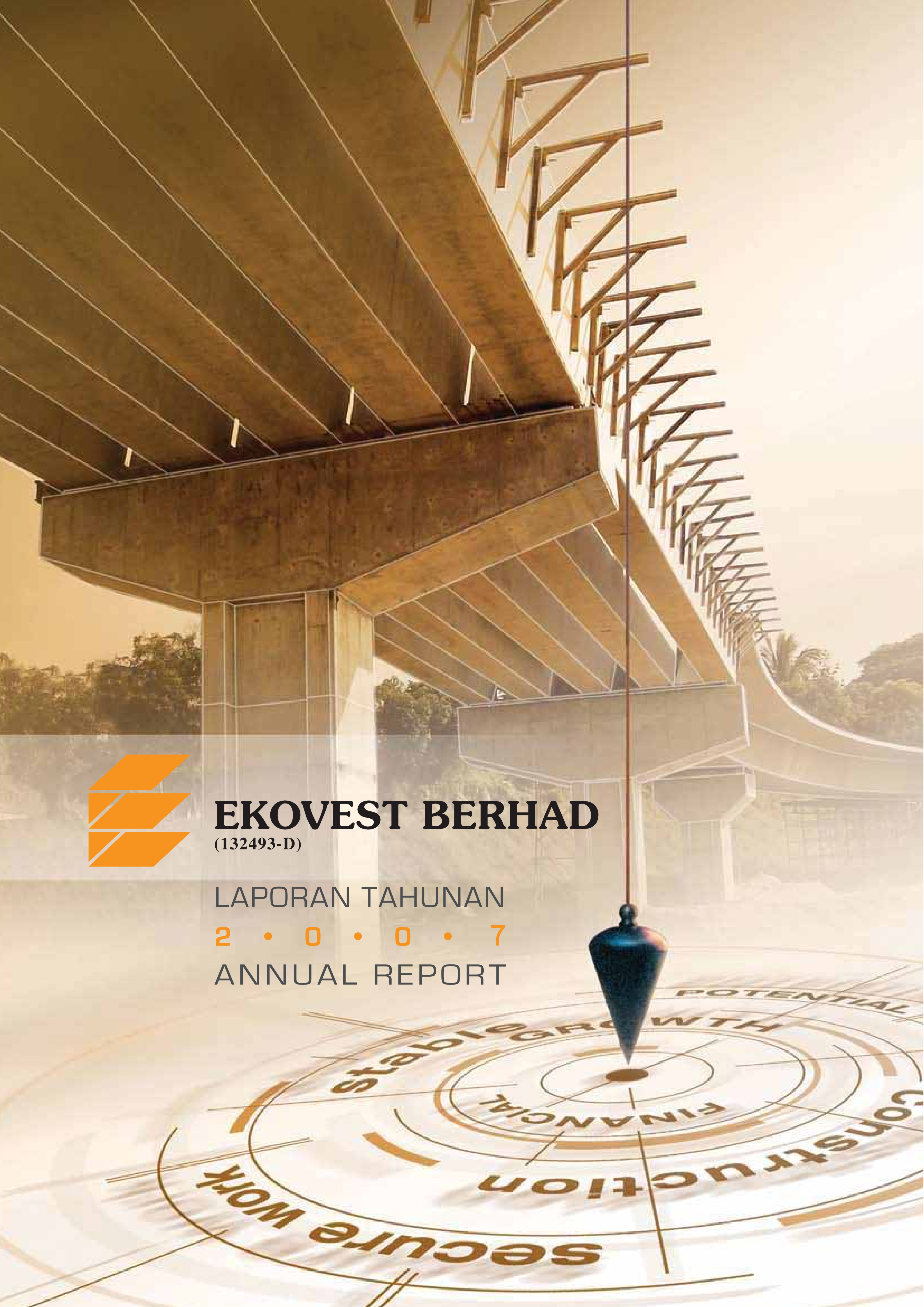


EKOVEST BERHAD

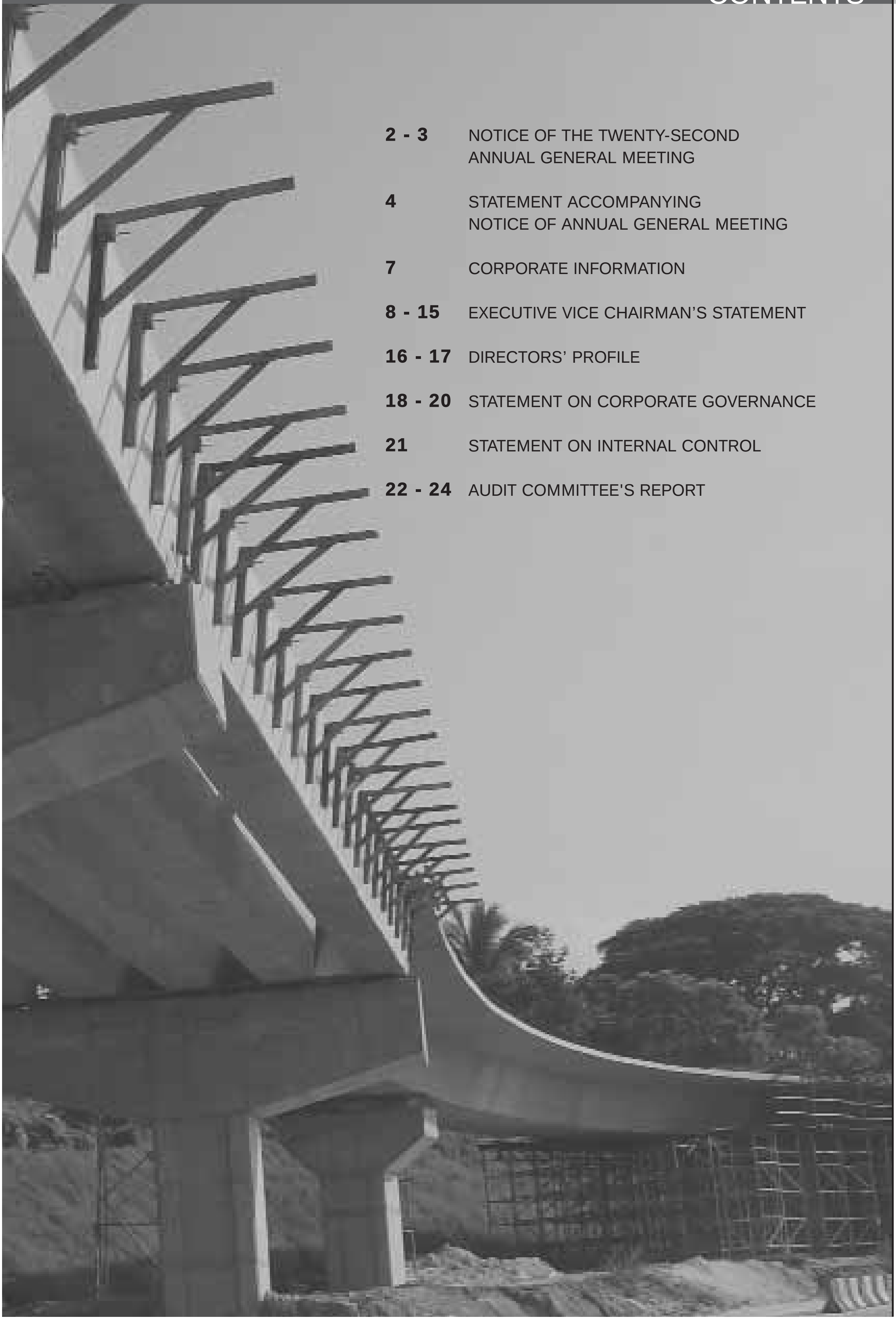
(132493-D)

LAPORAN TAHUNAN

2 • 0 • 0 • 7

ANNUAL REPORT

CONTENTS



NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company will be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Monday, 17 December 2007 at 11.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 JUNE 2007 together with the Reports of the Directors and the Auditors thereon. (Ordinary Resolution 1)

2. To re-elect the following Directors who retire by rotation in accordance with Article 82 of the Company's Articles of Association:-

   i) Y.Bhg. Dato' Lim Kang Hoo (Ordinary Resolution 2)
   ii) Mr. Khoo Nang Seng @ Khoo Nam Seng (Ordinary Resolution 3)

3. To re-elect Y.Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab who retires in accordance with Section 129 (6) of the Companies Act, 1965. (Ordinary Resolution 4)

4. To approve the payment of Directors' Fees for the financial year ended 30 JUNE 2007. (Ordinary Resolution 5)

5. To declare a First and Final Dividend of 5 sen per ordinary share less income tax in respect of the financial year ended 30 JUNE 2007. (Ordinary Resolution 6)

6. To re-appoint Moores Rowland as Auditors and to authorise the Directors to fix their remuneration. (Ordinary Resolution 7)

7. As Special Business, to consider and if thought fit, to pass the following resolutions with or without modifications:-

   I. ORDINARY RESOLUTION - AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the Bursa Malaysia Securities Berhad and other relevant governmental / regulatory authorities, where such approvals are necessary, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting". (Ordinary Resolution 8)

   II. ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "THAT authority be and is hereby given pursuant to paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in Part A - paragraph 3.4 of the Circular to Shareholders dated 26 November 2007 with the related parties listed in paragraph 3.3 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm's length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

   AND THAT the authority conferred by this Mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:-

   a) The conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that Annual General Meeting;

b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but not extending to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

c) revoke or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier". (Ordinary Resolution 9)

III. SPECIAL RESOLUTION - PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the proposed amendments to the Articles of Association of the Company as contained in Part B - Appendix 2 of the Circular to Shareholders dated 26 November 2007 be and are hereby approved AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the proposed amendments to the Articles of Association of the Company". (Special Resolution)

8. To transact any other matter for which due notices have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Twenty-Second Annual General Meeting, the First and Final dividend of 5 sen per ordinary share less income tax will be paid on 13 March 2008 to members whose names appear in the Record of Depositors on 28 February 2008.

FURTHER NOTICE IS HEREBY GIVEN THAT a Depositor shall qualify for entitlement only in respect of:

i. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 28 February 2008 in respect of ordinary transfers; and
ii. Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Lim Thiam Wah, ACIS
Company Secretary
Kuala Lumpur
26 November 2007

Notes:

1. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.
5. Explanatory notes on Special Business:-
   i. The Proposed Ordinary Resolution 8 if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.
   ii. The Proposed Ordinary Resolution 9, if passed, will authorise the Group to enter into recurrent related party transactions as specified in the Circular to Shareholders dated 26 November 2007, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
   iii. The Proposed Special Resolution, if passed, will bring the Articles of Association of the Company in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

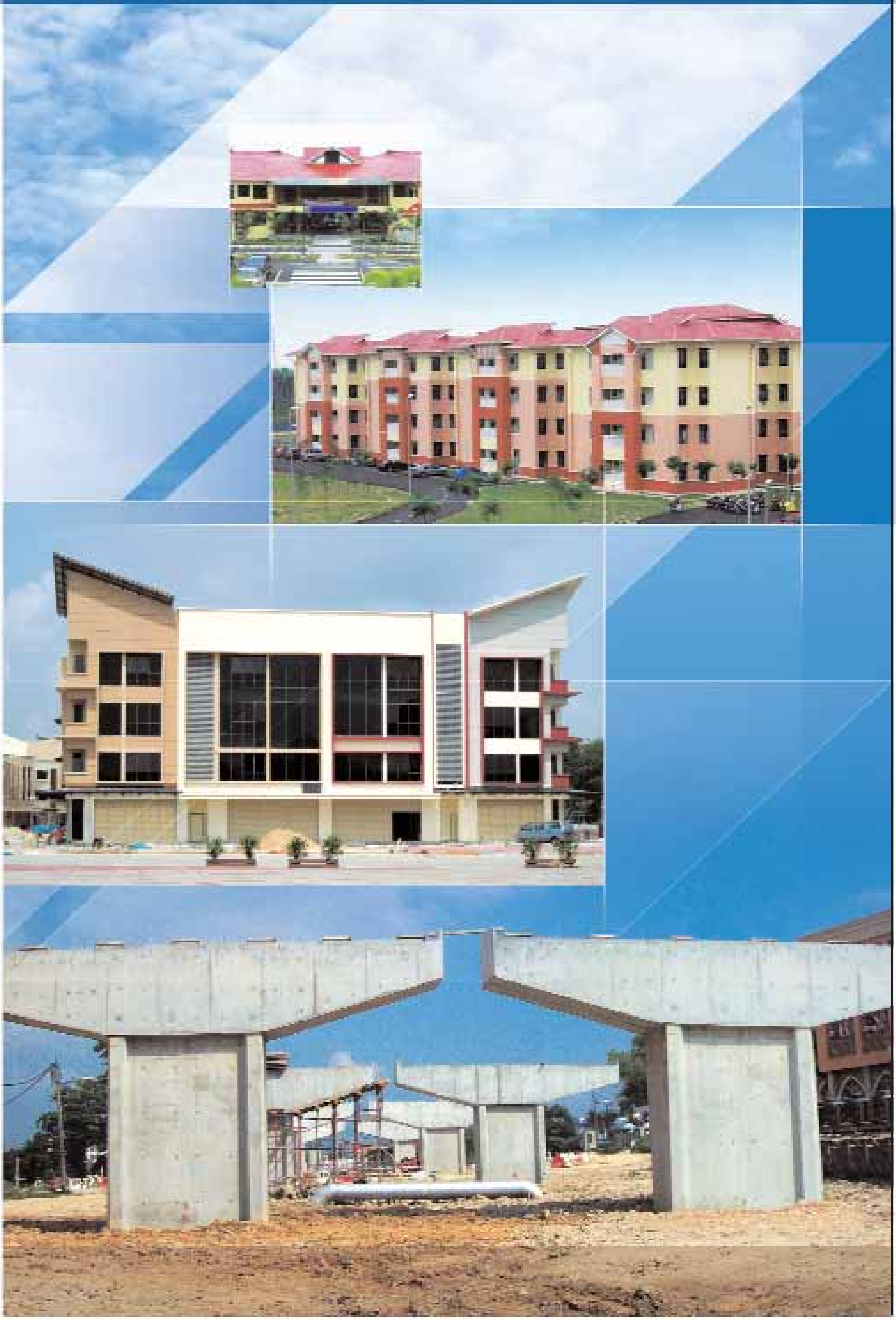
STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

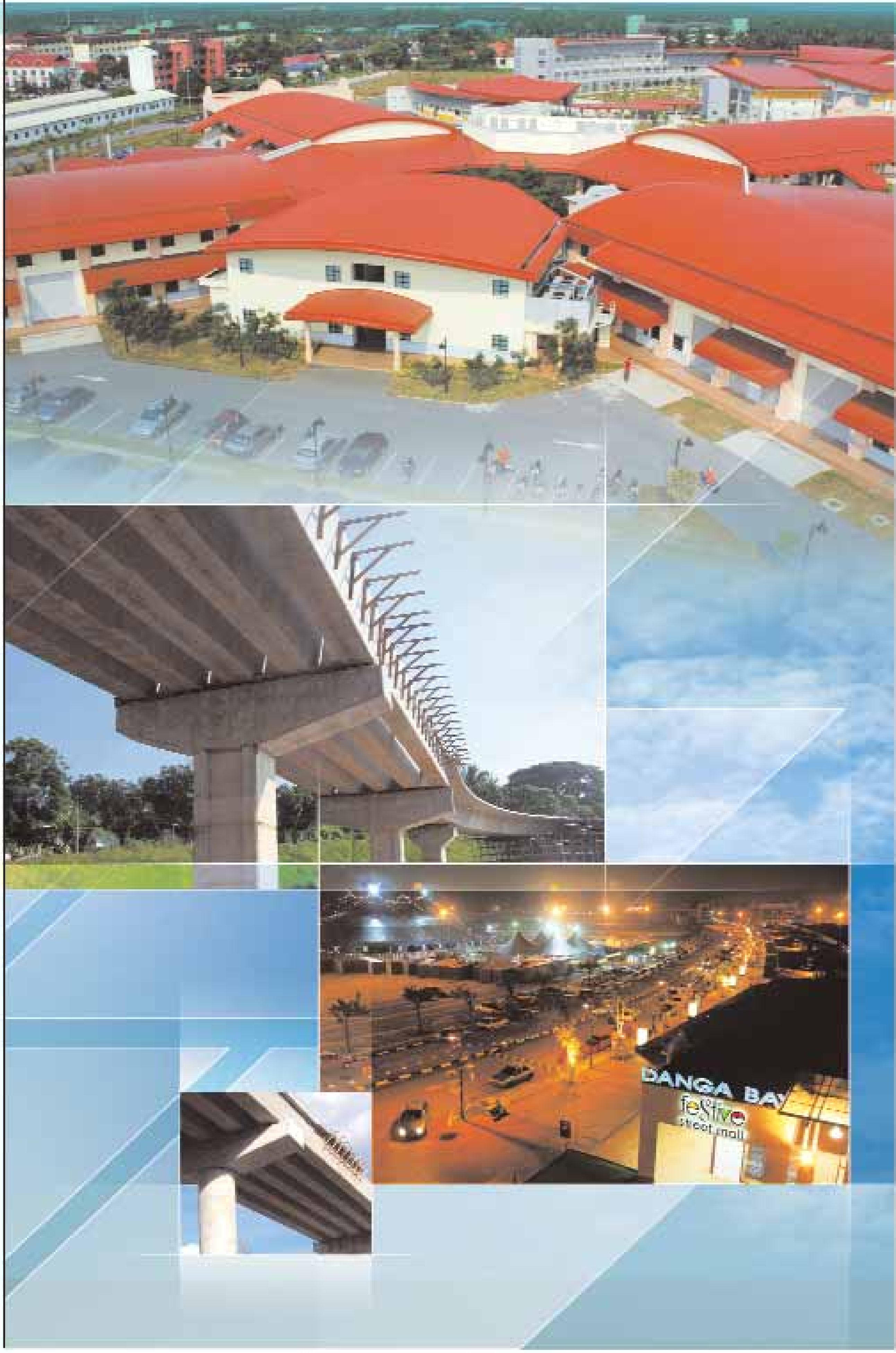
Particulars of Directors who are standing for re-election at the Twenty-Second Annual General Meeting.

Details	Y. Bhg. Dato' Lim Kang Hoo	Mr. Khoo Nang Seng @ Khoo Nam Seng	Y.Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab
Directorships	Executive Vice Chairman	Executive Director	Independent and Non-Executive Director
Age	52	67	71
Nationality and race	Malaysian Chinese	Malaysian Chinese	Malaysian Malay
Qualification	Details as contained on page no. 16	Details as contained on page no. 16	Details as contained on page no. 16
Working experience and occupations	Details as contained on page no. 16	Details as contained on page no. 16	Details as contained on page no. 16
Other directorships of public listed companies	Knusford Berhad Pembinaan Limbongan Setia Berhad	Knusford Berhad	Nil
Attendance at board meetings	5/5	4/5	5/5
Securities holdings in the Company@ 31.10.2007 -Direct	716,000 ordinary shares 150,000 warrants	10,482,000 ordinary shares 4,494,000 warrants	Nil
-Indirect	29,187,500 ordinary shares 8,062,500 warrants		
Family relationship with any director and/or major shareholders of the Company	Nil	Nil	Nil
Conflict of interest	Details as contained on page no. 17	Details as contained on page no. 17	Nil
Convictions of offences	Details as contained on page no. 17	Details as contained on page no. 17	Details as contained on page no. 17

Date, Time and Venue of General Meeting

Type of meeting	Date of meeting	Hour	Place
21st Annual General Meeting	22 December 2006	10.30 a.m.	Grand Seasons Hotel 72, Jalan Pahang, 53000 Kuala Lumpur




DANGA BAY
festive
street mall

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. Bhg. Dato' Lim Kang Hoo
(Executive Vice Chairman)
Khoo Nang Seng @ Khoo Nam Seng
(Executive Director)
Cho Joy Leong @ Cho Yok Lon
(Non-Independent Non-Executive Director)
Y. Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab
(Independent and Non-Executive Director)
Mohd Salleh Bin Othman
(Independent and Non-Executive Director)
Kang Hui Ling
(Independent and Non-Executive Director)

COMPANY SECRETARY

Lim Thiam Wah, ACIS

REGISTERED OFFICE

33-35, Ground Floor, Wisma Ekovest
Jalan Desa Gombak 6
Taman Sri Setapak
Off Jalan Gombak
53000 Kuala Lumpur
Tel: 03-40215948
Fax: 03-40214027

PRINCIPAL PLACE OF BUSINESS

33-35, Ground Floor, Wisma Ekovest
Jalan Desa Gombak 6
Taman Sri Setapak
Off Jalan Gombak
53000 Kuala Lumpur
Tel : 03-40215948
Fax : 03-40215943

REGISTRARS

Sectrars Services Sdn Bhd
No. 28-1 Jalan Tun Sambanthan 3
Brickfields
50470 Kuala Lumpur
Tel: 03-22746133
Fax: 03-22741016

PRINCIPAL BANKERS

AmInvestment Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

DOMICILE

Malaysia

LEGAL FORM AND PLACE OF INCORPORATION

A public listed company incorporated
in Malaysia under Companies Act 1965
and limited by shares

AUDITORS

Moores Rowland
Chartered Accountants
Wisma Selangor Dredging
7th Floor, South Block
142A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21615222
Fax : 03-21613909

LISTING STATUS

Listed on Bursa Malaysia Main Board

EXECUTIVE VICE CHAIRMAN'S STATEMENT

Executive Vice Chairman's Statement

Dear valued shareholders,

On behalf of the Board of Ekovest Berhad, I am pleased to present this annual report and audited financial statements of the Group and of the Company for the financial year ended 30 June 2007.

