital to the shareholders. Note at time of a Capital Gains Tax (CGT) event on liquidation it is more likely than not that the company will not have any Australian real property, therefore the immediate shareholder should not have any taxable Australian property (Taxable Australian Property). We note this may not be the result where an in-specie distribution is made by the liquidator. Accordingly, the main tax consideration would be the receipt of a dividend.

Taxable Australian Property includes:

- a direct interest in real property situated in Australia or a mining, prospecting or quarrying right to minerals, petroleum or quarry materials in Australia.
- a CGT asset that has been used at any time in carrying on a business through a permanent establishment in Australia.
- an indirect Australian real property interest, which is an interest in an entity, including a foreign entity, where a shareholder and the shareholder's associates hold 10% or more of the entity and the value of that interest is principally attributable to Australian real property.

Taxable Australian Property also includes an option or right over one of the above.

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- (d)(i) The taxation consequences of repatriation and/or remittance of profits through a declaration and payment of dividends will result in an amount of profits of the Australian company being distributed to the shareholder and included as assessable income. This amount may have franking credits attached should the distribution be fully franked. The taxation consequences for dividends are outlined later in this opinion.
- (d)(ii) We understand that at a high level for a dividend to be effective, there are a number of steps that must be undertaken, including:
- A directors minute needs to occur resolving to pay a dividend.
 - A company must not pay a dividend unless:
 - the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
 - the payment of the dividend is fair and reasonable to the company's shareholders as a whole.
 - the payment of the dividend does not materially prejudice the company's ability to pay its creditors.
- (e) the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in Australia.

2. Taxation

2.1 The taxation regime in Australia is as follows:

(a) Taxation of resident and non-resident companies

Residence – A company is resident in Australia if it is incorporated in Australia or, if not incorporated in Australia, it carries on business in Australia and either exercises central management and control there or has its voting power controlled by shareholders that are residents of Australia.

Basis – Resident companies are taxed on worldwide income. A non-resident company generally pays taxes only on income derived from Australian sources. As a general rule, tax rates and treatment are the same for all companies, including branches of foreign companies.

Taxable income – To calculate taxable income, a company generally computes assessable income and subtracts allowable deductions.

Assessable income derived by a company carrying on business usually would include gross income from the sale of goods, the provision of services, dividends, interest, royalties and rent. Assessable income excludes exempt income (e.g. certain dividends received from pooled development funds and income derived by certain entities, such as charities etc.). Income characterised as non-assessable non-exempt income is also excluded from assessable income (e.g. income derived by certain foreign branches).

Allowable deductions are general business outgoings to the extent that they are incurred in gaining or producing assessable income or are necessarily incurred in

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carrying on a business for the purpose of gaining or producing that income are not capital in nature.

Other deductible amounts can include other amounts specifically deductible under the Tax Acts.

Rate of taxation – The corporate tax rate in Australia is 30%, however, from 1 July 2015 companies with a turnover of less than A\$2,000,000 will be eligible for a company tax rate of 28.5%.

Taxation of dividends – Australia operates a full imputation system for the avoidance of economic double taxation of dividends. Under this system, the payment of company tax is imputed to resident shareholders in that shareholders are relieved of their tax liability to the extent profits have been taxed at the corporate level. Dividends paid out of profits on which corporate tax has been paid are said to be “franked” and generally entitle resident shareholders to an offset for the corporate tax paid.

CGT – Australia’s CGT provisions apply to the disposal of an asset acquired (or deemed to have been acquired) after 19 September 1985. Broadly, a capital gain will arise where a taxpayer disposes of an asset and the proceeds received on its disposal (or the deemed market value in some circumstances) exceed the cost base of that asset to the taxpayer. A capital loss may arise upon disposal of an asset if an amount received on disposal (or the deemed market value in circumstances) is less than the reduced cost base of the asset to the taxpayer.

Generally, a net capital gain arises if the capital gain or gains made by a taxpayer in a year of income exceeds the capital loss (if any) made by the taxpayer in that year or carried forward from previous years. It should be noted that there are some circumstances under which a taxpayer may make a capital gain even if there is no disposal of an asset.

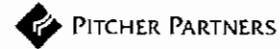
CGT should not be payable on disposal of the land held by Eco World Sydney Development Pty Ltd (“EW Sydney”) on the basis it is used for development purposes. We have discussed this further below.