Overview

The Board of Directors, having taken cognizant of the ever increasing competitive environment in the construction industry and the prospect of business potential in property development, especially with the various government incentives given on encouraging the growth of the industry, has decided to venture into property development with a view of enhancing its revenue potential in the future. In this respect, the Company has identified the Danga Bay Waterfront City Development which is within the Iskandar Development Region ("IDR"), one of the biggest projects identified under the 9th Malaysia Plan ("9MP") and greatly promoted by both the Federal and State Governments. Further details regarding the IDR and the Company's interest therein are explained under the Corporate Development and Industry Overview and Prospect sections below.

Operation wise, the construction of the Duta Ulu Kelang Expressway ("the Expressway") has been running smoothly since most of the land issues have been finally resolved. The works for the Expressway is in line with the time line and it is expected that the Expressway will be completed by the end of 2008 or earlier.

Likewise, works for the Universiti Malaysia Sabah and Kolej Universiti Institut Teknologi Tun Hussein Onn are also being implemented according to schedules.

Ground works for the construction, completion and maintenance of the National Institute for Natural Products Vaccines and Biology complex, which is also a project under the 9MP to be undertaken by the Company via its joint venture company with Faber Group Berhad has already commenced and negotiation is expected to be finalised soon.

Financial Results and Prospect

For the financial year ended 30 June 2007, the Group recorded a profit after tax of RM17.341 million from a turnover of RM356.601 million as compared to a profit after tax of RM8.167 million from a turnover of RM229.590 million from the previous year.

Correspondingly, the Company recorded a profit after tax of RM5.564 million from a turnover of RM13.412 million as compared to a profit after tax of RM4.792 million from a turnover of RM31.041 million from the previous year.

Barring unforeseen circumstance, the Board of Directors believes that the Company's financial prospect is favourable. Notwithstanding such confidence, efforts are still being made to secure more jobs.

Dividend

In appreciation for the continuing support by all our shareholders, the Board of Directors had on 29 August 2007 recommended, subject to the approval of the shareholders being obtained a first and final dividend of 5 sen less 26% income tax per ordinary share of RM1.00 each.

Corporate Development

As part of the implementation of the corporate exercise undertaken by the Company in respect of the Expressway project, the Company has via Ekovest Construction Sdn Bhd subscribed for 1,365 redeemable series A preference shares of RM1.00 each at an issue price of RM100,000.00 each in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, the concessionair of the Expressway.

As mentioned above, the Board in its effort to further expand the operation of the Group, has announced on 4 July 2007 that the Company proposed to undertake the following corporate exercises :

- proposed share split which involves the sub-division of 2 new ordinary shares of RM0.50 each for every 1 existing ordinary share of RM1.00 each in the Company ("Proposed Share Split");

- proposed acquisition of 100% equity interest in Danga Bay Sdn Bhd ("DBSB") from Danga Bay Holdings Sdn Bhd and Credence Resources Sdn Bhd for an indicative purchase consideration of RM1.1 billion to be satisfied by the issuance of ordinary shares of RM0.50 each and irredeemable convertible unsecured loan stock of RM1.00 each in the Company ("Proposed Acquisition");

- proposed renounceable offer for sale to the existing shareholders of the Company and proposed placement of Bumiputera investors and potential investors;

- proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split and Proposed Acquisition;

- proposed exemption by the vendors and parties acting in concert with them under Practice Note 2.9.1 of the Malaysian Code on Takeovers and Mergers, 1998, from the obligation to undertake mandatory offer for all the shares in the Company not already owned by them.

The Board of Directors is confident that the proposed corporate exercises stated above are in the best interest of the Company and the Group.

The Company is currently the main turnkey contractor of DBSB for the design, construction and completion of land reclamation and shore protection, infrastructure, bridge and building works for the initial phrase of the development of land belonging to DBSB at Danga Bay, Johor Bahru, Johor. The Proposed Acquisition will present the Company with a good opportunity to participate in the high growth and government promoted IDR. The development of Danga Bay, which is within the IDR, will further provide the Company with new constructions orders, while enabling the Group to diversify its source of income and enhance its earnings visibility via direct participation in property development activities in Danga Bay.

Industry Overview and Prospect

The global economic environment was favourable in 2006, sustaining its fourth consecutive year of expansion above 4%. While there was some moderation in the economic environment of the United States, especially towards the latter part of the year, global growth momentum remained firm.

The Malaysian economy continued to be on a steady growth path, with real gross domestic product expanding by 5.7% in the second quarter of 2007. Private sector activity remained resilient in the second quarter. The increased public sector spending provided added support to the growth. Sustained strong performance in the services sector and higher activities in the mining and construction sectors supported the growth in the second quarter (source : Economic Report 2006/2007).

IDR is one of the key engines of growth identified as a major commercial and administrative hub for southern region under the 9MP. Under the 9MP, RM12.2 billion has been earmarked for IDR to improve the infrastructure of southern Johor over the next 5 years. The works to be undertaken includes the constructions of a new highway, sewerage systems and river cleaning, as well as other soft infrastructure such as allocation to enhance security. In view of the importance placed on the IDR, various incentives have been identified and announced.

The land belonging to DBSB ("the DB Land") is strategically located within the IDR. The proposed development of DB Land will involved the transformation of the DB Land into a high end commercial, retail and residential hub within the Johor Bahru City Centre in line with the zoning of the Urban Waterfront City for IDR.

EXECUTIVE VICE CHAIRMAN'S STATEMENT (cont'd)

Currently, feasibility studies are being undertaken by the consultants appointed by the Company. The Board of Directors is optimistic of the prospect of DB Land which will be realized once the proposed corporate exercises are completed by the targeted date, ie mid of 2008.

In addition to the above corporate exercises which the Board believes will be generating income for the Company in years to come, the Company is also actively sourcing for other projects under the 9MP.

Corporate Governance

The Board continues to recognize the importance and advantage of having good corporate governance. To the benefit of all directors and in compliance with the requirements for continuing education program, we have organised a course at our corporate head quarters for all directors to participate. The response from the directors is good and we will continue with such effort as one of our attempts to comply with the requirement for continuing education.

Appreciation

On behalf of the Board of Directors, I wish to put on record our appreciation and thanks to all our directors and senior management who have been providing our company with their invaluable services, assistance and advice.

I would also like to extend our utmost appreciation to Dato' Rahmat bin Abu Bakar who resigned as the Chairman and Director of our Company on 13 February 2007 for his generous contribution to our company in terms of time, expertise and advice.

Further, I would also like to thank all our clients, shareholders, bankers, business associates, various government and local authorities for their continue support and confidence in our group.

Finally, I wish to express my personal gratitude to all staff and management of the Group for their dedication and commitment.

Dato' Lim Kang Hoo
Executive Vice Chairman
26 November 2007

PENYATA NAIB PENGERUSI EKSEKUTIF

Penyata Naib Pengerusi Eksekutif

Kepada Para Pemegang Saham,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diauditkan untuk Kumpulan Ekovest dan Syarikat Ekovest Berhad bagi tahun kewangan bertarikh 30 Jun 2007.

Tinjauan

Pihak Lembaga Pengarah, setelah mempertimbangkan bahawa pertandingan adalah semakin kuat dalam arena industri pembinaan serta prospek perniagaan yang bertambah baik dalam industri pembangunan hartanah, terutamanya dengan insentif-insentif yang diberikan oleh pihak kerajaan persekutuan serta negeri dalam mendorongkan pembangunan hartanah, membuat keputusan untuk mengambil bahagian dalam pembangunan hartanah dengan tujuan menambah keuntungan yang akan datang. Dalam perkara ini, syarikat kami telah memilih Danga Bay Waterfront City Development, dalam Kawasan Pembangunan Iskandar (“IDR”), salah satu projek yang terbesar di bawah Pelan Malaysia ke-9 (“9MP”) yang diayu-ayukan oleh kerajaan persekutuan dan negeri. Butir-butir berkenaan dengan IDR dan perlibatan syarikat kami adalah sepertimana yang dijelaskan dalam seksyen-seksyen berkenaan dengan Pembangunan Korporat dan Tinjauan dan Prospek Industri di bawah.

Dari segi operasi, kerja-kerja pembangunan Lebuhraya Duta Ulu-Kelang (“Lebuhraya DUTA”) sedang dijalankan tanpa masalah oleh kerana kebanyakan masalah pengambilan balik tanah telah diselesaikan. Kerja-kerja pembangunan Lebuhraya DUTA adalah mengikut jadual masa yang disediakan dan Lebuhraya tersebut dijangka akan diselesaikan dalam akhir tahun 2008 atau lebih awal.

Seperti di atas, kerja-kerja untuk Universiti Malaysia Sabah dan Kolej Universiti Institut Teknologi Tun Hussein Onn juga dijalankan dengan lancar mengikut jadual masa yang sedia ada.

Kerja-kerja dasar untuk projek pembinaan, penyelesaian dan penyelenggaran Kompleks Institusi Nasional Produk-Produk Asli Vaccin dan Biologi, salah satu projek di bawah 9MP yang akan dijalankan oleh syarikat kami bersama-sama dengan syarikat kerjasama iaitu, Faber Group Berhad telah mula dan perbincangan dijangka akan diselesaikan dalam masa yang akan datang.

Keputusan Kewangan dan Prospek

Bagi tahun kewangan berakhir 30 Jun 2007, Kumpulan Ekovest mencatatkan keuntungan selepas cukai sebanyak RM17.341 juta dari hasil perolehan sebanyak RM356.601 juta berbanding dengan keuntunang selepas cukai sebanyak RM8.167 juta dari hasil keungunan sebanyak RM229.590 juta untuk tahun lepas.

Pada masa yang sama, syarikat kami mencatatkan keuntungan selepas cukai sebanyak RM5.564 juta dari hasil perolehan sebanyak RM13.412 juta berbanding dengan keuntungan selepas cukai sebanyak RM4.792 juta dari hasil perolehan sebanyak RM31.041 juta dari tahun lepas.

Kecuali dalam keadaan luar biasa, Lembaga Pengarah percaya bahawa keadaan kewangan syarikat kami adalah baik. Akan tetapi, kami akan terus cuba mendapat kerja-kerja lain.

Dividen

Sebagai balasan atas sokongan daripada para pemegang saham kami, pada 29 Ogos 2007 pihak Lembaga Pengarah telah mengesyorkan tertakluk kepada kelulusan pemegang-pemegang saham yang terlebih dahulu diperolehi, pembayaran dividen yang pertama dan terakhir sebanyak 5 sen tolak cukai pendapatan sebanyak 26% bagi setiap saham biasa bernilai RM1.00 seunit.

Pembangunan Korporat

Bagi tujuan menjalankan pembangunan korporat untuk projek Lebuhraya DUTA, syarikat kami melalui Ekovest Construction Sdn Bhd telah melanggan sebanyak 1,365 'redeemable series A preference shares' bernilai RM1.00 setiap unit pada harga isu RM100,000.00 seunit syer dalam Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, syarikat pemegang konsessi Lebuhraya DUTA.

Seperti yang dinyatakan di atas, Lembaga Pengarah terus berusaha memperkembangkan operasi kumpulan kami, telah pada 4 Julai 2007 mengesyorkan bahawa syarikat kami berniat menjalankan pembangunan korporat yang berikut :

- Cadangan pemecahan syer yang melibatkan pembahagian 2 syer biasa baru yang bernilai RM0.50 setiap unit untuk setiap syer yang sedia ada bernilai RM1.00 setiap syer dalam syarikat kami ("Cadangan Pemecahan Syer");

- Cadangan pembelian 100% hak equiti dalam Danga Bay Sdn Bhd ("DBSB") daripada Danga Bay Holdings Sdn Bhd dan Credence Resources Sdn Bhd untuk harga indikatif sebanyak RM1.1 bilion yang akan dibayar dengan keluaran syer biasa bernilai RM0.50 setiap syer dan 'irredeemable convertible unsecured loan stock' bernilai RM1.00 setiap unit dalam syarikat kami ("Cadangan Pembelian");

- Cadangan tawaran untuk jualan kepada pemegang saham yang sedia ada dalam syarikat kami dan cadangan placemen untuk pelabor dan pelabor potensi Bumiputera;

- Cadangan pindaan Memorandam dan Artikal Syarikat kami untuk memudahkan Cadangan Pemecahan Syer dan Cadangan Pembelian;

- Cadangan pengecualian kepada penjual dan pihak berlakon secara sama dengan mereka di bawah Nota Amalan 2.9.1 Malaysian Code on Takeovers and Mergers, 1998, dari obligasi untuk menjalankan tawaran untuk membeli semua syer dalam syarikat yang belum lagi dipegang secara mandatori.

Pihak Lembaga Pengarah yakin bahawa pembangunan koroporat cadangan tersebut di atas adalah untuk tujuan yang terbaik bagi syarikat serta kumpulan kami.

Syarikat kami pada masa kini adalah kontrator turnkey utama DBSB untuk kerja-kerja reka bentuk, pembinaan dan penyelesaian mengisi tanah dan pertahanan tepi pantai, infrastruktur, jambatan dan kerja-kerja bangunan untuk fasa pertama pembanguan hartanah DBSB di Danga Bay, Johor Bahru, Johor. Cadangan Pembelian tersebut memberikan kepada syarikat kami satu peluang baik untuk mengambil bahagian dalam IDR, projek yang mempunyai potensi baik dan yang telah dapat banyak dorongan dari pihak kerajaan. Pembanguan Danga Bay, dalam kawasan IDR, akan membawa kepada syarikat kami tempahan kerja-kerja pembinaan baru dan pada masa yang sama, membolehkan kumpulan kami dalam memperbagaikan unsur hasil dan meningkatkan keuntungan dengan mengambil bahagian secara langsung dalam aktiviti pembangunan hartanah di Danga Bay.

Tinjauan Industri dan Prospek

Keadaan ekonomi keseluruhan dunia adalah baik dalam tahun 2006, dengan pertubuhan sebanyak 4% untuk tahun keempat berterusan. Walaupun terdapat sedikit sebanyak kelembanan dalam ekonomi di Amerika Syarikat, terutamanya dalam bahagian akhir tahun, momentum pembangunan tetap kuat.

Ekonomi Malaysia terus berada dalam pembangunan yang stabil dengan gros domestik produk benar berkembang sebanyak 5.7% dalam suku kedua tahun 2007. Aktiviti sektor persendirian adalah mendorongkan dalam suku kedua. Penambahan alokasi sektor awam menyokongkan perkembangan tersebut. Sektor perkhidmatan dan aktiviti yang lebih tinggi dalam sektor perlombongan dan pembinaan menyokong perkembangan dalam suku yang kedua (asal : Economic Report 2006/2007).

IDR adalah satu enjin utama perkembangan yang telah dicapkan sebagai hub perniagaan dan pendidikan di kawasan selatan di bawah 9MP. Di bawah 9MP, RM12.2 bilion telah diberikan untuk IDR bagi tujuan mempertingkatkan infrastruktur di kawasan selatan Johor untuk masa 5 tahun yang akan datang. Kerja-kerja yang akan dijalankan termasuk pembinaan lebuhraya yang baru, sistem longkang dan pembersihan sungai, juga infrastruktur lembut misalnya alokasi untuk memperkuatkan keselamatan. Oleh kerana amat banyak perhatian telah diberikan kepada IDR, pelbagai insentif telah dikenalkan dan diumumkan.

Hartanah yang dipegang oleh DBSB ("Hartanah DB") berada di lokasi yang strategik dalam kawasan IDR. Cadangan membina Hartanah DB termasuk membangunkan Hartanah DB kepada satu hub yang mempunyai bangunan perniagaan yang bermutu tinggi, tempat perniagaan dan tempat tinggal dalam Perbandaran Johor Bahru mengikut pelan zon Urban Waterfront City dalam IDR.

Pada masa kini, pengajian feasibiliti telah dijalankan oleh penasihat Syarikat kami. Lembaga Pengarah yakin bahawa prospek Hartanah DB adalah baik apabila cadangan pembangunan korporat ditunaikan pada tarikh yang ditetapkan, iaitu, pertengahan tahun 2008.

Tambahan lagi dari pembangunan korporat tersebut di atas, di mana Lembaga Pengarah percaya bahawa akan membawa keuntungan untuk tahun yang akan datang, Syarikat kami juga akan berusaha mendapatkan projek baru di bawah 9MP secara aktif.

Piawaian Urustadbir Korporat

Lembaga Pengarah terus mengambil berat tentang kepentingan dan kegunaan kawalan urustadbir korporat yang baik. Untuk kebaikan semua pengarah serta bagi tujuan mengikut peruntukan program pendidikan berterusan, kami telah mengadakan satu pengajian di ibu pejabat kami untuk semua pengarah. Sambutan dari para pengarah adalah baik dan kami akan meneruskan usaha kami dalam arena ini.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan ribuan terima kasih kepada semua pengarah dan pihak pengurusan yang telah memberikan perkhidmatan, pembantuan dan nasihat kepada sarikat.

Saya juga ingin mengucapkan ribuan teirma kasih kepada Dato' Rahmat bin Abu Bakar yang telah meletakkan jawatannya sebagai Pengerusi serta Pengarah syarikat kami pada 13 Februari 2007 atas sumbangannya kepada syarikat kami dalam tahun yang lepas.

Tambahan, saya juga ingin mengucapkan ribuan terima kasih kepada para pelanggan, pemegang-pemegang saham, bank-bank, rakan-rakan perniagaan, pihak kerajaan dan pihak berkuasa tempatan di atas sokongan berterusan dan kepercayaan yang diberikan kepada Kumpulan Ekovest.

Akhirnya, saya mengucapkan ribuan terima kasih kepada semua kakitangan dan pengurusan atas dedikasi dan komitmen berterusan yang diberikan kepada Kumpulan Ekovest.