Losses – Tax losses may be utilised and carried forward indefinitely to offset future assessable income, provided a “continuity of ownership” (more than 50% of voting, dividend and capital rights) or a “same business” test is satisfied. However, capital losses may be offset only against capital gains.

EW Sydney is an Australian tax resident and is principally involved in property development in Australia since incorporation. Subject to any changes in the Australian tax legislation, tax losses in an income year arising from EW Sydney’s property development activities in Australia may be carried forward and deducted in future years against income for tax purposes provided EW Sydney satisfies the “Same Business Test”. Broadly, EW Sydney needs to be carrying on the same business it was carrying on at the time the loss was incurred and at the time it is utilised (i.e. the business of property development).

Foreign tax credit – Under the foreign income tax offset (FITO) rules, taxpayers are not required to divide assessable foreign income amounts into separate classes. The rules allow taxpayers to claim a tax offset against Australian tax on assessable income that is foreign income tax. The amount of the offset is equal to the foreign income tax paid, subject to a cap. The offset may be used only in the income year to which the foreign tax relates; offsets may not be carried forward to future income years.

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Thin capitalisation – Australia’s thin capitalisation rules broadly seek to limit the amount of debt used to fund Australian operations or investments. This is achieved by disallowing debt deductions (such as interest payments or loan fees) that non-financial entity such as EW Sydney would claim against its Australian assessable income where the company’s debt, as a proportion of its assets exceed a certain ratio. Currently that ratio is 1.5:1 (60%) on a debt to equity basis.

Debt/Equity rules – Australia’s dividend imputation system is subject to the debt/equity rules in the Tax Acts which apply to determine whether an interest (such as a shareholding) is a debt interest or an equity interest for tax purposes. This distinction is important because returns on debt interests are not frankable but may be deductible while returns on equity interests are not deductible but may be frankable.

A shareholding interest in a company like EW Sydney will generally be considered to be an equity interest and distributions from the company to the shareholder will be frankable. However, if the entity’s interest can also be classified as a debt interest for tax purposes, the interest will be considered to be a debt interest and any distributions made from the company to the shareholder will be considered to be in the nature of interest on a debt and will not be frankable. This can result in a payment being treated as a dividend for tax purposes even if it is interest at general law, and a payment that is a dividend at general law may be treated as an interest payment for tax purposes.

Generally, an interest will be a debt interest where:

- There is a financing arrangement for the company; and
- The company (or an associated entity thereof) receives, or will receive, a financial benefit or benefits under the scheme; and
- The company has an effectively non-contingent obligation under the scheme to provide a financial benefit or benefits to one or more entities as a result of the benefit it has received; and
- It is substantially more likely than not that the value provided to the company will be at least equal to the value received and neither of those values are nil.

Transfer Pricing – Australia’s transfer pricing rules and regulations apply to dealings between a foreign parent company and its Australian subsidiary. Australia’s transfer pricing rules are equivalent to, but independent of, the associated enterprise article in Australia’s Double Tax Agreements requiring that dealings be conducted on an arm’s length basis. The underlying intention of these rules is to ensure an appropriate level of taxable income (determined by reference to the arm’s length principle) is taxed in Australia.

The Australian Taxation Office (ATO) may negate a transfer pricing benefit (e.g. lower taxable income than would otherwise be the case) an entity obtains as a result of dealings not conducted on arm’s length terms and deem an outcome consistent with the application of arm’s length conditions.

It should be noted that if the cross-border transaction does not occur in Australian dollars, there may be foreign exchange gains and losses to be taken in the computation of taxable income.

Taxation of Financial Arrangements - The Taxation of Financial Arrangement (TOFA) provisions apply to “financial” arrangements, such as loans, derivatives, foreign currency etc. The provisions aim to apply a systemic set of rules to bring to account

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gains and losses on such arrangements. TOFA can apply to taxpayers that have an aggregated turnover of \$100 million or more, gross assets greater than \$300 million or financial assets greater than \$100 million. The rules also apply to a taxpayer where the arrangement is a qualifying security (e.g. has deferred interest and has an issue life of greater than 12 months). A small taxpayer can also elect to apply the TOFA provisions. TOFA applies an accruals regime, so that gains (e.g. interest income) and losses (e.g. interest expense) are accrued where they are sufficiently certain. Accordingly, TOFA can change the basis for assessing returns to taxpayers.