Dato' Lim Kang Hoo
Naib Pengerusi Eksekutif
26 November 2007

执行副主席报告

致各位股东，

本人谨代表董事部提呈怡克伟士公司及集团截至2007年6月30日的常年报告及审核过的账目。

检讨

董事部在考量了建筑业的竞争日益强烈和产业发展的商业潜能，尤其是各政府为鼓励产业发展所给予的奖励，决定为加强来日受益的潜能，进军产业发展业。在这方面，公司选择了位于伊斯干达发展区的金海湾城市发展。伊斯干达发展区为第九大马计划下最大的一个发展计划，并获得联邦和州政府的鼎力支持。关于伊斯干达发展区及公司在区内的计划，请看企业发展和行业检讨及展望的部分。

运作方面，大使－淡江高速大道的建筑工程进行顺利，大部分的土地收购问题已获得圆满解决。目前的工程进度与预期的时间符合，大道将于2008年尾或更早完工。

相同的，沙巴马来西亚大学和敦胡先翁科技学院的工程也跟据时间表进行著。

为进行第九大马计划下的国家自然产品，免疫和生物大厦提呈的建筑，完成和维修计划的基本工作也进行了，蹉商预料会在进期完成。

财政业绩及前景

2007 年6月30日截止的财政年度里，本集团获得1千7百34万1千令吉的税后盈利，营业额为3亿5千6百60万1千令吉，相比下去年的8百16万7千令吉的税后盈利和2亿2千9百59万令吉的营业额表现好。

相对的，本公司也获得5百56万4千令吉的税后盈利，营业额为1千3百41万2千令吉，也比去年的4百79万2千令吉的税后盈利和3千1百04万1千令吉营业额为高。

在没有不利因素的情况下，董事局相信公司的财政前景良好。虽然我们有此信心，我们也会继续尽力取得更多的工作。

股息

为了感谢所有股东们的支持，董事局于2007 年8月29日建议每股面值1令吉普通股派发一次过股息5%(需扣税26%)，有关股息尚待股东大会批准。

企业发展

作为公司为大使－淡江高速大道企业发展的一部分，本公司通过其子公司 Ekovest Construction Sdn Bhd 从 Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd，大道的收费特许公司购买1,365 每股面值1令吉，以每股10万令吉发售的系列A可购回优先股。

如上所说，为开拓公司的业务，本董事局在2007年7月4日公布本公司进行一系列的企业发展计划：

- 建议把公司内现有的每股面值1令吉的普通股分裂为2个面值0.50令吉的普通股（“股份分裂提案”）；

- 建议从 Danga Bay Holdings Sdn Bhd 和 Credence Resources Sdn Bhd 手中以10亿1千万令吉的提议收购价，以发售每股面值0.50令吉的普通股，和每股面值1令吉的不可转换债券收购在Danga Bay Sdn Bhd（“DBSB”）内的100% 股权，（“收购提案”）；
- 建议土著投资者的限制性的股份回收；
- 建议更改公司的章程，以方便股份分裂提案和收购提案的进行；
- 建议豁免卖方和在1998 年马来西亚收购条例第2.9.1方针下有关连人士强制性收购在公司内未拥有的股份；

董事局有信心以上的企业发展提案对公司和本集团都是有利的。

本公司现为DBSB在金海湾的土地提供设计，建筑和完成填土和海岸保护，设施，桥梁和建筑工程初步的发展计划的主要工程公司。收购提案为公司提供伊斯干达发展区的机会。金海湾的发展也提供本公司更多的工程订单，并让公司有机会开发其他收入来源。

行业检讨及展望

2006年的环球经济环境维持了4年连续性4%的成长，是有利的。虽然美国的经济环境，在下半年有缓和的现象，成长的动力还是稳健的。

马来西亚的经济稳健成长。2007年第二季的经济成长为5.7%。私人界活跃，政府消费支持此成长。服务业和建筑业的活动也维持了第二季的成长。(来源：2006/2007经济报告)

伊斯干达发展区是第九大马计划下被指定的经济火车头，也是南方主要的商业和行政中心。在第九大马计划下，政府拨款12亿2千万令吉作为南方在未来5年内设施发展用途。将进行的工程包括新大道，排水系统和河流清理，其他软性的设施如保安。基于计划的重要性，政府也提供了各种投资便利。

DBSB的土地(“DB土地”)位于伊斯干达发展区内具策略性的地点。DB土地的发展提案包括把土地发展成在新山城内沿海地带高级的商业零售和居住地。

现时，公司委任的顾问正进行研究，董事局对DB土地的发展有信心，预料企业发展计划会于2008年中如期完成。

董事部除了相信以上的企业发展计划会为公司带来未来的收入外，也积极的在第九大马计划下取得其他工程。

企业监管

董事局承认拥有良好企业监管的重要性。为了各位董事的利益和符合再培训计划的要求，公司在公司总部组织了一次课程，让董事们参与。董事们的反应良好，公司也会继续在这方面努力。

感谢词

本人谨代表董事部，感谢各位董事和高级行政人员为公司提供的协助和服务。

本人也感谢在2007年2月13日向董事部呈辞的 Dato' Rahmat bin Abu Bakar。感谢他多年来为公司的服务。本人也向我们的客户，股东，银行，高业伙伴，各政府部门致谢，感谢他们给予公司的合作。

最后，本人向公司员工及管理人员表达谢意。

执行副主席
拿督林刚河
2007年11月26日

DIRECTORS' PROFILE

Y.BHG. DATO' LIM KANG HOO, aged 52, Malaysian, is the co-founder, Executive Vice Chairman cum Chief Executive Officer of Ekovest Berhad and has been on the Board of Directors of Ekovest Berhad since 30 March 1988. Y.Bhg. Dato' Lim is a businessman with over 30 years of experience in the construction industry. He started his involvement in the construction industry soon after completing his secondary education, assisting the family construction business. Later he teamed up with Mr. Khoo Nang Seng @ Khoo Nam Seng to form a civil engineering and construction partnership which grew to become what Ekovest Berhad is today. At present, he is an Executive Director of Knusford Berhad, Non-Independent Non-Executive Director of Pembinaan Limbongan Setia Berhad, both are public companies listed on the Bursa Malaysia and also a director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Ekovest Berhad Group.

MR. KHOO NANG SENG @ KHOO NAM SENG, aged 67, Malaysian, is the co-founder of Ekovest Berhad and has been an Executive Director of Ekovest Berhad since its incorporation on 2 January 1985. He was trained in Technical College, Kuala Lumpur in civil engineering. Upon graduation, he joined and served the Jabatan Kerja Raya for 6 years. In 1970, he ventured into the construction business on his own. Subsequently, in 1972, he teamed up with Y.Bhg. Dato' Lim Kang Hoo to form a partnership which resulted in the Ekovest Berhad of today. At present, he is an Executive Director of Knusford Berhad, a public company listed on the Main Board of Bursa Malaysia and also a director of several other private limited companies. Together with Y.Bhg. Dato' Lim Kang Hoo, he has contributed significantly to the growth of the Ekovest Berhad Group.

MR. CHO JOY LEONG @ CHO YOK LON, aged 64, Malaysian, was appointed as the Executive Director of Ekovest Berhad on 2 May 1998 and he was redesignated as Non-Independent Non-Executive Director with effect from 1 January 2006. He graduated with a Bachelor of Engineering (Hons) Degree from the Universiti Malaya in 1968. He is a Registered Professional Engineer in Malaysia and a member of the Institution of Engineers, Malaysia. Upon graduation, he joined FELDA as an Engineer and served them until April 1998. During his stay with FELDA, he held various positions, including that of Senior Regional Engineer, Chief Engineer and Director of the Engineering Department. Prior to his appointment as Executive Director of Ekovest Berhad, he was the General Manager (Technical) of Felda Engineering Services Sdn Bhd and the General Manager of Felda Construction Sdn Bhd, a construction company within the Felda Group of Companies.

Y.BHG. DATO' HAJI ABDULLAH BAKRI BIN A. WAHAB, aged 71, Malaysian, was appointed as Director of Ekovest Berhad on 3 June 1993. He holds a Diploma in Architecture from the Birmingham School of Architecture, United Kingdom. He is an associate member of The Malaysian Institute of Architects as well as The Royal Institute of British Architects. He has served on The Board of Architects, Malaysia and is the Treasurer of Pertubuhan Arkitek Malaysia. Upon his graduation in 1962, he joined Jabatan Kerja Raya as an Architect before being promoted to a State Architect for Perak State the following year. From 1972 to 1976, he became successively the Project Manager Campus Planning Team and Director of Development for the development of Universiti Kebangsaan Malaysia. In 1976, he joined Akitek Kesatuan Sendirian, now known as Abdullah Bakri Berakan Sendirian, as the Chairman, a position which he still holds at present. He also sits on the board of directors of several private limited companies and on the committees of various voluntary bodies.

EN. MOHD SALLEH BIN OTHMAN, aged 55, Malaysian, was appointed to the Board of Ekovest Berhad on 21 November 1996. He graduated with a B.Sc. (Hons) Degree in Housing, Building and Planning from Universiti Sains Malaysia. After graduation, he joined Petroliam Nasional Berhad ("Petronas") where he served in various departments and divisions for a span of approximately 15 years. Some of the senior position he has served includes Management Executive of its Property Department from 1978 to 1981, Head of Building Section of its Special Projects Department from 1982 to 1984, Deputy Manager from its Property Development Department from 1985 to 1987, Manager of its Property Development Department from 1988 to 1989 and finally being promoted to Senior Manager of the same department in 1990. During his employment in Petronas, he acquired skills and invaluable experience in property development, property management, property maintenance and also project management. He left Petronas in 1993 to join Kuala Lumpur City Centre Bhd as the Deputy General Manager of its Real Estate Division. He was later promoted to Project Director of the Project Management Division in 1995. He resigned from Kuala Lumpur City Centre in 1995. Thereafter, he joined Ekovest Berhad and resigned from Ekovest Berhad, a year later.

MS. KANG HUI LING, aged 35, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 28 February 2005. She holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big five audit firm. As audit senior associate, she also gained exposure in the field of operational audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is presently a partner of a professional firm registered with the Malaysian Institute of Accountants. She is also an independent non-executive director of Knusford Berhad and Pembinaan Limbongan Setia Bhd.

Conflict of interest
Related party transactions are disclosed in Notes 30 of the Audited Financial Statements.

Conviction of offences
None of the Directors have been convicted of any offences (excluding traffic offences) within the last 10 years.

Board of Directors' Meetings
A total of 5 Board of Directors' Meetings were held during the financial year ended 30 June 2007.

Attendance at the Board of Directors' Meetings

	No. of Board of Directors' Meetings Attended
1. Y. Bhg. Dato' Rahmat Bin Abu Bakar (resigned w.e.f. 13.2.2007)	2/3
2. Y. Bhg. Dato' Lim Kang Hoo	5/5
3. Mr. Khoo Nang Seng @ Khoo Nam Seng	4/5
4. Mr. Cho Joy Leong @ Cho Yok Lon	5/5
5. Y. Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab	5/5
6. En. Mohd Salleh Bin Othman	5/5
7. Ms. Kang Hui Ling	5/5

Family Relationship
None of the Directors have any family relationship with other Directors.

Directors' Remuneration

a. Aggregate Remuneration

	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)	%
(a) Fees	-	40,000	40,000	2.37
(b) Salaries	1,440,000	-	1,440,000	85.39
(c) Bonuses	-	-	-	-
(d) EPF	172,800	-	172,800	10.25
(e) Commission	-	-	-	-
(f) Estimated value of benefits-in-kind	31,000	2,500	33,500	1.99
(g) Compensation for loss of office	-	-	-	-
TOTAL (RM)	**1,643,800**	**42,500**	**1,686,300**	**100.00**

b. Category Remuneration

Band (RM) Category	Executive Director	Non-Executive Director	Total
1- 50,000	-	4	4
500,001- 550,000	1	-	1
1,050,001- 1,100,000	1	-	1
TOTAL	**2**	**4**	**6**

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Ekovest Berhad ("Ekovest" or "Company") recognises the importance of corporate governance and is committed to ensuring that the highest standards of corporate governance are practised throughout the Group. The Board is pleased to report on how the principles of corporate governance have been applied and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance ("the Code") during the financial year ended 30 June 2007.

DIRECTORS

Responsibilities

The Board of Directors acknowledges its responsibilities for setting the strategic direction of Ekovest and ensuring it is properly managed and continuously improving its performance so as to protect and enhance shareholders' value. In addition, the Board also acknowledges its responsibilities for the overall standards of conduct, risk management, succession planning, investor relation programme and system of internal control of the Group. These are in line with the 6 principal responsibilities specified under Best Practice AAI of the Code.

Composition and Balance

The Board currently has 6 members, comprising 2 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The Company has complied with the requirement of Bursa Malaysia Securities Berhad that at least 1/3 of the Board of Directors should be of independent directors. The composition of such ensures that no individual or small group of individuals can dominate the Board's decision making.

The Executive Directors have direct responsibilities for business operations whereas the Non-Executive Directors have the responsibilities to bring independent and objective judgement on the Board's decision. All Non-Executive Directors are independent of management and free from any relationship which could interfere with their independent judgement.

The Directors, with their different backgrounds and specializations, bring along a wide range of skills, finance and legal experience and technical expertise. Such good mix of skills, experience and expertise amongst the Executive and Non-Executive Directors allows each of them to exercise independent judgement on the issues of strategy, performance, resources, including key appointments and standards of conduct. This ensures that the Group is effectively led and controlled. The Profile of the Directors is set out on page 16.

Meeting

The Directors meet regularly and all the proceedings at the Board meetings are properly minuted and signed by the Chairman. The Board does not have a formal schedule of matters reserved to itself for decision, however, it has been the practice of the Group to require the Board decision on matters relating to the acquisition and disposal of major capital expenditure; investment in capital projects; and corporate exercise.

During the financial year ended 30 June 2007, 5 Board meetings were held. The record of attendance of the Directors for the meetings held during the financial year is set out on page 17.

In the intervals between Board meetings, for any matters requiring Board decisions, Board approvals are obtained through circular resolutions.

Supply of Information

Prior to the Board meetings, the Directors receive all agendas and Board papers containing information relevant to the business of the meeting, including information on major financial, operational and corporate matters as well as activities and performance of the Company. These are issued to the Directors on a timely basis to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

All Directors have unrestricted access to the advice and services of the Company Secretary, who is responsible for ensuring that board procedures are followed. In addition, the Directors may obtain independent professional advice at the Company's expense, where necessary, in furtherance of their duties.

Appointment and Re-election to the Board

Nomination Committee

Pursuant to the Best Practices of the Code, the Board has set up a Nomination Committee comprising 3 Independent Non-Executive Directors. The members of the Nomination Committee are:

Dato' Haji Abdullah Bakri Bin A. Wahab
(Chairman, Independent Non-Executive Director)

En Mohd Salleh Bin Othman
(Independent Non-Executive Director)

Ms Kang Hui Ling
(Independent Non-Executive Director)

The Nomination Committee is responsible:

- to recommend to the Board, candidates for directorship on the Board as well as membership of all other Board Committees.
- to review the size of the Board with a view to determine the number of directors on the Board in relation to its effectiveness.
- to regularly review the required mix of skills, experience and other qualities of the directors.

The Directors abstain when matters affecting their own interests are discussed.

In accordance with the Company's Articles of Association, every Director is required to retire by rotation at intervals of not less than three years at each Annual General Meeting ("AGM"). The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment.

The details of the retiring Directors are set out in the Statement Accompanying Notice of AGM on page 4 of the Annual Report.

Directors' Training

During the financial year, the Company organised a training course entitled "Translating Corporate Governance Initiatives Into Competitive Advantage" conducted by Asian Academy For Corporate Administration Sdn Bhd for the Directors and senior management. Apart from this, the Directors individually continue to upgrade themselves by attending other courses, trade fairs, seminars and conferences and to update themselves on the new developments in the business environment.

DIRECTORS' REMUNERATION

Remuneration Committee

Pursuant to the Best Practices of the Code, the Board has set up a Remuneration Committee comprising 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The Remuneration Committee consists of the following members:

Dato' Haji Abdullah Bakri Bin A. Wahab
(Chairman, Independent Non-Executive Director)

En Mohd Salleh Bin Othman
(Independent Non-Executive Director)

Ms Kang Hui Ling
(Independent Non-Executive Director)

Mr Cho Joy Leong @ Cho Yok Lon
(Non-Independent Non-Executive Director)

The Remuneration Committee is responsible to recommend to the Board, the remuneration, fees and other remuneration packages payable to Executive and Non-Executive Directors, on a competitive scale with other organisations within the same industry and in accordance with current best practices.

The Board as a whole recommends the Directors' fees to be approved by the shareholders at the AGM.

The remuneration of Directors, in aggregation and analysed into bands of RM50,000 are disclosed on page 17 of the Annual Report.

SHAREHOLDERS

The Board recognises the need and importance of communication with shareholders and investors on all material business matters of the Group. The results of Ekovest and the Group are published quarterly via the website of Bursa Malaysia Securities Berhad at http://announcements.bursamalaysia.com.

The Company also encourages shareholders to attend its Annual General Meeting as this is the principal forum of dialogue and interaction with shareholders. At each Annual General Meeting, the Directors usually provide adequate time to attend to questions and comments of shareholders. Notices of each meeting are issued on a timely manner (at least 21 days before the meeting) to all shareholders.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders as well as the Executive Vice Chairman's Statement in the Annual Report.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 to prepare the financial statements so as to give a true and fair view of the state of affairs of the Company and the Group at the financial year end and of the results and cash flows of the Company and the Group for the financial year.

The Directors have adopted suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and applied applicable accounting standards during the preparation of the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act, 1965.

In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to detect and prevent any fraud as well as any other irregularities.

Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control, which provides reasonable assurance on effective and efficient operations and compliance with laws and regulations.

The Company's Statement on Internal Control is set out on page 21 of the Annual Report.

Relationship with the Auditors

A formal and transparent relationship is maintained with the Company's auditors through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with both external auditors and internal auditors.

The Audit Committee's Report is set out on pages 22 to 24.

STATEMENT ON INTERNAL CONTROL

1. Introduction

The Board of Ekovest Berhad has prepared the following statement which outlines the state of internal control of the Group for the period under review, in accordance with Paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Board's Responsibility

The Board affirms its overall responsibility for the system of internal control of the Group and for reviewing its effectiveness, adequacy and integrity. Due to the limitations that are inherent in any system of internal control, the Board is aware that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

3. Key Elements of Internal Control

a) Risk Management Framework

The Board has an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This process is regularly reviewed by the Board and Audit Committee.

Management is responsible for the identification and evaluation of key risks in the respective areas of business activities on a continuous basis. Risks identified are reported on a timely manner during the periodic management meetings to enable corrective actions to be taken.

b) Internal Audit

The system of internal control of the Group is regularly reviewed for its effectiveness in managing key risks. The internal audit function focuses on areas of priority as determined by risk assessment. Where any significant weaknesses have been identified, improvement measures are recommended to strengthen the internal controls.

The internal audit reports are tabled at Audit Committee meetings which are held every quarter.

c) Other Key Elements of Internal Control

Other key elements of the system of internal control of the Group are as follows:

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Group objectives. In addition, lines of responsibility and delegations of authority are clearly defined.
- The Executive Directors are actively participating in the day-to-day running of the Group's operations. This enables material issues to be effectively resolved on a timely basis.
- Operating units prepare budgets and variances of actual performance against budget/forecast are monitored by the Executive Directors.
- Certain key processes of the Group are governed by written policies and procedures.
- Management monitors the performance of the Group through review of monthly management reports.
- The Audit Committee meets at least four times a year and reviews the effectiveness, adequacy and integrity of the system of internal control of the Group.

4. Control Weaknesses

Management continues to take measures to strengthen the control environment and during the current financial year, there were no major internal control weaknesses which resulted in material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

AUDIT COMMITTEE'S REPORT

The Audit Committee comprises the following members:

Y.Bhg.Dato' Haji Abdullah Bakri Bin A.Wahab
(Chairman, Independent Non-Executive Director)

En Mohd Salleh Bin Othman
(Independent Non-Executive Director)

Mr Cho Joy Leong @ Cho Yok Lon
(Non-Independent Non-Executive Director)

Ms Kang Hui Ling
(Independent Non-Executive Director)

Secretary
The Company Secretary shall be the Secretary of the Audit Committee.

A total of 5 Audit Committee meetings were held during the financial year ended 30 June 2007. The records of attendance are as follows:

	25/08/06	19/10/06	28/11/06	27/02/07	28/05/07
Y.Bhg. Dato'Haji Abdullah Bakri Bin A. Wahab	✓	✓	✓	✓	✓
En. Mohd Salleh Bin Othman	✓	✓	✓	✓	✓
Mr. Cho Joy Leong @ Cho Yok Lon	✓	✓	✓	✓	✓
Ms. Kang Hui Ling	✓	✓	✓	✓	✓

TERMS OF REFERENCE

Composition

The members of Audit Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors and shall consist of not less than 3 members, the majority of whom shall be Independent Non-Executive Directors, and that at least 1 member of the Audit Committee:

1) must be a member of Malaysian Institute of Accountants; or

2) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and :
   a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
   b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
   c) he must be a person approved under Practice Note No. 13/2002 on the Listing Requirements of Bursa Malaysia Securities Berhad

The Chairman of Audit Committee must be an Independent Non-Executive Director and shall be elected from amongst the Audit Committee members.

If a member resigns, dies or for any other reason ceases to be a member of the Audit Committee with the result that the number of members is reduced below 3, the Board shall, within 3 months of that event, appoint such number of new members as may be required to make up the shortfall.

The term of office and performance of Audit Committee members shall be reviewed by the Board no less than every 3 years.

Quorum

The quorum of Audit Committee meeting shall be 2 members of whom the majority of members present shall be Independent Non-Executive Directors.

Authority

The Audit Committee shall:

1) have authority to investigate any matter within its terms of reference;

2) have the resources required to perform its duties;

3) have full and unrestricted access to any information pertaining to the Group;

4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5) be able to obtain independent and professional advice; and

6) be able to convene meetings with the external auditors independently, whenever deemed necessary.

Meeting

The Audit Committee is to meet at least 4 times a year and as many times as it deems necessary.

The Financial Controller, internal auditors, a representative of the external auditors and other authorised officers shall normally attend the meetings. Other Board members may attend the meetings upon the invitation of Audit Committee.

The Chairman of Audit Committee reports the proceedings of meeting to the members of the Board at the Board meeting.

Scope and Function

The Audit Committee shall:

1) review the following and report the same to the Board:

    a) with the external auditors, the audit plan;

    b) with the external auditors, their evaluation of the system of internal control;

    c) with the external auditors, their audit report on the financial statements;

    d) the adequacy of assistance given by the employees of the Group to external auditors;

    e) the adequacy of the scope and resources of the internal audit function and the necessary authority required to carry out its work;

    f) the internal audit programmes, processes, or investigations undertaken and the appropriate actions taken on the recommendations of the internal audit function;

    g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

        i) changes in or implementation of major accounting policy;

        ii) significant and unusual events; and

        iii) compliance with accounting standard and other legal requirements;

h) any related party transaction and conflict of interest that may arise within the Group, including any transaction, procedure or course of conduct that may raise questions of management integrity;

i) any resignation from the external auditors of the Group; and

j) whether there is reason, supported by evidence, to believe that the external auditorsof the Group are not suitable for reappointment; and

2) recommend the nomination of external auditors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2007, the activities of the Audit Committee covered, amongst others, the following:

1) review of the audit planning memorandum with external auditors

2) review of the draft audited financial statements of the Group for the financial year ended 30 June 2006 with the external auditors

3) review of the unaudited quarterly financial results of the Group prior to the approval of the Board.

4) review and approval of the terms of the Proposed Recurrent Related Party Transactions Mandate.

5) review of the Internal Audit Reports and discussion on the audit findings, recommendations and management's response arising from the internal audits conducted to improve internal controls and operational efficiencies.

INTERNAL AUDIT FUNCTION

The internal audit function reports directly to the Audit Committee and is responsible to undertake independent, regular and systematic reviews of the system of internal control to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

During the financial year, the internal audit function has carried out numerous risk-based audit reviews of the key processes of operations and these include, project management, work certification and progress claims, selection and appointment of subcontractors, procurement, receipts and issuance of construction materials, environment, safety, health and security, tender preparation and submission.

The audit steps involved are as follows:

- Defined the audit objectives and audit scope after discussion with Management
- Determined the resources required
- Prepared the Audit Work Programme (AWP)
- Discussed the proposed AWP with Management
- Conducted an opening meeting with Management in charge of the auditable unit
- Performed the necessary tests based on the approved AWP
- Conducted an exit meeting and briefed Management in charge on the findings
- Reported the findings and proposed a set of 'best practices' for improvement to Management and Audit Committee

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

for the year ended 30 June 2007

Directors' Responsibility Statement pursuant to Paragraph 15.27 (a) of Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2007, the Group has used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

FINANCIAL HIGHLIGHTS

	Group 2003 RM'000	Group 2004 RM'000	Group 2005 RM'000	Group 2006 RM'000	Group 2007 RM'000
Gross Revenue	**277,386**	**243,134**	**168,815**	**229,590**	**356,601**
Profit Before Tax	10,054	17,598	9,229	13,717	25,660
Taxation	(5,073)	(8,223)	(4,576)	(5,548)	(8,237)
Profit After Tax	4,981	9,375	4,653	8,169	17,423
Minority Interests	2,377	627	962	(2)	(82)
Profit Attributable To Shareholders	7,358	10,002	5,615	8,167	17,341
Share Capital	86,723	89,598	89,598	134,417	138,627
Reserves	120,403	130,713	133,103	139,303	152,476
Shareholders Funds	207,126	220,311	222,701	273,720	291,103
Represented By:					
Property, Plant and Equipment	36,664	50,368	50,292	50,465	54,228
Investment Properties	-	-	-	-	20,645
Development Rights	4,961	4,961	4,961	4,961	4,961
Investments In Associates	4,773	5,084	5,075	1,034	1,007
Investments In Jointly Controlled Entity	360	803	473	444	421
Other Investments	279	577	577	28,577	128,577
Deferred Tax Assets	-	-	28	-	27
Current Assets	233,366	274,115	276,837	331,352	253,868
Current Liabilities	(61,899)	(97,384)	(99,047)	(134,673)	(157,515)
Non-current Liabilities	(3,127)	(10,589)	(9,833)	(1,776)	(8,370)
Minority Interests	(8,251)	(7,624)	(6,662)	(6,664)	(6,746)
	207,126	220,311	222,701	273,720	291,103
Net Tangible Assets Per Share (RM)	2.33	2.40	2.43	2.00	2.06
Gross Earnings Per Share (RM)	0.13	0.20	0.10	0.11	0.19
Net Earnings Per Share (RM)	0.10	0.11	0.06	0.07	0.13

DIRECTORS' REPORT

for the year ended 30 June 2007

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and civil engineering and building works. The principal activities of the subsidiaries are indicated in Note 6 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	17,423	5,564
Attributable to:		
Shareholders of the Company	17,341	5,564
Minority interests	82	-
	17,423	5,564

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the financial year ended 30 June 2006	
- First and final dividend of 5% less 27% tax paid on 16 March 2007	RM4,906,221

There was an increase in dividend paid amounting to RM67,209 over the amount of RM4,839,012 as disclosed in the directors' report of the previous financial year. The additional dividend paid was attributable to the reduction in corporate income tax rate from 28% to 27%.

The directors now recommend the payment of a first and final dividend of 5% less 26% tax amounting to RM5,129,208 for the year ended 30 June 2007, subject to approval of the shareholders at the forthcoming annual general meeting.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 4,210,250 new ordinary shares arising from the exercise of 4,210,250 warrants of RM1.00 each.

No debentures were issued by the Company during the financial year under review.

DIRECTORS

The directors in office since the date of the last report are:

Y. Bhg Dato' Lim Kang Hoo
Mr Khoo Nang Seng @ Khoo Nam Seng
Mr Cho Joy Leong @ Cho Yok Lon
Y. Bhg Dato' Haji Abdullah Bakri Bin A. Wahab
En Mohd Salleh Bin Othman
Ms Kang Hui Ling
Y. Bhg Dato' Rahmat Bin Abu Bakar (resigned on 13-2-2007)

In accordance with the Company's Articles of Association, Y.Bhg Dato' Lim Kang Hoo and Mr Khoo Nang Seng @ Khoo Nam Seng retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Y. Bhg Dato' Haji Abdullah Bakri Bin A. Wahab retires at the forthcoming annual general meeting in accordance with Section 129(6) of the Companies Act, 1965. The board recommends that he be re-appointed as director of the Company and to hold office until the next annual general meeting.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings required to be kept under section 134 of the Companies Act, 1965, none of the directors who held office at the end of the financial year, held any shares or had any interests in shares in the Company and its related corporations during the financial year except as follows:

	-------- Number of ordinary shares of RM1 each --------			
	At 1-7-2006	Bought	Sold	At 30-6-2007
Y.Bhg Dato' Lim Kang Hoo				
- direct interest	716,000	-	-	716,000
- deemed interest	39,187,500	-	10,000,000	29,187,500
Mr Khoo Nang Seng @ Khoo Nam Seng				
- direct interest	13,482,000	-	-	13,482,000
- deemed interest	-	-	-	-
Mr Cho Joy Leong @ Cho Yok Lon				
- direct interest	184,500	-	-	184,500
- deemed interest	-	-	-	-

	--------------------------- Number of warrants ---------------------------				
	At 1-7-2006	Bought	Exercised	Sold	At 30-6-2007
Y.Bhg Dato' Lim Kang Hoo					
- direct interest	150,000	-	-	-	150,000
- deemed interest	13,062,500	-	-	-	13,062,500
Mr Khoo Nang Seng @ Khoo Nam Seng					
- direct interest	4,494,000	-	-	-	4,494,000
- deemed interest	-	-	-	-	-
Mr Cho Joy Leong @ Cho Yok Lon					
- direct interest	61,500	-	-	-	61,500
- deemed interest	-	-	-	-	-

By virtue of his interests in shares in the Company, Y.Bhg Dato' Lim Kang Hoo is deemed to have interests in shares in all the subsidiaries to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed in Notes 23 and 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Company and of the Group were made out, the directors took reasonable steps:

   (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts but that adequate allowance had been made for doubtful debts; and:

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and of the Group had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

   (i) which would render it necessary to write off any debt or the amount of the allowance for doubtful debts in the financial statements of the Company and of the Group inadequate to any substantial extent, or

   (ii) which would render the values attributed to the current assets in the financial statements of the Company and of the Group misleading, or

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

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

   (i) any charge on the assets of the Company or its subsidiaries which has arisen since the end of the financial year which secures the liabilities of any other person, or

   (ii) any contingent liability of the Company or its subsidiaries which has arisen since the end of the financial year.

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

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

(f) In the opinion of the directors:

   (i) the results of the operations of the Company and of the Group for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

   (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made other than as disclosed in Note 36.

AUDITORS

The auditors, Moores Rowland, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the directors in accordance
with a resolution of the directors

DATO' LIM KANG HOO Executive Vice Chairman	CHO JOY LEONG @ CHO YOK LON Director

23 October 2007

REPORT OF THE AUDITORS
TO THE MEMBERS
for the year ended 30 June 2007

We have audited the financial statements of the Company set out on pages 33 to 84. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities so as to give a true and fair view of:

   (i) the state of affairs of the Company and of the Group at 30 June 2007 and of their results and cash flows for the year ended on that date; and

   (ii) the matters required by section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company and of the Group; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiaries were not subject to any qualification, and did not include any comment made under section 174(3) of the Act.

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/09 (J)
Partner

Kuala Lumpur

23 October 2007

BALANCE SHEETS

for the year ended 30 June 2007

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	54,228	50,465	6,477	21,456
Investment properties	4	20,645	-	15,335	-
Intangible asset	5	4,961	4,961	-	-
Investments in subsidiaries	6	-	-	11,883	11,133
Investments in associates	7	1,007	1,034	949	949
Investment in jointly controlled entity	8	421	444	-	-
Other investments	9	128,577	28,577	298	298
Deferred tax asset	10	27	-	-	-
		209,866	85,481	34,942	33,836
CURRENT ASSETS					
Gross amount due from customers	11	14,740	49,310	641	16,586
Trade and other receivables	12	148,997	175,870	19,581	38,820
Amount owing by subsidiaries	6	-	-	238,954	202,628
Amount owing by associates	7	73	330	73	305
Current tax assets		2,446	2,521	3,998	1,552
Fixed and time deposits	13	84,718	100,815	-	1,615
Cash and bank balances		2,894	2,506	1,679	242
		253,868	331,352	264,926	261,748
TOTAL ASSETS		463,734	416,833	299,868	295,584
EQUITY					
Share capital	14	138,627	134,417	138,627	134,417
Reserves	15	152,476	139,303	106,894	105,715
Equity attributable to shareholders of the Company		291,103	273,720	245,521	240,132
Minority interests		6,746	6,664	-	-
TOTAL EQUITY		297,849	280,384	245,521	240,132

BALANCE SHEETS (cont'd)

for the year ended 30 June 2007

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
NON-CURRENT LIABILITIES					
Hire purchase liabilities	16	1,789	1,437	1,230	526
Bank term loans	17	6,537	170	-	-
Deferred tax liabilities	18	44	169	2,020	131
		8,370	1,776	3,250	657
CURRENT LIABILITIES					
Gross amount due to customers	11	16,524	15,732	-	-
Trade and other payables	19	88,061	62,815	8,628	8,878
Amount owing to a subsidiary	6	-	-	-	31
Amount owing to associates	7	731	763	731	763
Hire purchase liabilities	16	1,062	1,017	672	574
Bank borrowings	20	48,067	53,568	41,066	44,549
Current tax liabilities		3,070	778	-	-
		157,515	134,673	51,097	54,795
TOTAL LIABILITIES		165,885	136,449	54,347	55,452
TOTAL EQUITY AND LIABILITIES		463,734	416,833	299,868	295,584

Notes to and forming part of the financial statements are set out on pages 40 to 84

Auditors' Report - Page 32

INCOME STATEMENTS
for the year ended 30 June 2007

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Gross revenue	21	356,601	229,590	13,412	31,041
Cost of sales	22	(319,084)	(201,574)	(10,205)	(24,201)
Gross profit		37,517	28,016	3,207	6,840
Other operating income		5,405	4,637	13,081	10,138
Administrative and general expenses		(11,458)	(12,624)	(3,451)	(3,810)
Other operating expenses		(2,672)	(3,209)	(2,783)	(3,275)
Profit from operations	23	28,792	16,820	10,054	9,893
Finance costs	24	(3,082)	(3,053)	(2,094)	(2,340)
Share of results					
- associates		(27)	(21)	-	-
- jointly controlled entity		(23)	(29)	-	-
Profit before tax		25,660	13,717	7,960	7,553
Tax expense	25	(8,237)	(5,548)	(2,396)	(2,761)
Net profit for the year		17,423	8,169	5,564	4,792
Attributable to:					
Shareholders of the Company		17,341	8,167	5,564	4,792
Minority interests		82	2	-	-
Net profit for the year		17,423	8,169	5,564	4,792
Earnings per share	26				
- Basic		12.83 sen	6.84 sen		
- Diluted		10.86 sen	6.30 sen		
Net dividend per share	27	3.6 sen	3.6 sen	3.6 sen	3.6 sen

Notes to and forming part of the financial statements are set out on pages 40 to 84
Auditors' Report - Page 32

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007

	Attributable to equity holders of the Company						
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Unappropriated profit RM'000	Total RM'000	Minority interests RM'000	Total RM'000
At 1 July 2005	89,598	44,107	678	88,318	222,701	6,662	229,363
Issue of share capital							
- rights issue	44,799	4,480	-	-	49,279	-	49,279
- exercise of warrants	20	-	-	-	20	-	20
Share issue expenses	-	(1,609)	-	-	(1,609)	-	(1,609)
Realisation of revaluation surplus on amortisation of properties	-	-	(51)	51	-	-	-
Net gain/(loss) recognised directly in equity	-	(1,609)	(51)	51	(1,609)	-	(1,609)
Net profit for the year	-	-	-	8,167	8,167	2	8,169
Total recognised income and expenses for the year	-	(1,609)	(51)	8,218	6,558	2	6,560
Dividend paid (Note 27)	-	-	-	(4,838)	(4,838)	-	(4,838)
At 30 June 2006	134,417	46,978	627	91,698	273,720	6,664	280,384
Effect of adopting FRS 140 (Note 1(a)(iii))	-	-	(21)	759	738	-	738
At 1 July 2006, restated	134,417	46,978	606	92,457	274,458	6,664	281,122
Issue of share capital							
- exercise of warrants	4,210	-	-	-	4,210	-	4,210
Realisation of revaluation surplus on amortisation of properties	-	-	(52)	52	-	-	-
Net gain/(loss) recognised directly in equity	-	-	(52)	52	-	-	-
Net profit for the year	-	-	-	17,341	17,341	82	17,423
Total recognised income and expenses for the year	-	-	(52)	17,393	17,341	82	17,423
Dividend paid (Note 27)	-	-	-	(4,906)	(4,906)	-	(4,906)
At 30 June 2007	138,627	46,978	554	104,944	291,103	6,746	297,849

Notes to and forming part of the financial statements are set out on pages 40 to 84
Auditors' Report - Page 32

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007

	Share capital RM'000	Share Premium RM'000	Asset revaluation reserve RM'000	Unappropriated profit RM'000	Total RM'000
At 1 July 2005	89,598	44,107	678	58,105	192,488
Issue of share capital					
- rights issue	44,799	4,480	-	-	49,279
- exercise of warrants	20	-	-	-	20
Share issue expenses	-	(1,609)	-	-	(1,609)
Realisation of revaluation surplus on amortisation of properties	-	-	(51)	51	-
Net gain/(loss) recognised directly in equity	-	(1,609)	(51)	51	(1,609)
Net profit for the year	-	-	-	4,792	4,792
Total recognised income and expenses for the year	-	(1,609)	(51)	4,843	3,183
Dividend paid (Note 27)	-	-	-	(4,838)	(4,838)
At 30 June 2006	134,417	46,978	627	58,110	240,132
At 1 July 2006	134,417	46,978	627	58,110	240,132
Effect of adopting FRS 140 (Note 1(a)(iii))	-	-	(21)	542	521
At 1 July 2006, restated	134,417	46,978	606	58,652	240,653
Issue of share capital					
- exercise of warrants	4,210	-	-	-	4,210
Realisation of revaluation surplus on amortisation of properties	-	-	(52)	52	-
Net gain/(loss) recognised directly in equity	-	-	(52)	52	-
Net profit for the year	-	-	-	5,564	5,564
Total recognised income and expenses for the year	-	-	(52)	5,616	5,564
Dividend paid (Note 27)	-	-	-	(4,906)	(4,906)
At 30 June 2007	138,627	46,978	554	59,362	245,521

Notes to and forming part of the financial statements are set out on pages 40 to 84

Auditors' Report - Page 32

CASH FLOW STATEMENTS

for the year ended 30 June 2007

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	25,660	13,717	7,960	7,553
Adjustments for:				
Depreciation	2,416	3,346	1,406	2,132
Gain on disposal of property, plant and equipment	(794)	(817)	(716)	(563)
Gain on disposal of investment properties	(107)	-	(92)	-
Property, plant and equipment written off	-	95	-	-
Loss retained in associates	27	21	-	-
Loss retained in jointly controlled entity	23	29	-	-
Allowance for doubtful debts	-	66	-	66
Dividend income	-	-	(7,600)	(5,490)
Interest income	(2,059)	(2,292)	(4,138)	(3,376)
Interest expenses	3,019	2,967	2,094	2,340
Hire purchase term charges	168	178	100	92
Operating profit/(loss) before working capital changes	28,353	17,310	(986)	2,754
Changes in receivables	61,773	(15,615)	35,489	18,992
Changes in payables	26,038	13,570	(281)	(199)
Cash generated from operations	116,164	15,265	34,222	21,547
Interest received	2,059	2,292	4,138	3,376
Interest paid	(3,019)	(2,967)	(2,094)	(2,340)
Tax paid	(6,022)	(3,880)	(901)	(1,400)
Net cash from operating activities	109,182	10,710	35,365	21,183
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(25,255)	(2,932)	(292)	(202)
Purchase of additional shares in a subsidiary	-	-	(750)	-
Purchase of other investments	(100,000)	(28,000)	-	-
Proceeds from disposal of property, plant and equipment	794	1,023	716	578
Proceeds from disposal of investment properties	872	-	660	-
Withdrawal/(placement) of fixed and time deposits	13,432	(90,700)	-	-
Advances to subsidiaries	-	-	(30,778)	(100,060)
Advances to associates	(73)	-	(73)	-
Dividends received from an associate	-	4,020	-	4,020
Net cash used in investing activities	(110,230)	(116,589)	(30,517)	(95,664)

CASH FLOW STATEMENTS (cont'd)

for the year ended 30 June 2007

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank term loan raised	7,308	-	-	-
Revolving credit raised	5,833	20,200	5,833	20,200
Repayment of bank term loans	(7,661)	(7,650)	(7,500)	(7,500)
Repayment to associates	(32)	(2,710)	(32)	(2,710)
Payment of hire purchase instalments	(1,199)	(1,027)	(715)	(535)
Hire purchase term charges paid	(168)	(178)	(100)	(92)
Issue of shares	4,210	49,299	4,210	49,299
Share issue expenses	-	(1,609)	-	(1,609)
Dividend paid to shareholders of the Company	(4,906)	(4,838)	(4,906)	(4,838)
Net cash from/(used in) financing activities	3,385	51,487	(3,210)	52,215
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,337	(54,392)	1,638	(22,266)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(9,087)	45,305	(10,992)	11,274
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(6,750)	(9,087)	(9,354)	(10,992)
Represented by:				
FIXED AND TIME DEPOSITS	7,450	10,115	-	1,615
CASH AND BANK BALANCES	2,894	2,506	1,679	242
BANK OVERDRAFTS	(17,094)	(21,708)	(11,033)	(12,849)
	(6,750)	(9,087)	(9,354)	(10,992)

During the financial year, the Company and the Group acquired property, plant and equipment amounting to RM1,809,000 (2006 : RM202,000) and RM26,851,000 (2006 : RM3,820,000) respectively, of which RM1,517,000 (2006 : RM Nil) for the Company and RM1,596,000 (2006 : RM888,000) for the Group were financed under hire purchase. The balance of RM292,000 (2006 : RM202,000) and RM25,255,000 (2006 : RM2,932,000) respectively for the Company and the Group were paid by cash.