TOFA also requires interest income to be accrued. Accordingly, this will mean that unearned interest income would need to be brought to account at year-end under TOFA.

Foreign exchange – Where TOFA does not apply to an arrangement, foreign exchange gains and losses are taken into account for tax purposes when rights or obligations are realised (called forex realisation events). In calculating the foreign exchange gains and losses, generally spot exchange rates are required to be used which (due to the prescriptive rules) may not align with accounting rates used.

Furthermore, a taxpayer may make elections to minimise compliance costs, such as:

- (i) a functional currency election (which allows taxable income to be calculated in the foreign currency);
- (ii) a forex retranslation election (which allows the accounting method to be used);
or
- (iii) a limited balance election (which allows foreign currency gains and losses to be ignored on qualifying bank accounts that do not have a balance in excess of \$A250,000).

These elections require conditions to be satisfied and need to be made by the relevant taxpayer within certain timeframes.

There are 5 main types of forex realisation events:

- forex realisation event 1 happens if a company disposes of foreign currency, or a right to receive foreign currency, to another entity.
- forex realisation event 2 happens if a company ceases to have a right to receive foreign currency.
- forex realisation event 3 happens if a company ceases to have an obligation to receive foreign currency.
- forex realisation event 4 happens if a company ceases to have an obligation to pay foreign currency.
- forex realisation event 5 happens if a company ceases to have a right to pay foreign currency.

Withholding tax

Dividends – Dividends paid by Australian-resident companies from profits already taxed at the corporate rate may carry franking credits for the tax paid. Dividends are referred

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to as “fully franked”, “partially franked” or “unfranked”, depending on the extent to which a company has chosen to use its franking credits.

The Malaysia – Australia double tax treaty exempts withholding tax paid by EW Sydney where a “fully franked” dividend is paid to a shareholder with greater than 10% shareholding. In all other case a rate of 15% applies.

Interest – Interest paid by an Australian company to a foreign resident generally is subject to a 10% withholding tax.

Royalties – Royalties are subject to a withholding tax of 15%, unless the rate is reduced under a tax treaty.

Property – A new property withholding tax of 10% of gross proceeds applies from 1 July 2016 to the disposal of Taxable Australian Property as define above. This withholding tax generally applies to non-resident entities and Australian entities that fail to obtain the required residency certification from the ATO. This tax is creditable against future tax payable on lodgement of the relevant income tax return.

Salary and wages – EW Sydney as an employer, would need to withhold amounts from payments that it makes to its employees and contractors (in certain conditions). This can apply to both resident and non-resident employees working in Australia depending on the conditions of their work contract. These withheld amounts need to be remitted to the ATO on a monthly basis.

EW Sydney will need to withhold amounts from:

- Payments of wages and salary to employees.
- Payments of directors fees to directors.
- Businesses that do not quote their Australian Business Number (ABN).
- Certain contractors who have a voluntary agreement with EW Sydney as an employer.

Payroll tax – Should EW Sydney engage employees and/or contractors to perform elements of the property development work, there are employment related taxation obligations to consider. In New South Wales, payroll tax is imposed on wages paid or payable by an employer to an employee and payments to individual contractors may also be subject to payroll tax under extended definitions in New South Wales. EW Sydney will need to register for payroll tax with the New South Wales Office of State Revenue (OSR) if it intends to engage employees and certain individual contractors. Payroll tax is currently 5.45% of wages paid or payable by an employer to its employees (and deemed employees) where those wages exceed A\$750,000 per annum.

Superannuation – EW Sydney will be legally required to pay superannuation on behalf of its employees and some individual contractors. Currently, the rate of superannuation that must be contributed on behalf of each employee is 9.5% of the employee’s salary per annum, capped for the current income year at A\$19,616 per employee per annum.

Fringe Benefits Tax – If EW Sydney intends to employ, or contract for, people who work on the development project, it will also need to consider Fringe Benefits Tax (FBT) which is levied by the Federal Government. FBT is payable in respect of certain fringe benefits provided to employees in respect of their employment and EW Sydney will be required

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to register for FBT once it becomes aware that it will have an FBT liability in any FBT year ending on 31 March.

Workers compensation insurance – State legislation requires employers to insure employees against work-related injuries and compensate them for injury, disability or death arising from, or in the course of, employment.

Goods and services tax – Goods and Services Tax (GST) is a broad-based tax calculated at the rate of 10% of the value of the supply of a broad range of goods, services rights and other things acquired in, or in connection with, Australia (referred to as taxable supplies).

GST is paid at each step of the supply chain. The liability to pay GST to the ATO is on the supplier or provider of the taxable supply, however, the supplier usually issues a tax invoice to the recipient and adds GST to the total amount payable by the recipient. Where the recipient is registered for GST it may claim input tax credits equal to the amount of GST stated on the tax invoice and paid to the supplier. Input tax credits reduce the amount of GST that a supplier is required to pay to the ATO in respect of supplies it has made and are refundable if such a recipient pays more GST in a particular period than is required to pay to the ATO.

The sale of new residential premises will result in GST applying to the sale of the underlying properties. The sale of commercial premises should also result in GST applying to the sale of the underlying properties unless an exemption is available, in particular a GST-free sale of a going concern.

(b) Taxation of non-resident shareholders on Australia-sourced income, specifically dividend, interest and royalty income

Taxation of Future Share Disposals

Non-Resident Shareholders

Where non-resident shareholders hold ordinary shares on revenue account, the profits on sale of the ordinary shares may be required to be included in the shareholder's assessable income. This is subject to the application of any double tax treaty relief which may exclude such profits from Australian taxation.

Generally, all other non-resident shareholders will hold their ordinary shares on capital account. These non-resident shareholders should consider the impact of Australian capital gains tax rules on the disposal of their ordinary shares.

Non-resident shareholders are only subject to Australian CGT where those shareholders are disposing of shares in an Australian company if the company predominately holds interests in land within Australia. Given EWI group's current position, it is unlikely that any Australian CGT will apply. Should EWI group's financial position change and the value of the land exceed the borrowings in the group which places EWI in a positive net asset position, CGT may apply to shareholders. Where this is the case, shareholders should also consider the potential application of the property withholding tax described above.

Non-resident shareholders will need to seek specific advice in respect of their particular circumstances with respect to Australian CGT on the disposal of shares in the company at the time of any disposal as a change in the mix of group assets as described above could result in the foreign shares being considered Taxable Australian Property.

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Return of capital

Where a company owns Taxable Australian Property, a return of payment from a company (that is, a payment that is not a dividend or an amount that is taken to be a dividend for tax purposes), shareholders need to adjust the cost base of the shares at the time of the payment. If the amount of the return of capital is not more than the cost base of the shares at the time of payment, shareholders reduce the cost base and reduced cost base by the amount of the payment.

Shareholders make a taxable Australian capital gain if the amount of the return of capital is more than the cost base of the shares. The amount of the capital gain is equal to the excess.

Should the return of capital be made out of a profits reserve account it will be taxable as a dividend as set out below.

Dividends

Broadly, dividends paid on ordinary shares may be "franked" or "unfranked". Franked dividends have franking credits attached. These credits represent underlying Australian corporate tax that has been paid on the profits distributed. To the extent a dividend is "unfranked" no franking credits are attached.

Fully franked dividends, and dividends to the extent they are credited with franked dividend account credits, paid to non-resident shareholders are generally not subject to withholding tax.

Unfranked dividends paid to non-resident shareholders will be subject to withholding tax at a rate of 30% on the unfranked component of the dividend paid. The withholding tax rate is generally reduced to 15% (lower for certain other countries) where there is an applicable double tax treaty. Where a withholding tax applies, the company will be required to deduct the appropriate amount of withholding tax prior to making the dividend payment.

Share buy-backs

Where shares are disposed of back to the company under a share buy-back arrangement, a capital gain or capital loss may arise on the transaction. To the extent an amount of buy-back proceeds has been debited to an account other than share capital, that portion of the buy-back will represent the dividend component. This dividend will be taxed in accordance with the dividend section above. The remaining portion that was debited to the share capital account will be taxed in accordance with taxation treatment on disposal of shares above.

Interest

If interest is paid by EW Sydney to a non-resident shareholder who is the beneficial owner of the interest payment, this amount will be subject to withholding tax at 10% of the gross amount of the interest (or the amount in the nature of interest) in accordance with the limit prescribed in the Australia-Malaysia Double Tax Agreement (DTA).

Royalties

Any royalty paid by EW Sydney to a non-resident shareholder who is the beneficial owner of the royalty payment will attract withholding tax at a rate of 15% in accordance with the limit prescribed in the Australia-Malaysia DTA.