Notes to and forming part of the financial statements are set out on pages 40 to 84
Auditors' Report - Page 32

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board. At the beginning of the current financial year, the Group and the Company had adopted the following new and revised Financial Reporting Standards ("FRS") which are mandatory and applicable to the Group and the Company for financial periods beginning on or after 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In the opinion of the directors, the adoption of these FRSs other than as described below, does not result in significant changes in the accounting policies of the Group and the Company, or has significant impact on the financial statements of the Group and the Company except for the presentation of the balance sheets of the Group and the Company upon the adoption of FRS 101 and the reclassification of investment property upon adoption of FRS 140. The principal changes in accounting policies and their effects resulting from the adoption of the following FRSs are discussed below:

(i) FRS 3 Business Combinations, FRS 136 Impairment of Assets and FRS 138 Intangible Assets

Prior to 1 July 2006, goodwill, if any, was amortised on a straight line basis over its estimated useful life and negative goodwill, if any, was credited to the income statement over a suitable period in relation to the particular circumstances which gave rise to it, otherwise, it was charged to the income statement in the year of acquisition. At each balance sheet date, the Group assessed if there was any indication of impairment of the cash-generating unit to which the goodwill is attached.

The adoption of FRS 3 and FRS 136 has had no impact on the financial statements of the Group for the financial year ended 30 June 2007 and amounts reported for the 2005/2006 period or prior periods as the Group did not have any goodwill or negative goodwill brought forward at 1 July 2006.

In accordance with the transitional provisions of FRS 3, the Group has applied the revised accounting policy for goodwill prospectively from 1 July 2006. The new accounting policy on the recognition and measurement of goodwill is disclosed in Note 1(f).

(ii) FRS 101 Presentation of Financial Statements

Prior to 1 July 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the consolidated statement of changes in equity. FRS 101 also requires disclosure, on the face of the consolidated statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

These changes in presentation have been applied retrospectively, and accordingly, the comparatives have been restated. These changes in presentation have no impact on the financial statements of the Company.

Prior to 1 July 2006, the Group's share of tax expense of associates and jointly controlled entities accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of FRS 101, the share of tax expense of associates and jointly controlled entities accounted for using the equity method is now included in the respective share of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively, and accordingly, the comparatives have been restated as shown in Note 35(a). These changes in presentation has no impact on the financial statements of the Company.

(iii) FRS 140 Investment Property

Prior to 1 July 2006, investment properties were included in property, plant and equipment and were stated at cost less accumulated depreciation and accumulated impairment losses. Upon the adoption of FRS 140, investment properties are now classified separately and stated at fair value and gains and losses arising from changes in fair value are recognised in the income statement in the year in which they arise.

The Group and the Company have applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2006 or prior periods as the Group and the Company had not previously disclosed publicly the required fair value information annually in its financial statements. Accordingly, the comparatives are not restated. Instead, the changes have been accounted for by restating the following opening balances of the Group and the Company at 1 July 2006:

	Group RM'000	Company RM'000
Increase in unappropriated profit	759	542
Decrease in asset revaluation reserve	(21)	(21)
	738	521
Decrease in property, plant and equipment (Note 3)	(20,672)	(15,382)
Increase in investment properties (Note 4)	21,410	15,903
	738	521

Had there not been a change in accounting policy, the net profit attributable to the shareholders of the Company for the year ended 30 June 2007 at the Group level and at the Company level would decrease by RM265,365 and RM178,762 respectively arising from annual depreciation charges for the year which would have been charged to the income statement for the year.

The Group has not opted for early adoption of the following new and revised FRSs which are applicable to the Group:

(i) FRS 117 Leases and FRS 124 Related Party Disclosures, which are effective for financial periods beginning on or after 1 October 2006;

(ii) FRS 107 Cash Flow Statements, FRS 111 Construction Contracts, FRS 112 Income Taxes, FRS 118 Revenue and FRS 137 Provisions, Contingent Liabilities and Contingent Assets, which are effective for financial periods beginning on or after 1 July 2007; and

(iii) FRS 139 Financial Instruments : Recognition and Measurement, which has been deferred to an effective date yet to be announced.

The measurement bases applied in the presentation of the financial statements of the Group and the Company include cost, recoverable value, realisable value and fair value as indicated in the accounting policies set out below. Accounting estimates are used in measuring these values.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company. The financial statements of foreign operations that have a functional currency other than RM have been translated and are presented in RM. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Critical judgement made in applying accounting policies

- Note 3 : Classification between property, plant and equipment and investment properties
- Note 4 : Classification of investment properties

(ii) Areas of estimation uncertainty

- Note 6 : Measurement of impairment loss on investments in subsidiaries
- Note 12 : Allowance for doubtful debts on trade receivables

(c) Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's balance sheet, investments in subsidiaries are stated at cost less accumulated impairment losses, unless the investment is classified as held for sale or included in a disposal group that is classified as held for sale. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Uniform accounting policies are adopted for like transactions and events in similar circumstances. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

All subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only. Unrealised profits and losses resulting from intra-group transactions that are recognised in assets are also eliminated in full. The temporary differences arising from the elimination of unrealised profits and losses are recognised in accordance with Note 1(u).

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of a business combination to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed and equity instruments issued, plus any costs directly attributable to the acquisition.

The excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities recognised, over the Group's cost of a business combination is recognised immediately in the consolidated income statement after reassessment.

Minority interests represent the portion of profit or loss and net assets of subsidiaries, attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. Minority interests are presented separately in the consolidated balance sheet within equity while minority interests in the profit or loss of the Group are separately disclosed in the consolidated income statement.

(e) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting unless they are classified as held for sale or included in a disposal group that is classified as held for sale. Under the equity method, the investments in associates are carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interests in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates. The associates are equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investments are acquired.

When the Group's share of losses in an associate equal or exceed its interest in the associate, including any long-tem interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has an obligation or has made payments on behalf of the associate.

In applying the equity method of accounting, the post-acquisition results and reserves of the associates accounted for are based on the most recent available audited financial statements of the associates and where the date of the audited financial statements used is not coterminous with that of the Group, the share of results is derived from the last audited financial statements available and management financial statements made up to the end of the accounting year. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's balance sheet, investments in associates are stated at cost less accumulated impairment losses unless they are classified as held for sale or included in a disposal group that is classified as held for sale.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(f) Intangible assets

(i) Goodwill

Goodwill, if any, acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Development rights

Development rights are stated at cost of acquisition less any accumulated impairment losses. Subsequent expenditure incurred is added to the development rights when it is probable that future economic benefits, in addition to the benefits to be derived from the existing assets, will flow to the Group. Development right, considered to have an indefinite useful life is not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired.

Development rights are transferred to property development costs when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(g) Jointly controlled entity

The Group has an interest in a joint venture which is a jointly controlled entity. Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to a joint control. The jointly controlled entities are joint ventures that involve the establishment of separate entities in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 1 (e).

In the balance sheet, investments in jointly controlled entities are stated at cost less accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are included in the income statement.

(h) Property, plant and equipment

(i) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except for certain properties which are stated at valuation carried out in 1993 less accumulated depreciation and any accumulated impairment losses.

The Company has applied the transitional provision of FRS 116 Property, Plant and Equipment, to retain the revalued amount as if it is at the cost basis. It is not the Group's policy to carry out regular valuations of its property, plant and equipment. The revaluation carried out in 1993 was a one-off exercise, and the carrying amount of the revalued properties has been retained on the basis of their previous revaluation as surrogate cost. Accordingly, this valuation has not been updated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(ii) Depreciation

Freehold land is not amortised while leasehold land is amortised on the straight line basis over the remaining lease periods of between 43 and 99 years. Depreciation is calculated to write off the cost of other property, plant and equipment on the straight line basis to their residual values over their expected economic useful lives at the following annual rates:

Buildings/Apartments	2%
Equipment, plant and machinery	10% - 20%
Motor vehicles	20%
Office equipment	10% - 33 1/3%
Furniture and fittings	10%

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodies in the items of property, plant and equipment.

(i) Leases

(i) Finance leases - Assets acquired under hire purchase agreements

Assets financed by hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group, are capitalised as property plant and equipment and the corresponding obligations are treated as liabilities. On initial recognition, assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present values of the minimum hire purchase payments at the inception of the hire purchase agreements. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

In calculating the present value of the minimum hire purchase payments, the discount rate is the interest rate implicit in the hire purchase agreements, if this is practicable to determine, if not, the Group's incremental borrowing rates are used.

(ii) Operating leases

Operating leases are those leases other than finance leases. Lease payments under operating leases are charged to the income statement on a straight line basis over the period of the lease.

(j) Investment properties

Investment properties are properties which are held either to earn rentals or for capital appreciation or for both and are measured initially at cost, including transaction costs. Properties that are occupied by the Company and other related companies in the Group are accounted for as owner-occupied under property, plant and equipment rather than as investment properties. Subsequent to initial recognition, the investment properties are stated at fair value. The fair value, which is determined by the directors, is arrived at by reference to market evidence of transaction prices for similar properties and reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of the investment properties are recognised as income or expense in the income statement in the period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or for both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the financial year in which they arise.

(k) Other investments

Other investments which comprise quoted and unquoted equity shares, are stated at cost less any diminution in value of the investments. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value, if any, is charged to the income statement. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is included in the income statement.

(l) Construction contracts

The Group's construction contracts comprise fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that contract costs incurred to date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

When the outcome of a construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

Where it is probable that the total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or the stage of completion of contract activity, or the amounts of profits expected to arise on other unrelated contracts.

On the balance sheet, contracts work-in-progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

(m) Receivables

Receivables are stated at anticipated realisable values. Known bad debts are written off and an estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(n) Impairment of assets

The carrying amounts of assets other than financial assets, investment properties that are measured at fair value, other investments, deferred tax asset and assets arising from construction contracts are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. For goodwill that has an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are charged to the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or groups of units on a pro rata basis.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each balance sheet date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

Any subsequent increase in recoverable amount of an asset is recognised as reversal of previous impairment loss and 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.

(o) Share capital

Ordinary shares are recorded at the nominal value and proceeds 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 directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

Dividends on ordinary shares, when declared or proposed by the directors of the Company are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

(p) Payables

Payables are stated at cost and are recognised when there is a contractual obligation to deliver cash or another financial asset to settle the obligation.

(q) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the functional currency of the primary economic environment in which the entity operates ("the functional currency").

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statement. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognised in the income statement for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, regardless of the currency of the monetary item, are recognised in the income statement of the Group or the individual financial statements of the foreign operations, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are recognised in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(r) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method where the outcome of the contracts can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

(ii) Hiring and rental income

Hiring income from machineries and motor vehicles, rental income from investment properties and other rental income are recognised on a time proportion basis over the lease term.

(iii) Dividend income

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

(iv) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate applicable.

(s) Employee benefits

(i) Short term benefits

Salaries, allowances, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by the employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care and other staff related expenses are charged to the income statement as and when incurred.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the financial year to which they relate.

(iii) Termination benefits

Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy or after individual employees have been advised of the specific terms.

(t) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. The interest component of hire purchase payments is charged to the income statement over the hire purchase periods so as to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(u) Tax expense

The tax expense in the income statement comprises current tax and deferred tax. Current tax is an estimate of tax payable in respect of taxable profit for the year based on tax rate enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in full, based on the liability method for taxation deferred in respect of all material temporary differences arising from differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Current and deferred tax is recognised as an income or an expense in the income statement or is credited or charged directly to equity if the tax relates to items that are credited or charged, whether in the same or different period, directly to equity.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts, fixed and time deposits which exclude those pledged to secure banking facilities and other short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

(w) Financial instruments

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

(i) Financial instruments recognised in the balance sheets

The recognised financial instruments of the Group comprise cash and cash equivalents, other investments, receivables, payables, bank borrowings, hire purchase liabilities as well as ordinary share capital. These financial instruments are recognised when a contractual relationship has been established. All the financial instruments are denominated in Ringgit Malaysia, unless otherwise stated. The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements.

(ii) Financial instruments not recognised in the balance sheets

The Company has provided unsecured corporate guarantees in respect of banking and trade facilities granted to subsidiaries which represent present obligations existed at the balance sheet date but are not recognised in the financial statements at inception because it is not probable that an outflow of economic benefits will be required to settle the obligations.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objectives and policies are to ensure that the Group creates value and maximises returns to its shareholders.

Financial risk management is carried out through risk review, internal control systems, benchmarking the industry's best practices and adherence to Group's financial risk management policies.

The Group has been financing its operations mainly from internally generated funds and bank borrowings. The Group does not find it necessary to enter into derivative transactions based on its current level of operations.

The main risks arising from the financial instruments of the Group are stated below. The management of the Group monitors its financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

(i) Credit risk

Credit risk arises when progress billings on contract works are raised and services are rendered on deferred credit terms.

The entire financial assets of the Group are exposed to credit risk except for cash and bank balances and fixed and time deposits which are placed with licensed banks in Malaysia. The Group invests its surplus cash safely and profitably by depositing them with licensed financial institutions.

The Group's exposure to credit risk is monitored on an ongoing basis. The Group has credit risk policies in place to manage credit risk exposure. The risk is managed through the application of the Group's credit management procedures which include regular monitoring and follow up procedures.

The Group carefully selects the projects in which it intends to participate. The selection is based on criteria that are reviewed periodically to take into account developments in the market. The Group also manages its credit risk exposure by maintaining good business relationship with its customers. This approach has enabled the Group to manage its credit risk more effectively in addition to the above credit risk management procedures.

The Group does not require collateral in respect of financial assets and considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

(ii) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group is exposed to interest rate risk in respect of its fixed and time deposits placed with licensed banks, bank borrowings and hire purchase liabilities.

Interest rate risk arising from fixed and time deposits placements, which are short term in nature, is managed by sourcing for the highest interest rate in the market from amongst licensed financial institutions after taking into account the duration and availability of surplus funds from the Group's operations.

Interest rate risk arising from bank borrowings is subject to floating interest rates with the interest rates spread above the bank's base lending rate agreed before the facilities are accepted.

The Group does not consider interest rate risk arising from hire purchase financing, which carried fixed interest rates, as having significant impact on the financial statements of the Group as the amounts financed are not significant.

(iii) Market risk

The Group is exposed to market risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market prices.

The Group's exposure to market risk is in respect of its quoted investments. The investments are monitored regularly and subject to periodic review. The investments are assessed for any diminution in their carrying values and allowances are made for such diminution in value, if any, which is other than temporary.

The Group does not use derivative instruments to manage the risk as the investments are held for long term strategic purposes.

(iv) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of transactions denominated in foreign currencies other than its functional currency entered into by the Group. The Group's exposure to foreign currency exchange risk is monitored on an ongoing basis.

The Group has not hedged against the translation exposure as it does not form a significant proportion of the Group's gross assets.

(v) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash, fixed and time deposits and the availability of funding through an adequate amount of committed credit facilities. The Group's exposure to liquidity and cash flow risk is monitored on an ongoing basis. Due to the nature of the business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available to meet its liquidity requirements while ensuring an effective working capital management within the Group.

3. PROPERTY, PLANT AND EQUIPMENT

Group

2007	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation								
At 1 July								
Cost	10,748	33,464	-	19,436	16,556	3,954	1,736	85,894
Valuation	6,382	-	305	-	-	-	-	6,687
	17,130	33,464	305	19,436	16,556	3,954	1,736	92,581
Effects of adopting FRS 140								
- elimination of accumulated depreciation	(302)	(617)	(86)	-	-	-	-	(1,005)
- elimination of accumulated impairment loss	(150)	-	-	-	-	-	-	(150)
- reclassification to investment properties (Note 4)	(2,234)	(18,219)	(219)	-	-	-	-	(20,672)
At 1 July, restated								
Cost	8,062	14,628	-	19,436	16,556	3,954	1,736	64,372
Valuation	6,382	-	-	-	-	-	-	6,382
	14,444	14,628	-	19,436	16,556	3,954	1,736	70,754
Additions	24,732	-	-	-	1,964	148	7	26,851
Disposals	-	-	-	(1,092)	(520)	-	-	(1,612)
At 30 June								
Cost	32,794	14,628	-	18,344	18,000	4,102	1,743	89,611
Valuation	6,382	-	-	-	-	-	-	6,382
	39,176	14,628	-	18,344	18,000	4,102	1,743	95,993

Group

2007	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Accumulated depreciation								
At 1 July	1,930	1,700	86	18,593	14,269	3,714	1,674	41,966
Effect of adopting FRS 140	(302)	(617)	(86)	-	-	-	-	(1,005)
At 1 July, restated	1,628	1,083	-	18,593	14,269	3,714	1,674	40,961
Charge for the year	116	181	-	289	1,686	130	14	2,416
Disposals	-	-	-	(1,092)	(520)	-	-	(1,612)
At 30 June	1,744	1,264	-	17,790	15,435	3,844	1,688	41,765
Accumulated impairment loss								
At 1 July	150	-	-	-	-	-	-	150
Effect of adopting FRS 140	(150)	-	-	-	-	-	-	(150)
At 1 July, restated	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	-	-	-	-	-	-
At 30 June	-	-	-	-	-	-	-	-
Net carrying amount at 30 June								
Cost	32,794	13,364	-	554	2,565	258	55	49,590
Valuation	4,638	-	-	-	-	-	-	4,638
	37,432	13,364	-	554	2,565	258	55	54,228

Group

2006	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation								
At 1 July								
Cost	10,748	31,520	-	20,656	15,920	3,946	1,738	84,528
Valuation	6,382	-	305	-	-	-	-	6,687
	17,130	31,520	305	20,656	15,920	3,946	1,738	91,215
Additions	-	1,944	-	845	990	34	7	3,820
Disposals	-	-	-	(1,965)	(354)	(16)	-	(2,335)
Write-off	-	-	-	(100)	-	(10)	(9)	(119)
At 30 June								
Cost	10,748	33,464	-	19,436	16,556	3,954	1,736	85,894
Valuation	6,382	-	305	-	-	-	-	6,687
	17,130	33,464	305	19,436	16,556	3,954	1,736	92,581
Accumulated depreciation								
At 1 July	1,774	1,291	80	19,723	12,715	3,592	1,598	40,773
Charge for the year	156	409	6	839	1,721	138	77	3,346
Disposals	-	-	-	(1,949)	(167)	(13)	-	(2,129)
Write-off	-	-	-	(20)	-	(3)	(1)	(24)
At 30 June	1,930	1,700	86	18,593	14,269	3,714	1,674	41,966

Group

2006	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Accumulated impairment loss								
At 1 July	150	-	-	-	-	-	-	150
Impairment loss for the year	-	-	-	-	-	-	-	-
At 30 June	150	-	-	-	-	-	-	150
Net carrying amount at 30 June								
Cost	10,296	31,764	-	843	2,287	240	62	45,492
Valuation	4,754	-	219	-	-	-	-	4,973
	15,050	31,764	219	843	2,287	240	62	50,465

Company

2007	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation								
At 1 July								
Cost	1,085	14,635	-	17,146	11,627	2,955	1,598	49,046
Valuation	6,382	-	305	-	-	-	-	6,687
	7,467	14,635	305	17,146	11,627	2,955	1,598	55,733
Effects of adopting FRS 140								
- elimination of accumulated depreciation	(149)	(408)	(86)	-	-	-	-	(643)
- reclassification to investment properties (Note 4)	(936)	(14,227)	(219)	-	-	-	-	(15,382)
At 1 July, restated								
Cost	-	-	-	17,146	11,627	2,955	1,598	33,326
Valuation	6,382	-	-	-	-	-	-	6,382
	6,382	-	-	17,146	11,627	2,955	1,598	39,708
Additions	-	-	-	-	1,757	44	8	1,809
Disposals	-	-	-	(1,017)	(308)	-	-	(1,325)
At 30 June								
Cost	-	-	-	16,129	13,076	2,999	1,606	33,810
Valuation	6,382	-	-	-	-	-	-	6,382
	6,382	-	-	16,129	13,076	2,999	1,606	40,192

Company

2007	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Accumulated depreciation								
At 1 July	1,778	408	86	17,083	10,530	2,826	1,566	34,277
Effect of adopting FRS 140	(149)	(408)	(86)	-	-	-	-	(643)
At 1 July, restated	1,629	-	-	17,083	10,530	2,826	1,566	33,634
Charge for the year	115	-	-	31	1,179	71	10	1,406
Disposals	-	-	-	(1,017)	(308)	-	-	(1,325)
At 30 June	1,744	-	-	16,097	11,401	2,897	1,576	33,715
Net carrying amount at 30 June								
Cost	-	-	-	32	1,675	102	30	1,839
Valuation	4,638	-	-	-	-	-	-	4,638
	4,638	-	-	32	1,675	102	30	6,477

Company

2006	Freehold land and buildings RM'000	Long term leasehold land and buildings/ apartments RM'000	Short term leasehold land and building RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost/Valuation								
At 1 July								
Cost	1,085	14,508	-	18,492	11,699	2,928	1,591	50,303
Valuation	6,382	-	305	-	-	-	-	6,687
	7,467	14,508	305	18,492	11,699	2,928	1,591	56,990
Additions	-	127	-	-	38	30	7	202
Disposals	-	-	-	(1,346)	(110)	(3)	-	(1,459)
At 30 June								
Cost	1,085	14,635	-	17,146	11,627	2,955	1,598	49,046
Valuation	6,382	-	305	-	-	-	-	6,687
	7,467	14,635	305	17,146	11,627	2,955	1,598	55,733
Accumulated depreciation								
At 1 July	1,644	246	80	17,846	9,528	2,751	1,494	33,589
Charge for the year	134	162	6	568	1,112	78	72	2,132
Disposals	-	-	-	(1,331)	(110)	(3)	-	(1,444)
At 30 June	1,778	408	86	17,083	10,530	2,826	1,566	34,277
Net carrying amount at 30 June								
Cost	936	14,227	-	63	1,097	129	32	16,484
Valuation	4,753	-	219	-	-	-	-	4,972
	5,689	14,227	219	63	1,097	129	32	21,456

Details of land and buildings are as follows:

Group	Cost/ Valuation 2007 RM'000	Accumulated depreciation 2007 RM'000	Net carrying amount 2007 RM'000	Net carrying amount 2006 RM'000
Freehold				
- land, at cost	32,794	-	32,794	8,737
- buildings, at cost	-	-	-	1,559
	32,794	-	32,794	10,296
Freehold				
- land, at valuation	568	-	568	568
- building, at valuation	5,814	1,744	4,070	4,186
	6,382	1,744	4,638	4,754
	39,176	1,744	37,432	15,050
Long term leasehold				
- land, at cost	14,628	1,264	13,364	13,585
- buildings/apartments at cost	-	-	-	18,179
	14,628	1,264	13,364	31,764
Short term leasehold				
- land, at valuation	-	-	-	6
- building, at valuation	-	-	-	213
	-	-	-	219
Company				
Freehold				
- land, at cost	-	-	-	220
- buildings, at cost	-	-	-	716
	-	-	-	936
Freehold				
- land, at valuation	568	-	568	568
- building, at valuation	5,814	1,744	4,070	4,185
	6,382	1,744	4,638	4,753
	6,382	1,744	4,638	5,689

Company	Cost/ Valuation 2007 RM'000	Accumulated depreciation 2007 RM'000	Net carrying amount 2007 RM'000	Net carrying amount 2006 RM'000
Long term leasehold				
apartments, at cost	-	-	-	14,227
	-	-	-	14,227
Short term leasehold				
- land, at valuation	-	-	-	6
- building, at valuation	-	-	-	213
	-	-	-	219

The directors valued certain freehold and leasehold properties of the Company based on valuation carried out by independent firms of professional valuers on the open market value basis in 1992 which was approved and revised by the Securities Commission using the comparison method of valuation in 1993.

The net carrying amounts of the revalued freehold and leasehold properties of the Company that would have been included in the financial statements had the properties been carried at cost less accumulated depreciation are as follows:

	2007 RM'000	2006 RM'000
Freehold land and buildings	2,727	2,795
Short term leasehold land and building	-	197
	2,727	2,992

Included in the cost of property, plant and equipment of the Company and of the Group are fully depreciated property, plant and equipment as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Equipment, plant and machinery	16,891	15,203	15,974	14,306
Motor vehicles	10,176	8,421	7,182	6,066
Office equipment	3,353	3,025	2,565	2,450
Furniture and fittings	1,604	970	1,514	880
	32,024	27,619	27,235	23,702

Included in the net carrying amounts of property, plant and equipment of the Company and of the Group are the following:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
(i) Property, plant and equipment acquired under hire purchase				
Equipment, plant and machinery	-	63	-	-
Motor vehicles	2,332	1,938	1,631	884
	2,332	2,001	1,631	884
(ii) Property, plant and equipment registered in the names of third parties who are holding in trust for the Company and the Group				
Equipment, plant and machinery	518	22	11	22
(iii) Title deeds of land and buildings/ apartments yet to be issued by relevant authorities				
Freehold land and buildings	193	198	193	198
Long term leasehold land and buildings/apartments	-	18,218	-	14,227
	193	18,416	193	14,425
(iv) Property, plant and equipment charged to licensed banks for banking facilities granted to the Group				
Freehold land	1,854	1,854	-	-
Long term leasehold land	13,364	13,544	-	-
	15,218	15,398	-	-

Included in the freehold land and buildings of the Group is a freehold land and building with a net carrying amount of RM4,637,705 (2006 : RM4,735,992) where an insignificant portion of the building is held to earn rentals whilst a significant portion is used for administrative purposes by companies within the Group. Hence this property is classified as property, plant and equipment rather than as investment property.

4. INVESTMENT PROPERTIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 July				
Effect of adopting FRS 140				
- Reclassification from property, plant and equipment (Note 3)	20,672	-	15,382	-
- Fair value adjustment at 1 July	738	-	521	-
At 1 July, restated	21,410	-	15,903	-
Addition	-	-	-	-
Disposal	(765)	-	(568)	-
Changes in fair value	-	-	-	-
At 30 June	20,645	-	15,335	-
Investment properties comprise:				
Freehold land and commercial buildings	1,708	-	868	-
Short term leasehold land and buildings	400	-	400	-
Long term leasehold land and buildings/ apartments	18,537	-	14,067	-
	20,645	-	15,335	-

The title deeds of long term leasehold land and buildings/apartments have yet to be issued by the relevant authorities.

The investment properties, which were previously classified under property, plant and equipment, have been reclassified as investment properties during the financial year upon the adoption of FRS 140.

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualified as an investment property. Investment property is a property held to earn rentals or for capital appreciation or for both. In making judgement, the Group considers whether a property generates cash flows largely independent of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the properties, but also other assets and in the production and supply of goods and services. Judgement is also made on an individual property basis to determine whether ancillary services are so significant that the property does not qualify as an investment property. The Group has adopted the fair value model in measuring the above investment properties with effect from 1 July 2006. The fair value of the investment properties at the end of the financial year was determined by the directors based on various studies conducted which reasonably reflect market conditions of similar properties at the balance sheet date.

5. INTANGIBLE ASSET

	Group	
	2007 RM'000	2006 RM'000
Development rights, at cost		
At 1 July	4,961	4,961
Addition/Disposal	-	-
At 30 June	4,961	4,961

6. INVESTMENTS IN SUBSIDIARIES

	2007 RM'000	2006 RM'000
Unquoted shares, at cost	11,934	11,184
Less: Accumulated impairment loss	51	51
	11,883	11,133

Amount owing by subsidiaries comprise:

	2007 RM'000	2006 RM'000
Gross receivables	239,370	203,044
Less: Allowance for doubtful debts	416	416
	238,954	202,628

The amount owing by the subsidiaries represents unsecured advances which are interest free and have no fixed terms of repayment except for an amount of RM118,582,768 (2006 : RM101,253,724) which bears an effective interest rate of 3.0% (2006 : 3.0%) per annum.

The amount owing to a subsidiary in the previous financial year represented trade payables which were unsecured, interest free and had no fixed terms of repayment.

The subsidiaries, which are all incorporated in Malaysia, are as follows:

Subsidiaries of the Company	Gross equity interest 2007 %	2006 %	Principal activities
Binawani Sdn Bhd	100	100	Civil engineering and building works
Felda Ekovest Sdn Bhd	50	50	Civil engineering and building works
Ekovest Construction Sdn Bhd	100	100	Civil engineering and building works
Ekovest Project Management Sdn Bhd	100	100	Project management for construction works
Ekovest Land Sdn Bhd (formerly known as Bimstar Sdn Bhd)	100	100	Investment holding
Saujarena Bina Sdn Bhd	100	100	Property investment
Ekovest Oil & Gas Sdn Bhd	51	51	Inactive

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)

for the year ended 30 June 2007

Subsidiaries of the Company	Gross equity interest 2007 %	2006 %	Principal activities
Prompt Capital Sdn Bhd	100	100	Inactive
Ekovest Properties Sdn Bhd (formerly known as Cherry Court Sdn Bhd)	100	100	Inactive
Timur Terang Sdn Bhd	100	100	Inactive
Ekovest-Faber Sdn Bhd (formerly known as Ukasa Bina Sdn Bhd)	100	-	Civil engineering and building works

Subsidiaries of Felda Ekovest Sdn Bhd			
Felda Ekovest Development Sdn Bhd	100	100	Inactive
Felda Ekovest Plantations Sdn Bhd	100	100	Inactive

Subsidiary of Ekovest Land Sdn Bhd			
Milan Prestasi Sdn Bhd	100	100	Inactive

(a) Impairment test for investment in subsidiaries

The management reviews the carrying amounts of the investments in subsidiaries at each balance sheet date to determine whether there is any indication of impairment. The management's assessment on whether there is an indication is based on external as well as internal sources of information. If such indication exists, impairment loss on the value of the investment is made to determine the recoverable amount of the investments.

(b) Key assumptions used in indicative values (value-in-use) calculations

The recoverable amount is determined based on indicative values (value-in-use) calculated using the free cash flow projections based on the financial models approved by the management. The following describes the key assumptions on which the management has based the cash flow projections to undertake impairment tests:

(i) Budgeted revenue
The growth rate used is the average growth rate for the last 2 years

(ii) Budgeted expenses
Expenses are budgeted to grow at inflation rate

(iii) Discounted rate
The discounted rate used is between 8.3% and 9.7%

The management believes that no reasonable possible changes in any of the key assumptions above would cause the net carrying value of the investments in subsidiaries to exceed their recoverable amounts.

7. INVESTMENTS IN ASSOCIATES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Unquoted shares, at cost	949	949	949	949
Group's share of post-acquisition results	58	85	-	-
	1,007	1,034	949	949

The amount owing by the associates in the current financial year represents unsecured advances which are interest free and have no fixed terms of repayment.

The amount owing by the associates in the previous financial year represented trade receivables which were unsecured, interest free and had no fixed terms of repayment.

The amount owing to the associates represents unsecured advances which are interest free and have no fixed terms of repayment.

The associates, which are all incorporated in Malaysia, are as follows:

Name of companies	Gross equity interest 2007 %	2006 %	Principal activities
Peremba Ekovest Sdn Bhd	49	49	Management and development of construction projects
Syabas Hakikat Sdn Bhd	40	40	Management and development of construction projects
Limbongan-Ekovest Management Sdn Bhd	49	49	Project management
Entrecanales-Ekovest Sdn Bhd (under members' voluntary winding up)	30	30	Inactive

The financial year ends of the above associates are not co-terminous with that of the Company.

Name of Company	Financial year end
Peremba Ekovest Sdn Bhd	31 December 2006
Syabas Hakikat Sdn Bhd	31 December 2006
Limbongan-Ekovest Management Sdn Bhd	31 March 2007
Entrecanales-Ekovest Sdn Bhd	31 December 2006

For the purpose of applying the equity method of accounting, the latest audited financial statements of the above associates for their respective year ends and the management financial statements made up to the end of the financial period ended 30 June 2007 have been used.

The Group does not have any share of the associates' contingent liabilities incurred jointly with other investors or any share of contingent liabilities that arise whereby the Group is severally liable for all or part of the liabilities of the associates.

The summarised financial information of the associates at 30 June 2007 are as follows:

	Group	
	2007 RM'000	2006 RM'000
Assets and liabilities		
Non-current assets	7	9
Current assets	4,695	18,184
Total assets	4,702	18,193
Non-current liabilities	-	-
Current liabilities	1,930	15,352
Total liabilities	1,930	15,352
Results		
Revenue	175	17,413
Loss for the year	(60)	(39)

8. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group	
	2007 RM'000	2006 RM'000
Unquoted shares, at cost	6	6
Group's share of post-acquisition results	415	438
	421	444

The jointly controlled entity is ECSB-JSR Constructions (JV) Private Limited, a company incorporated in India in which the Group has a 70% (2006 : 70%) equity interest. The jointly controlled entity is held through Ekovest Construction Sdn Bhd. The principal activity of the jointly controlled entity is to carry on the business of builders and contractors for general engineering and construction works.

The Group's share of assets and liabilities at 30 June 2007 and revenue and results for the year of the jointly controlled entity is as follows:

	2007 RM'000	2006 RM'000
Assets and liabilities		
Non-current assets	-	-
Current assets	496	466
Total assets	496	466
Non-current liabilities	-	-
Current liabilities	62	37
Total liabilities	62	37
Results		
Revenue	-	-
Loss for the year	23	29

The jointly controlled entity has no contingencies and capital commitments at year end.

9. OTHER INVESTMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At cost				
Shares quoted in Malaysia	577	577	298	298
Unquoted shares	128,000	28,000	-	-
	128,577	28,577	298	298
At market value				
Shares quoted in Malaysia	2,138	1,331	171	77

The unquoted shares of a subsidiary represents 28 (2006 : 28) redeemable preference shares ("RPS") issued at RM1,000,000 per RPS and 1,000 (2006 : Nil) RPS issued at RM100,000 per RPS. The RPS has a fixed dividend rate of 8% per annum and is issued by unquoted corporations incorporated in Malaysia. The RPS is assigned to a licensed financial institution for banking and other credit facilities granted to the said subsidiary.

10. DEFERRED TAX ASSET

	Group	
	2007 RM'000	2006 RM'000
At 1 July	-	28
Transfer from/(to) income statement	27	(28)
At 30 June	27	-

The deferred tax asset represents deductible temporary differences between net carrying amount and tax written down value of property, plant and equipment.

At 30 June 2007, the Group has not recognised deferred tax assets arising from the following temporary differences as it is not probable that future taxable profit will be available against which the assets can be utilised:

	2007 RM'000	2006 RM'000
Deductible temporary differences on		
- unused tax losses	2,064	2,062
- unabsorbed capital allowances	31	29
	2,095	2,091
Less:		
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	(10)	(22)
	2,085	2,069

11. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cost of contracts	1,405,937	1,085,133	301,490	292,379
Attributable profit less foreseeable losses recognised to-date	144,759	108,439	61,328	58,358
	1,550,696	1,193,572	362,818	350,737
Less:				
Progress billings	1,552,480	1,159,994	362,177	334,151
	(1,784)	33,578	641	16,586
Represented by:				
Gross amount due from customers	14,740	49,310	641	16,586
Gross amount due to customers	(16,524)	(15,732)	-	-
	(1,784)	33,578	641	16,586
Retention sums receivable from customers included in:				
- trade receivables	13,447	12,528	-	-
- amount owing by an associate	-	200	-	200
	13,447	12,728	-	200
Advances received (included in other payables, Note 19)	10,000	10,000	-	-

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Gross trade receivables	139,803	163,804	17,915	38,005
Less:				
Allowance for doubtful debts	66	66	66	66
	139,737	163,738	17,849	37,939
Gross other receivables	4,027	6,025	540	2,604
Less:				
Allowance for doubtful debts	-	2,144	-	1,953
	4,027	3,881	540	651
Sundry deposits and prepayments	5,233	8,251	1,192	230
	148,997	175,870	19,581	38,820

Trade receivables comprise amounts receivable from progress billings made to customers on contract work performed, retention sums receivable and services rendered to customers. Trade receivables are granted normal credit periods of between 30 and 90 days and may be extended at the discretion of the management, while retention sums are receivable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

The collectibility of receivables is assessed on an on going basis. An allowance for doubtful debt is made for any account considered to be doubtful for collection. The allowance for doubtful debts is made based on a review of all outstanding accounts at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Included in trade receivables are the following:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Amounts owing by companies in which a director of the Company has financial interests	26,275	18,742	51	204
Amounts owing by companies in which the son of a former director of the Company has financial interests	-	2,630	-	776
Amounts owing by companies in which certain directors of the Company have financial interests	4,061	3,736	4,020	3,686

Included in other receivables are the followings:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Amounts owing by companies in which a director of the Company has financial interests	716	8	349	-
Amounts owing by companies in which certain directors of the Company have financial interests	7	7	7	7

The amounts owing under other receivables represent unsecured advances which are interest free and have no fixed terms of repayment.

Other receivables, deposits and prepayments are from the normal business transactions of the Group.

Included in sundry deposits and prepayments of the Group in the previous financial year was an amount of RM6,920,000, representing part payment for 4 parcels of vacant land acquired pursuant to conditional sale and purchase agreements and supplemental agreements entered into by a subsidiary. The acquisitions were completed during the current financial year.

13. FIXED AND TIME DEPOSITS

The fixed and time deposits are placed with licensed banks and earned effective interest rates of between 2.60% and 3.15% (2006 : 2.00% and 3.00%) per annum. The fixed and time deposits of a subsidiary amounting to RM77,268,000 (2006 : RM90,700,000) have been pledged to secure banking and other credit facilities granted to the said subsidiary. The fixed and time deposits had maturity periods of less than one year.

14. SHARE CAPITAL

	2007		2006	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Authorised				
Ordinary shares of RM1 each	200,000	200,000	200,000	200,000
Issued and fully paid				
Ordinary shares of RM1 each				
At 1 July	134,417	134,417	89,598	89,598
Issue of shares				
- rights issue of 1 : 2	-	-	44,799	44,799
- exercise of warrants	4,210	4,210	20	20
At 30 June	138,627	138,627	134,417	134,417

During the financial year, the Company increased its issued and paid-up share capital from RM134,417,000 to RM138,627,250 through the issue of 4,210,250 new ordinary shares of RM1 each from the exercise of 4,210,250 warrants of RM1.00 each.

At 30 June 2007, there were 40,568,750 (2006 : 44,779,000) unexercised warrants in issue which entitle the registered holders to subscribe for one new ordinary share of RM1 each for every warrant held. The salient terms of the warrants 2005/2010 are as follows:

(a) The warrants are issued in registered form and constituted by a Deed Poll dated 26 August 2005 and entitle the registered holders to subscribe for one (1) new ordinary share of RM1 each in the Company at an exercise price of RM1 per ordinary share for every warrant held.

(b) The warrants may be exercised at any time during the exercise period of five (5) years from the date of issue of the warrants on 10 November 2005 to 9 November 2010.

(c) Upon exercise of the warrants into new ordinary shares, such shares shall rank pari passu in all respects with the existing ordinary shares of the Company in issue at the date of allotment of the new ordinary shares except that the new ordinary shares shall not be entitled to dividends, rights, allotments and/or other distributions, the entitlement date of which precedes or falls on the relevant exercise date of the warrants and will be subject to all the provisions of the Deed Poll and further that fractions of a share arising from the exercise of the warrants are to be dealt with in such manner as the directors may in their absolute discretion deem fit in their interest.

(d) The exercise price and/or number of unexercised warrants shall be adjusted in the event of alteration to the share capital, capital distribution or issue of shares in accordance with the provisions of the Deed Poll.

15. RESERVES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-distributable				
Share premium	46,978	46,978	46,978	46,978
Asset revaluation reserve	554	627	554	627
	47,532	47,605	47,532	47,605
Distributable				
Unappropriated profit	104,944	91,698	59,362	58,110
	152,476	139,303	106,894	105,715

16. HIRE PURCHASE LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Outstanding hire purchase instalments due:				
- not later than one year	1,189	1,132	756	627
- later than one year and not later than five years	1,928	1,521	1,334	548
	3,117	2,653	2,090	1,175
Less: Unexpired term charges	266	199	188	75
Outstanding principal amount due	2,851	2,454	1,902	1,100
Less: Outstanding principal amount due not later than one year (included in current liabilities)	1,062	1,017	672	574
Outstanding principal amount due later than one year and not later than five years	1,789	1,437	1,230	526

The effective interest rates of the hire purchase liabilities are between 2.38% and 5.10% (2006 : 2.38% and 5.10%) per annum.

17. BANK TERM LOANS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bank term loan bearing effective interest rate of 7.45% per annum, repayable by 6 monthly instalments commencing January to June 2004, thereafter by 2 annual instalments commencing September 2005	-	7,500	-	7,500
Bank term loan bearing effective interest rate of 8.25% per annum, repayable by 120 monthly instalments commencing October 2006	7,308	-	-	-
Bank term loan bearing effective interest rate of 8.75% (2006 : 8.25%) per annum, repayable by60 monthly instalments commencing July 2003	169	330	-	-
	7,477	7,830	-	7,500
Less: Repayments due within 12 months (included in current liabilities, Note 20)	940	7,660	-	7,500
Repayments due after 12 months	6,537	170	-	-

The bank term loan of the Company in the previous financial year was secured by a legal assignment over the proceeds receivable of a construction project.

The bank term loan of RM169,000 (2006 : RM330,000) of a subsidiary is secured by a first party legal charge over a freehold land of the said subsidiary and is also guaranteed by the Company.

The bank term loan of RM7,308,000 of a subsidiary is secured by a first party legal charge over the freehold land of the said subsidiary and a deed of assignment of proceeds over the proceeds to be derived under the tenancy agreement between the said subsidiary and a third party. It is also guaranteed by the Company.