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(c) Taxation issues relating to property developments, including capital gains tax, GST, stamp duty, land tax, municipal rates, employment taxes and other reporting and withholding tax

Property development tax considerations (to be read in conjunction with the taxation of resident and non-resident companies above)

Income tax – As EW Sydney acquired the land it owns for the purposes of development, the revenue it derives from the project should be considered to be income in character and not capital gains.

Accordingly, the apartments and other real property components of the project should constitute trading stock of EW Sydney. Direct sales of land may still be subject to property withholding tax as described above.

GST – The sale of new residential premises will result in GST applying to the sale of the underlying residential properties with the vendor responsible for remitting the GST to the ATO. The sale of any commercial properties will result in GST applying to the sale, unless an exemption applies to the sale.

Stamp duty – Stamp duty is levied on the acquirer of real property at rates prescribed by the relevant OSR that governs duty. The rates of duty applying to direct or indirect acquisitions of land by a foreign entity or an entity owned by foreign entities has significantly increased. A surcharge of 4% is applicable in New South Wales to foreign entities purchasing residential real estate. We note that EW Sydney is a New South Wales incorporated entity and has land assets in New South Wales and, as such, will be governed by the New South Wales OSR.

New South Wales has now abolished Stamp Duty on the transfer of shares.

Where shares are transferred/issued in a 'land rich' company (a New South Wales company with land of \$2m or more) or an indirect interest in a 'land rich' entity, such as the shares in the holding company of EW Sydney, stamp duty is payable only where a 'relevant acquisition' occurs. A 'relevant acquisition' for a public company would be an acquisition of 90% of the interests that would entitle the shareholder to 90% of the underlying property. On the other hand, where a 'relevant acquisition' is made in a private company, the relevant acquisition threshold would be 50% of more rather than the 90% threshold for a public company.

Land Tax – Land tax is imposed on the ownership of land in New South Wales. Currently land tax is levied on properties valued in excess of A\$3.357 million at A\$45,028 plus 2% of the amount in excess of A\$3.357 million. We note that a land tax surcharge of 0.75% has now been introduced for residential land directly or indirectly held by foreign entities. EW Sydney would be liable and will continue to be liable for land tax on the market value of the property in each year of ownership.

Municipal rates – EW Sydney will be liable for municipal rates levied by Parramatta City Council in relation to its ownership of its property. Rates are calculated by using the Land Valuation supplied to council from the Land Property Information (formerly the Valuer Generals' Department) to calculate against a "Rate in the Dollar" depending on the "Rating Category" that applies to the parcel of land.

- 2.2 For the purposes of paragraph 2 of this opinion, we have examined the following laws, rules and regulations that are applicable to each of the above taxation issues described in paragraph 2.1 herein:

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*Income Tax Assessment Act 1997;
Income Tax Assessment Act 1936;
Taxation Administration Act 1953;
Fringe Benefits Tax Assessment Act 1986;
Fringe Benefits Tax Act 1986;
Income Tax Rates Act 1986;
International Tax Agreements Act 1953;
A New Tax System (Goods and Services Tax) Act 1999;
Duties Act (NSW) 1997;
Corporations Act 2001;
Land Tax Act 1956;
Land Tax Management Act 1956;
Payroll Tax Act 2007;
Superannuation Guarantee (Administration) Act 1992;
Superannuation Industry (Supervision) Act 1993;
Workers Compensation Act 1987; and
Fair Work Act 2009.*

Yours faithfully,

A handwritten signature in black ink, appearing to read "Scott Treatt", written over a horizontal line.

SCOTT TREATT
Director

ECOWORLD
INTERNATIONAL
CREATING TOMORROW & BEYOND

LONDON

EcoWorld
International UK
3rd Floor, News Building
3 London Bridge Street
London SE1 9SG
United Kingdom

T E L +44 (0) 203 743 6143

MALAYSIA

Headquarters
Eco World
International Berhad
Suite 59, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Malaysia

T E L +603 3361 2552

Sales Gallery
EcoWorld
International
No 2, Jalan Hang Tuah
55100 Kuala Lumpur
Malaysia

SYDNEY

EcoWorld Gallery
@ West Village
Suite 1701, 99 Mount Street
North Sydney
NSW 2060
Australia

T E L +612 9689 2525