18. DEFERRED TAX LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 July	169	279	131	279
Transfer (to)/from income statement	(125)	(110)	1,889	(148)
At 30 June	44	169	2,020	131
The deferred tax liabilities comprise:				
Taxable/(Deductible) temporary differences				
- relating to revaluation of properties	92	96	92	96
- between net carrying amount and tax written down value of property, plant and equipment	(48)	73	(48)	35
- other temporary differences	-	-	1,976	-
	44	169	2,020	131

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	45,195	49,773	8,123	8,299
Other payables	41,816	12,080	256	319
Deposits	440	237	-	-
Accruals	610	725	249	260
	88,061	62,815	8,628	8,878

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claims on contract works performed and retention sums payable. The normal credit periods granted by trade suppliers and sub-contractors range from 30 to 90 days whereas retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

Included in trade payables are the following:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Amounts owing to companies in which a director of the Company has financial interests	12	12	-	-
Amount owing to a company in which the son of a former director of the Company has financial interest	-	2,677	-	-
Amounts owing to companies in which certain directors of the Company have financial interests	462	2,853		

Included in other payables are the followings

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Amounts owing to companies in which a director of the Company has financial interests	30,000	-	-	-
Amount owing to a company in which the son of a former director of the Company has financial interest	-	770	-	-
Amounts owing to companies in which certain directors of the Company have financial interests	74	82	74	82

The amounts owing under other payables represent unsecured advances which are interest free and have no fixed terms of repayment.

Other payables, deposits and accruals are from the normal business transactions of the Group.

20. BANK BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bank overdrafts				
- secured, bearing an effective interest rate of 8.75% (2006 : 8.75%) per annum	4,706	7,007	-	-
- unsecured, bearing effective interest rates of between 7.50% and 8.50% (2006 : 6.75% and 8.50%) per annum	12,388	14,701	11,033	12,849
	17,094	21,708	11,033	12,849
Unsecured revolving credit bearing effective interest rates of between 3.97% and 7.10% (2006 : 4.40% and 6.55%) per annum	30,033	24,200	30,033	24,200
	47,127	45,908	41,066	37,049
Bank term loans (Note 17)	940	7,660	-	7,500
	48,067	53,568	41,066	44,549

The bank overdraft of a subsidiary of RM4,706,000 (2006 : RM7,007,000) is secured by a first party legal charge over the leasehold land of the said subsidiary and is also guaranteed by the Company.

21. GROSS REVENUE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Contract revenue	355,255	228,780	12,082	30,270
Hire of machineries and motor vehicles	1,321	791	1,321	765
Rental income from investment properties	25	19	9	6
	356,601	229,590	13,412	31,041

22. COST OF SALES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Contract costs	318,845	200,511	9,998	23,183
Direct operating costs relating to hire of machineries and motor vehicles	200	1,017	195	1,006
Direct operating costs relating to investment properties				
- revenue generating	28	16	3	3
- non revenue generating	11	30	9	9
	319,084	201,574	10,205	24,201

23. PROFIT FROM OPERATIONS

Profit from operations is stated after charging:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Allowance for doubtful debts	-	66	-	66
Auditors' remuneration				
- current year	94	93	51	51
- under/(over)estimated in prior year	1	(1)	-	-
Depreciation	2,416	3,346	1,406	2,132
Directors' fees				
- directors of the Company	40	40	40	40
- directors of subsidiaries	-	39	-	-
Directors' remuneration other than fees				
- directors of the Company	1,075	1,761	-	-
- directors of subsidiaries	307	181	-	-
Hire of machineries and motor vehicles	2,150	1,500	21	22
Investment in an associate written off	-	*	-	*
Property, plant and equipment written off	-	95	-	-
Rental of premises	634	141	30	27

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
and crediting:				
Dividend income from				
- a subsidiary	-	-	7,600	-
- an associate	-	-	-	5,490
Gain on disposal of				
- property, plant and equipment	794	817	716	563
- investment properties	107	-	92	-
Hire of machineries and motor vehicles	1,475	885	1,321	765
Interest income	2,059	2,292	4,138	3,376
Rental income from				
- investment properties	57	50	9	6
- others	2,361	1,088	362	513

* - represents RM3

The estimated monetary value of benefits-in-kind received by the directors otherwise than in cash from the Company amounted to RM33,500 (2006 : RM53,000).

24. FINANCE COSTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Finance costs incurred during the year comprise:				
- hire purchase term charges	168	178	100	92
- interest expenses	3,019	2,967	2,094	2,340
	3,187	3,145	2,194	2,432
Less:				
Finance costs classified in contract costs under cost of sales				
- hire purchase term charges	105	92	100	92
	3,082	3,053	2,094	2,340

25. TAX EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current tax expense				
- current year	8,365	5,783	535	2,970
- under/(over)estimated in prior year	24	(153)	(28)	(61)
	8,389	5,630	507	2,909
Deferred tax (income)/expense relating to origination and reversal of temporary differences during the year	(93)	(98)	1,894	(170)
Deferred tax expense (over)/underestimated in prior year	(59)	16	(5)	22
	(152)	(82)	1,889	(148)
	8,237	5,548	2,396	2,761

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Accounting profit (excluding share of results of associates and jointly controlled entity)	25,710	13,767	7,960	7,553
Tax at the average tax rate of 26.97% (2006 : 27.7%) for the Group and applicable tax rate of 27% (2006 : 28%) for the Company	6,935	3,813	2,149	2,115
Add/(Less):				
Tax effect of expenses not deductible in determining taxable profit	1,392	2,065	344	755
Deferred tax income/(expense) relating to origination and reversal of temporary differences not recognised during the year	16	(151)	-	-
	8,343	5,727	2,493	2,870
Less:				
Tax effect of income not taxable in determining taxable profit	67	39	60	67
Crystalisation of deferred tax liabilities on amortisation of revalued properties	4	3	4	3
	8,272	5,685	2,429	2,800
Add/(Less):				
Current tax expense under/(over)estimated in prior year	24	(153)	(28)	(61)
Deferred tax expense (over)/underestimated in prior year	(59)	16	(5)	22
Tax expense for the year	8,237	5,548	2,396	2,761

Based on the estimated tax credits and tax exempt income available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company at year end is available for distribution by way of dividends without incurring additional tax liability.

26. EARNINGS PER SHARE

(i) Basic earnings per share

The basic earnings per share have been calculated based on the consolidated net profit for the year attributable to equity holders of the Company of RM17,341,000 (2006 : RM8,167,000) and on 135,159,000 (2006 : 119,466,000) weighted average number of ordinary shares in issue during the year as follows:

	2007 '000	2006 '000
Number of ordinary shares at 1 July	134,417	89,598
Effects of shares issued pursuant to		
- Rights Issue	-	29,866
- Exercise of Warrants	742	2
Weighted average number of ordinary shares	135,159	119,466

(ii) Diluted earnings per share

The diluted earnings per share have been calculated based on the consolidated net profit for the year attributable to equity holders of the Company of RM17,341,000 (2006 : RM8,167,000) and on the weighted average number of ordinary shares that would had been issued upon full exercise of remaining warrants and adjusted for the number of shares that would had been issued at fair value as follows:

	2007 '000	2006 '000
Weighted average number of ordinary shares as in (i)	135,159	119,466
Number of unissued shares under warrants		
- based on exercise price	40,569	44,779
- based on average fair value	(16,099)	(34,712)
Weighted average number of ordinary shares	159,629	129,533

27. DIVIDEND PAID

	2007 RM'000	2006 RM'000
In respect of the financial year ended 30 June 2006		
- First and final dividend of 5% less 27% tax	4,906	-
In respect of the financial year ended 30 June 2005		
- First and final dividend of 5% less 28% tax	-	4,838
	4,906	4,838
Net dividend per ordinary share (sen)	3.6	3.6

At the forthcoming annual general meeting, a first and final dividend of 5% less 26% tax amounting to RM5,129,208 (3.7 sen net per ordinary share) in respect of the financial year ended 30 June 2007 will be proposed for approval by shareholders of the Company. The proposed first and final dividend is payable in respect of all ordinary shares in issue at the date of the financial statements. These financial statements do not reflect this proposed dividend which will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividend is paid.

28. ANALYSIS OF ACQUISITION OF SUBSIDIARIES

On 24 August 2006, the Company acquired 100% equity interest, representing 2 ordinary shares of RM1 each in Ekovest-Faber Sdn Bhd (formerly known as Ukasa Bina Sdn Bhd), at a cash consideration of RM2. The principal activity of the newly acquired subsidiary is civil engineering and building works.

The effects of acquisition of the subsidiary on the consolidated net profit, the consolidated financial position and consolidated cash flow statement for the year are as follows:

(i) Effect on consolidated net profit for the year ended 30 June 2007:

	RM'000
Gross revenue	-
Cost of sales	-
Loss before tax	(4)
Tax expense	-
Decrease in Group's net profit	(4)

(ii) Effect on consolidated financial position at 30 June 2007:

	RM'000
Current assets	2,052
Current liabilities	(2,056)
Decrease in Group's share of net assets	(4)

(iii) Effect on consolidated cash flow statement for the year ended 30 June 2007:

Fair value of net assets acquired:	RM
Current assets	2
Current liabilities	-
Total purchase consideration	2
Less:	
Cash and cash equivalents	2
Net cash flows on acquisition	-

29. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Salaries, allowances and bonuses				
- Executive directors	1,237	1,262	-	-
- Other employees	3,116	2,992	1,366	1,264
Defined contribution plan				
- EPF contributions	451	444	150	157
Social security costs				
- SOCSO contributions	18	18	8	14
Other benefits expenses	209	463	130	376
	5,031	5,179	1,654	1,811

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has a controlling related party relationship with its subsidiaries.

The Group also has related party relationships with the following related parties:

(a) Associates of the Company:
- Limbongan-Ekovest Management Sdn Bhd
- Syabas Hakikat Sdn Bhd
- Entrecanales-Ekovest Sdn Bhd (under members' voluntary winding up)

(b) Companies in which certain directors of the Company, Y. Bhg Dato' Lim Kang Hoo and Mr Khoo Nang Seng @ Khoo Nam Seng, have financial interests:
- Wengcon Holdings Sdn Bhd
- Wengcon Equipment Sdn Bhd
- Wengcon Marketing Sdn Bhd
- Wengcon Machinery Sdn Bhd
- Segi Gemilang Sdn Bhd

(c) Companies in which a director of the Company, Y. Bhg Dato' Lim Kang Hoo has financial interests:
- Danga Bay Sdn Bhd
- Aramijaya Sdn Bhd
- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd

(d) A company in which Dato' Lim Kang Yew, brother of a director of the Company, Y. Bhg Dato' Lim Kang Hoo, has financial interest:
- Aramijaya Sdn Bhd

(e) A company in which Mohamad Nuhairi Bin Rahmat, son of a former director of the Company, Y. Bhg Dato' Rahmat Bin Abu Bakar, has financial interest:
- Pembinaan Sahabatjaya Sdn Bhd

(f) A subsidiary of Pembinaan Sahabatjaya Sdn Bhd, in which Mohamad Nuhairi Bin Rahmat, son of former director of the Company, Y. Bhg Dato' Rahmat Bin Abu Bakar has financial interest:
- Kajang Prima Sdn Bhd

Significant related party transactions with related parties during the financial year are as follow:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Progressive billings made to:				
- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	285,454	-	-	-
- Danga Bay Sdn Bhd	26,480	-	-	-
- Aramijaya Sdn Bhd	180	329	-	-
- Syabas Hakikat Sdn Bhd	-	-	-	-
- Kajang Prima Sdn Bhd	-	1,855	-	-
Hire of machineries and motor vehicles charged to:				
- Wengcon Holdings Sdn Bhd	1,047	509	1,047	509
- Wengcon Equipment Sdn Bhd	113	65	113	65
- Ekovest Construction Sdn Bhd	-	-	61	79
- Pembinaan Sahabatjaya Sdn Bhd	-	47	-	18
Rental of premises charged to:				
- Ekovest Construction Sdn Bhd	-	-	216	207
- Wengcon Holdings Sdn Bhd	60	60	60	60
- Wengcon Marketing Sdn Bhd	36	36	36	36
- Wengcon Equipment Sdn Bhd	18	18	18	18
- Entrecanales-Ekovest Sdn Bhd	4	24	4	24
- Felda Ekovest Sdn Bhd	-	-	24	28
Sale of property, plant and equipment to Wengcon Holdings Sdn Bhd	361	145	338	145
Interest income from Ekovest Construction Sdn Bhd	-	-	4,068	2,876
Sub-contract fees charged by Pembinaan Sahabatjaya Sdn Bhd	-	23,681	-	65
Transportation charged by Wengcon Holdings Sdn Bhd	117	-	117	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)

for the year ended 30 June 2007

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Purchases of building/construction materials from:				
- Wengcon Marketing Sdn Bhd	410	7,723	-	-
- Wengcon Equipment Sdn Bhd	170	343	-	-
- Wengcon Machinery Sdn Bhd	-	143	-	-
Hire of machineries and motor vehicles charged by:				
- Segi Gemilang Sdn Bhd	1,300	917	-	-
- Wengcon Holdings Sdn Bhd	167	227	-	-
- Wengcon Equipment Sdn Bhd	49	740	-	-
- Pembinaan Sahabatjaya Sdn Bhd	-	219	-	-
- Aramijaya Sdn Bhd	31	12	-	-
Purchase of property, plant and equipment from:				
- Kajang Prima Sdn Bhd	-	1,817	-	-
- Wengcon Holdings Sdn Bhd	-	845	-	-
- Aramijaya Sdn Bhd	80	-	-	-
Rental of premises charged by Wengcon Holdings Sdn Bhd	282	94	-	-

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

Significant non-trade balances with related parties at year end are as follows:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Subsidiaries				
Outstanding advances owing by:				
- Ekovest Construction Sdn Bhd	-	-	195,077	170,219
- Prompt Capital Sdn Bhd	-	-	19,058	16,058
- Ekovest Properties Sdn Bhd (formerly known as Cherry Court Sdn Bhd)	-	-	7,239	1,448
- Timur Terang Sdn Bhd	-	-	5,931	5,930
- Binawani Sdn Bhd	-	-	4,632	4,767
- Ekovest Land Sdn Bhd (formerly known as Bimstar Sdn Bhd)	-	-	1,903	700
- Ekovest Project Management Sdn Bhd	-	-	1,840	1,840
- Saujarena Bina Sdn Bhd	-	-	1,558	1,536
- Ekovest-Faber Sdn Bhd (formerly known as Usaha Bina Sdn Bhd)	-	-	1,529	-
- Ekovest Oil & Gas Sdn Bhd	-	-	443	441
- Milan Prestasi Sdn Bhd	-	-	109	105
- Felda Ekovest Sdn Bhd	-	-	51	-
Associated companies				
Outstanding advances owing by:				
- Limbongan-Ekovest Management Sdn Bhd	73	-	73	-
Outstanding advances owing to:				
- Syabas Hakikat Sdn Bhd	731	730	731	730
- Entrecanales-Ekovest Sdn Bhd	-	33	-	33

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Companies in which a director of the Company, Y.Bhg Dato' Lim Kang Hoo has financial interests:				
Outstanding advances owing by:				
- Danga Bay Sdn Bhd	666	-	349	-
- Aramijaya Sdn Bhd	50	8	-	-
Outstanding advances owing to				
- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	30,000	-	-	-
- Pembinaan Sahabatjaya Sdn Bhd	-	765	-	-
Companies in which certain directors of the Company, Y.Bhg. Dato' Lim Kang Hoo and Khoo Nang Seng @ Khoo Nam Seng have financial interests:				
Outstanding advances owing to:				
- Wengcon Marketing Sdn Bhd	74	82	74	82

31. CAPITAL COMMITMENT

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Approved capital expenditure in respect of the purchase of properties, contracted but not provided for in the financial statements	31,095	7,562	1,350	-

32. CONTINGENT LIABILITIES

(a) Unsecured guarantees

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Guarantees given in favour of financial institutions for credit facilities granted to subsidiaries	-	-	107,646	157,981

(b) Material litigation

A dispute has arisen between the Company ("Plaintiff") and Shapadu Construction Sdn Bhd ("Shapadu" or "Defendant") in respect of five (5) packages of sub-contract works under the New North Klang Straits Bypass Highway Project ("Project"). The employer for the Project is Lebuhraya Shapadu Sdn Bhd ("Lebuhraya Shapadu"), the holding company of Shapadu. On 1 August 2000, the Company issued a Notice to Arbitrate. An arbitrator was appointed and both the Company and Shapadu filed their respective claims and defence. The hearing for the arbitration commenced on 14 August 2006. The hearing continues on 27 November 2007.

The particulars of the Company's claim and Shapadu's counter claims are as follows:

(i) The Company's claim against Shapadu for, inter alia, the following:
- the sum of RM29,558,721 on a quantum merit for its loss and damage due to the work carried out under the sub-contract; and/or alternatively

- the sum of RM7,459,356 being the value of the work done uncertified and the sum of RM8,217,961 being the amounts retained as retention monies in respect of work executed and value of goods and material delivered under the sub-contract.

(ii) Shapadu's counter claims against the Company for, inter alia, the following:

- the sum of RM33,010,000 allegedly being the liquidated ascertained damages ("LAD") due to Shapadu; or alternatively
- the sum of RM30,700,000 being LAD due to Lebuhraya Shapadu;
- the sum of RM2,008,869 as an indemnity for failure to carry-out and maintain the work;
- the sum of RM22,189,860 as an indemnity being the cost of completion;
- the sum of RM8,298,456 as indemnity being damages suffered by Lebuhraya Shapadu in completing the work; and
- the sum of RM2,006,101 as an indemnity being the loss and expense suffered by Lebuhraya Shapadu.

Since the Company has sub-contracted all the relevant work to a third party on a "back to back" basis, and the third party sub-contractor has agreed to indemnify and keep the Company indemnified against any losses or damages the Company may suffer in the event of Shapadu's counter claims being allowed by the court, the Company's directors are of the opinion that the financial impact on the Group is minimal.

Further, the Company has sought legal advice in respect of the counter claims made by Shapadu and the Company's solicitors are of the opinion that the Company has a reasonable prospects of defending the claims particularly when Lebuhraya Shapadu has not taken any action against Shapadu since most of the claims are on indemnity basis. On that premises, the arbitration against Shapadu will not potentially have any material adverse impact to the financial position of the Company.

33. SEGMENT ANALYSIS

No segment analysis is prepared as the Group is principally engaged in construction operations in Malaysia.

34. FINANCIAL INSTRUMENTS

(a) Credit risk

At balance sheet date, the Group did not have any significant exposure to any individual customer or counterparty or any major concentration of credit risk related to any financial assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at 30 June 2007 approximately their fair values except as stated below:

	Group		Company	
	Carrying amounts RM'000	Fair values RM'000	Carrying amounts RM'000	Fair values RM'000
Shares quoted in Malaysia	577	2,138	298	171*
Unquoted shares	128,000	**	-	-

* The shares quoted in Malaysia which are held for long term strategic purposes are not stated at their fair values as the directors of the Company are of the opinion that the impairment loss is temporary as the market prices do not reflect the long term intrinsic values of these investments.

** It is not practical to reasonably estimate the fair values of the unquoted shares, which represent redeemable preference shares in unquoted corporations, due to lack of quoted market values and the inability to estimate fair values without incurring excessive costs. These investments are carried at their original costs less any allowance for diminution in value.

35. COMPARATIVE FIGURES

The following comparative figures of the Group and the Company have been restated arising from changes in accounting policies upon adoption of FRS 101 Presentation of Financial Statements and FRS 140 Investment Property as follows:

(a) FRS 101 Presentation of Financial Statements

	Group		Company	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Income statement for the year ended 30 June 2006				
Share of results of associates	(21)	(16)	-	-
Tax expense of associates	-	(5)	-	-

(b) FRS 140 Investment Property

	Group		Company	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Income statements for the year ended 30 June 2006				
Gross revenue	229,590	229,584	31,041	31,035
Cost of sales	(201,574)	(201,562)	(24,201)	(24,189)
Gross profit	28,016	28,022	6,840	6,846
Other operating income	4,637	4,643	10,138	10,144
Administrative and general expenses	(12,624)	(12,635)	(3,810)	(3,822)
Other operating expenses	(3,209)	(3,210)	-	-

36. SUBSEQUENT EVENTS

(a) On 4 July 2007, the Company announced the following proposals:

(i) A share split involving the subdivision of 2 new ordinary shares of RM0.50 each for every 1 existing ordinary share of RM1.00 each in the Company ("Proposed Share Split");

(ii) Acquisition of the entire equity interest in Danga Bay Sdn Bhd. On 3 July 2007, the Company entered into a conditional share sale agreement with Danga Bay Holdings Sdn Bhd ("DBHSB") and Credence Resources Sdn Bhd ("CRSB") to acquire the entire equity interest, representing 7,000,000 ordinary shares of RM1.00 each in Danga Bay Sdn Bhd at an indicative purchase consideration of approximately RM1.1 billion ("Proposed Acquisition"). The purchase consideration will be satisfied by way of issuance of 661,005,338 new ordinary shares in the Company, at price of RM1.33 each and issuance of RM231,085,704 nominal value of irredeemable convertible unsecured loan stocks of RM1.00 each in the Company at an issue price of RM1.00.

(iii) Pursuant to the Proposed Acquisition, DBHSB and CRSB ("Vendors") will make a renounceable offer for sale of the rights to allotment of up to 136,080,000 ordinary share in the Company to the existing shareholders of the Company, excluding the Vendors and parties acting in concert, on the basis of 1 offer share for every 2 existing ordinary shares held, at an offer price and date to be determined later. The Vendors will also undertake a proposed placement of up to 91,264,695 ordinary shares in the Company to Bumiputra investors and other potential investors to be determined later.

(iv) Upon completion of the Proposed Acquisition, the Vendors will collectively own 661,005,338 ordinary shares in the Company, representing 64.84% of the enlarged issued and paid-up share capital of the Company. Hence, the Vendors would be required under the Malaysian Code on Take-overs and Mergers, 1998 (the "Code") to undertake mandatory offer to acquire all the remaining 358,392,000 ordinary shares in the Company, representing 35.16% of the enlarged issued and paid-up share capital of the Company not already owned by the Vendors and parties acting in concert with them.

The Vendors and parties acting in concert with them propose to seek an exemption from the Securities Commission under Practice Note 2.9.1 of the Code from the obligation to undertake mandatory offer to acquire all the remaining shares in the Company not already owned by them.

(v) To amend the Memorandum and Articles of Association of the Company to:

- adjust the authorised share capital of the Company from RM200,000,000, comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000, comprising 400,000,000 ordinary shares of RM0.50 each pursuant to the Proposed Share Split;

- increase the authorised share capital of the Company from RM200,000,000, comprising 400,000,000 ordinary shares of RM0.50 each to RM3 billion, comprising 6 billion ordinary shares of RM0.50 each pursuant to the Proposed Acquisition; and

- to facilitate the creation of new irredeemable convertible unsecured loan stocks in the Company pursuant to the Proposed Acquisition.

(b) On 9 July 2007, Ekovest Properties Sdn Bhd (formerly known as Cherry Court Sdn Bhd), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Union Development Sdn Bhd to acquire 118 pieces of vacant freehold land at a total cash consideration of RM19,500,000.

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company and of the Group were authorised for issue by the directors on 23 October 2007.

STATEMENT BY DIRECTORS

for the year ended 30 June 2007

In the opinion of the directors, the financial statements set out on pages 33 to 84 are drawn up:

(a) so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2007 and of their results and cash flows for the year then ended; and

(b) in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities.

Signed on behalf of the directors in accordance
with a resolution of the directors

DATO' LIM KANG HOO
Executive Vice Chairman

CHO JOY LEONG @ CHO YOK LON
Director

23 October 2007

STATUTORY DECLARATION

I, Lim Soo San, being the person primarily responsible for the financial management of Ekovest Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 33 to 84 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
)
this 23 October 2007)
)
) LIM SOO SAN

Before me:

ROBERT LIM HOCK KEE (W092)
Commissioner for Oaths

MATERIAL LITIGATION AND OTHER INFORMATION OF EKOVEST BERHAD AND ITS SUBSIDIARIES

*** MATERIAL LITIGATION, CLAIMS AND ARBITRATION OF EKOVEST BERHAD AND ITS SUBSIDIARIES**

Save as disclosed below, neither the Company nor its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries :

(i) A dispute has arisen between Ekovest Berhad ("EB") or ("Plaintiff") and Shapadu Construction Sdn Bhd ("Shapadu") or ("Defendant") in respect of five (5) packages of sub-contract work under the New North Klang Straits Bypass Highway Project (“Project”). The employer for the Project is Lebuhraya Shapadu Sdn Bhd (“Lebuhraya Shapadu”), the holding company of the Defendant. On 1 August 2000, EB issued a Notice to Arbitrate. An arbitrator has been appointed and both EB and Shapadu has filed in their respective claims and defence. The hearing for the arbitration has commenced on 14 August 2006 as scheduled. The Plaintiff has closed its case. The hearing will continue on 27 November 2007 with the Defendant's witness. The particulars of EB's claim and Shapadu's counter claim are as follows:

(a) EB's claim against Shapadu for, inter alia, the following:

(aa) the sum of RM29,558,720.93 on a quantum meriut for its loss and damage due to the work carried out under the sub-contract; and/or alternatively

(bb) the sum of RM7,459,356.15 being the value of the work done uncertified and the sum of RM8,217,960.68 being the amounts retained as retention monies in respect of work executed and value of goods and material delivered under the sub-contract.

(b) Shapadu's counter claims against EB for , inter alia, the following:

(aa) the sum of RM33,010,000.00 allegedly being the liquidated ascertained damages (“LAD”) due to Shapadu; or alternatively

(bb) the sum of RM30,700,000.00 being LAD due to Lebuhraya Shapadu;

(cc) the sum of RM2,008,868.93 as an indemnity for failure to carry-out and maintain the work;

(dd) the sum of RM22,189,859.75 as an indemnity being the cost of completion;

(ee) the sum of RM8,298,455.65 as indemnity being damages suffered by the Employer in completing the work; and

(ff) the sum of RM2,006,101.39 as an indemnity being the loss and expense suffered by the Employer.

Since EB has sub-contracted all the relevant work to a third party on a “back to back” basis, and the third party sub-contractor has agreed to indemnify and keep EB indemnified against any losses of damages EB may suffer in the event Shapadu's counter claim is allowed by the court, EB's Directors are of the opinion that the financial impact on the Group is minimal.

Further, EB has sought legal advice in respect of the counter claim made by Shapadu and EB's solicitors are of the opinion that EB has a reasonable prospects of defending the claim particularly when the Employer has not taken an action against the Defendant since most of the claims are on indemnity basis. On that premises, the arbitration against Shapadu will not potentially have any material adverse impact to the financial position of the Group.

* MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Annual Report:

(1) On 9 August 2006, the Company entered into a Call Option Agreement with Danga Bay Sdn Bhd (“Danga Bay”), a company incorporated in Malaysia, to have a right to subscribe for 30% of the enlarged issued and paid up share capital of Danga Bay at the point of exercising the call option. The call option is to be exercised in full, at a price to be determined, within the option period of twelve months from the date of the Call Option Agreement. The principal activities of Danga Bay and its subsidiary companies are property development and leisure activities.

The Call Option has since been terminated by the Company and Danga Bay by mutual agreement but the Company's proposed participation in Danga Bay will be implemented in the following manner as advised by the consultants.

The Company has announced on 4 July 2007 the following proposals :

- A share split involving the sub-division of 2 new ordinary shares of RM0.50 each for every 1 existing share of RM1.00 each in the Company (“Proposed Share Split”);

- Acquisition of 100% equity interest in Danga Bay Sdn Bhd (“DBSB”). On 3 July 2007, the Company entered into a conditional share sale and purchase Agreement with Danga Bay Holdings Sdn Bhd and Credence Resources Sdn Bhd to acquire the entire equity interest, representing 7,000,000 ordinary shares of RM1.00 each in DBSB at an indicative purchase consideration of RM1.1 billion (“Proposed Acquisition”). The purchase consideration will be satisfied by way of issuance of 661,005,338 new ordinary shares in the Company, at price of RM1.33 each and issuance of RM231,085,704 nominal value of irredeemable convertible unsecured loan stock of RM1.00 each in the Company;

- Pursuant to the Proposed Acquisition, DBHSB and CRSB (“Vendor”) will make a renounceable offer for sale of the rights to allotment of up to 136,080,000 ordinary shares in the Company to the existing shareholders of the Company, excluding the Vendors and parties acting in concert, on the basis of 1 offer share for every 2 existing ordinary shares held, at an offer price and date to be determined later,. The Vendors will also undertake a proposed placement of up to 91,264,695 ordinary shares in the Company to Bumiputra investors and other potential investors to be determined later.

- Upon completion of the Proposed Acquisition, the Vendors will collectively own 661,005,338 ordinary shares in the Company, representing 64.84% of the enlarged issued and paid up share capital of the Company. Hence, the Vendors would be required under the Malaysian Code on Takeover and Mergers 1998 (“the Code”) to undertake mandatory offer to acquire all the remaining 358,392,000 ordinary shares in the Company, representing 35.16% of the enlarged issued and paid up share capital of the Company not already owned by the Vendors and parties acting in concert with them.

  The Vendors and parties acting in concert with them propose to seek an exemption from the Securities Commission under Practice Note 2.9.1 of the Code from the obligation to undertake mandatory offer to acquire all the remaining shares in the Company not already owned by them.

- To amend the Memorandum and Articles of Association of the Company to :
  - adjust the authorized share capital of the Company from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each pursuant to the Proposed Share Split;

  - increase the authorized share capital of the Company from RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each to RM3 billion, comprising 6 billion ordinary shares of RM0.50 each pursuant to the Proposed Acquisition; and

  - to facilitate the creation of new irredeemable convertible unsecured loan stocks in the Company pursuant to the Proposed Acquisition.

MATERIAL LITIGATION AND OTHER INFORMATION OF EKOVEST BERHAD AND ITS SUBSIDIARIES (Cont'd)

Currently, all relevant consultants are in place and the proposed corporate exercises are progressive as scheduled.

(2) On 9 July 2007, Ekovest Properties Sdn Bhd (formerly known as Cherry Court Sdn Bhd), a fully owned subsidiary of the Company entered into Sale and Purchase Agreements with Union Development Sdn Bhd to acquire one hundred and eighteen (118) pieces of vacant land from Union Development Sdn Bhd for a total purchase consideration of Ringgit Malaysia Nineteen Million and Five Hundred Thousand (RM19,500,000.00) Only.

* **SHARE BUY-BACK**
  There was no share buy-back by the Company.

* **AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME**
  The Company did not sponsor any ADR or GDR programme.

* **SANCTIONS AND/OR PENALTIES IMPOSED**
  There are no fines or sanctions imposed on the Company and its subsidiaries, directors or management.

* **NON AUDIT FEES**
  The non audit fees paid to the external auditors for the financial year ended 30 June 2007 amounted to RM36,147.00

* **PROFIT ESTIMATE, FORECAST OR PROJECTION**
  The Company did not issue any profit estimate, forecast or projection for the financial year ended 30 June 2007.

* **PROFIT GUARANTEE**
  The Company did not give any profit guarantee.

* **OPTIONS, WARRANT OR CONVERTIBLE SECURITIES**
  On 10 November 2005, 44,799,000 warrants were issued by the Company in conjunctions with the completion of the Right Issue of RM1.00 each in the Company (“Right Shares”) at an issue price of RM1.10 per Rights Share together with 44,799,000 free new detachable warrants (“Warrants”) on the basis of one (1) Rights Share with on (1) Warrant for every two (2) existing ordinary shares of RM1.00 each held in the Company. During the financial year ended 30 June 2007, 4,210,250 Warrants were converted into ordinary shares of RM1.00 each.

* **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE OR TRADING NATURE**
  Pursuant to paragraph 10.09 of the Bursa Malaysia Listing Requirement, the Company will be seeking shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature, at the forthcoming Annual General Meeting of Ekovest Berhad scheduled to be held on 17 December 2007.

STATUS OF UTILISATION OF RIGHTS ISSUE PROCEEDS

	Approved utilisation by SC RM'000	Reallocation of utilisation RM'000	Utilised as at 26 November 2007 RM'000	Balance yet To be utilised RM'000
Partially Funding Of The Redeemable Preference Share Subscriptions	46,779	891	(47,670)	0
Estimated Expenses For Joint Venture Agreement and Rights Issue	2,500	(891)	(1,609)	0
Total	49,279	0	(49,279)	0

ANALYSIS OF SHAREHOLDING

Date of Annual Report : 26 November 2007
Statement Date : 31 October 2007

I SUBSTANTIAL SHAREHOLDERS

Name	Ordinary Share				Warrant			
	Direct Shareholdings	%	Indirect Shareholdings*	%	Direct Warrantholdings	%	Indirect Warrantholdings*	%
1. Ekovest Holdings Sdn Bhd	29,187,500	20.64	-	-	8,062,500	21.32		
2. Khoo Nang Seng @ Khoo Nam Seng	10,482,000	7.41	-	-	4,494,000	11.89		
3. Dato' Lim Kang Hoo	716,000	0.51	29,187,500	20.64	150,000	0.40	8,062,500	21.32
TOTAL	**40,385,500**	**28.56**	**29,187,500**	**20.64**	**12,706,500**	**33.61**	**8,062,500**	**21.32**

II DIRECTORS' SHAREHOLDINGS

Name	Ordinary Share				Warrant			
	Direct Shareholdings	%	Indirect Shareholdings*	%	Direct Warrantholdings	%	Indirect Warrantholdings*	%
1. Dato' Lim Kang Hoo	716,000	0.51	29,187,500	20.64	150,000	0.40	8,062,500	21.32
2. Khoo Nang Seng @ Khoo Nam Seng	10,482,000	7.41	-	-	4,494,000	11.89	-	-
3. Cho Joy Leong @ Cho Yok Lon	184,500	0.13	-	-	61,500	0.16	-	-
4. Dato' Haji Abdullah Bakri Bin A. Wahab	-	-	-	-	-	-	-	-
5. Mohd Salleh Bin Othman	-	-	-	-	-	-	-	-
6. Kang Hui Ling	-	-	-	-	-	-	-	-
TOTAL	**11,382,500**	**8.05**	**29,187,500**	**20.64**	**4,705,500**	**12.45**	**8,062,500**	**21.32**

* Deemed interest by virtue of his shareholding in Ekovest Holdings Sdn Bhd

Date of Annual Report : 26 November 2007
Statement Date : 31 October 2007

III CLASS OF EQUITY SECURITY

1) Authorised Share Capital : RM200,000,000
Issued and Fully Paid-up : RM141,388,200
Class of Security : Ordinary Share of RM1.00 each
No. of Shareholders : 4,549
Voting Rights : Each share entitles the holder to 1 vote

2) Class of Security : Warrant
Total no. of Warrants : 37,807,800
No. of Warrantholders : 929
Voting Rights : No voting rights

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

1) ORDINARY SHARE

Size of Shareholdings	**Shareholders**	**%**	**Shareholdings**	**%**
Less than 100	16	0.35	573	0.00
100 to 1,000	1,081	23.76	1,029,350	0.73
1,001 to 10,000	2,636	57.95	11,678,290	8.26
10,001 to 100,000	692	15.21	21,659,222	15.32
100,001 to less than 5% of issued shares	121	2.66	67,351,265	47.63
5% and above of issued shares	3	0.07	39,669,500	28.06
TOTAL	**4,549**	**100.00**	**141,388,200**	**100.00**

2) WARRANT

Size of Warrantholdings	**Warrantholders**	**%**	**Warrantholdings**	**%**
Less than 100	11	1.18	485	0.00
100 to 1,000	162	17.44	146,220	0.39
1,001 to 10,000	537	57.81	2,617,850	6.92
10,001 to 100,000	182	19.59	5,724,800	15.14
100,001 to less than 5% of issued shares	34	3.66	13,761,945	36.40
5% and above of issued shares	3	0.32	15,556,500	41.15
TOTAL	**929**	**100.00**	**37,807,800**	**100.00**

ANALYSIS OF SHAREHOLDING (Cont'd)

THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

	Name	Shareholdings	%
1	Ekovest Holdings Sdn Bhd	15,000,000	10.61
2	Ekovest Holdings Sdn Bhd	14,187,500	10.03
3	Khoo Nang Seng @ Khoo Nam Seng	10,482,000	7.41
4	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for Wells Fargo Advantage Asia Pacific Fund	4,600,000	3.25
5	HSBC Nominees (Asing) Sdn Bhd - Bintang Mas Consulting Ltd	4,501,800	3.18
6	Mayban Nominees (Asing) Sdn Bhd - G. K. Goh Strategic Holdings Pte Ltd	3,134,000	2.22
7	Khoo Chang Chiang	2,730,000	1.93
8	Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Opportunities Fund	2,720,500	1.92
9	Yap Shing @ Yap Sue Kim	2,634,945	1.86
10	Mayban Nominees (Asing) Sdn Bhd - Alpha Securities Pte Ltd	2,600,000	1.84
11	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Morgan Stanley & Co. Incorporated	2,000,000	1.41
12	Alliance Group Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	1,917,400	1.36
13	Yong Wee Chin	1,867,000	1.32
14	HLB Nominees (Asing) Sdn Bhd - Pledged Securities Account for Teo Kok Woon	1,450,000	1.03
15	Lim Lee Suan	1,405,870	0.99
16	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (Malaysia) Trustee Berhad for Amanah Saham Kedah	1,369,500	0.97
17	TCL Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Yep Min @ Yam Woo	1,050,000	0.74
18	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Coutts Bank Von Ernst Ltd	988,000	0.70
19	Cimsec Nominees (Asing) Sdn Bhd - Exempt An for CIMB-GK Securities Pte Ltd	962,000	0.68
20	OSK Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ngai Sok Fong	913,350	0.65
21	Koo Siew Yen	909,500	0.64
22	HLG Nominee (Tempatan) Sdn Bhd - PB Trustee Services Berhad for HLG Growth Fund	840,000	0.59
23	OSK Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gary Lee Seaton	821,700	0.58
24	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chiah Cheang	800,000	0.57
25	Dato' Lim Kang Hoo	716,000	0.51
26	Mayban Nominees (Asing) Sdn Bhd - HSBC-BNY Brussels for BEA Asia Strategic Growth Fund	700,000	0.50
27	Koh Chaw Huah	687,000	0.49
28	Koh Hong Seng	678,100	0.48
29	Choong Wai Foong	676,000	0.48
30	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Leak Goh	655,200	0.46

THIRTY (30) LARGEST WARRANTHOLDERS

	Name	Shareholdings	%
1	Ekovest Holdings Sdn Bhd	8,062,500	21.32
2	Khoo Nang Seng @ Khoo Nam Seng	4,494,000	11.89
3	Pembinaan Hamid Abd. Rahman Sdn Bhd	3,000,000	7.93
4	Mohamad Nor Bin Hamid	1,500,000	3.97
5	Yong Wee Chin	1,374,000	3.63
6	Khoo Chang Chiang	910,000	2.41
7	Lokman Bin Omar	900,000	2.38
8	Mayban Nominees (Asing) Sdn Bhd	800,000	2.12
	- G. K. Goh Strategic Holdings Pte Ltd		
9	DB (Malaysia) Nominee (Asing) Sdn Bhd	775,000	2.05
	- Exempt An for EFG Bank		
10	Cimsec Nominees (Asing) Sdn Bhd	706,000	1.87
	- ING Asia Private Bank Ltd for Chilin Limited		
11	Ooi Keng Thye	592,000	1.57
12	BHLB Trustee Berhad	564,500	1.49
	- Lee Chiah Cheang		
13	Ng Cheng Boey	548,000	1.45
14	Koh Chaw Huah	455,000	1.20
15	HSBC Nominees (Asing) Sdn Bhd	355,000	0.94
	- Exempt An for Credit Suisse		
16	HSBC Nominees (Asing) Sdn Bhd	312,700	0.83
	- Exempt An for Coutts Bank Von Ernst Ltd		
17	A. A. Anthony Nominees (Tempatan) Sdn Bhd	305,300	0.81
	- Pledged Securities Account for Chaang Kok Meng		
18	Lim Hoe		
19	ECM Libra Avenue Nominees (Tempatan) Sdn Bhd	280,500	0.74
	- Pledged Securities Account for Wong Khai Shiang		
20	Lim Beng Kit	265,000	0.70
21	Kay Yew Kiang	250,000	0.66
22	TCL Nominees (Tempatan) Sdn Bhd	250,000	0.66
	- Pledged Securities Account for Ng Yep Min @ Yam Woo		
23	Yap Shing @ Yap Sue Kim	245,945	0.65
24	Tan Wen Shiow	203,800	0.54
25	Koh Hong Seng	190,000	0.50
26	Cimsec Nominees (Asing) Sdn Bhd	180,000	0.48
	- ING Asia Private Bank Ltd for Chancery Capital Ltd		
27	Ngai Chong Sing	178,000	0.47
28	Tan Hooi Hooi	169,200	0.45
29	Dato' Lim Kang Hoo	150,000	0.40
30	Lee Chee Beng	150,000	0.40

PARTICULARS OF PROPERTIES

for the year ended 30 June 2007

LOCATION	AGE	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
Lot 22520 in Taman Sri Setapak, Kuala Lumpur (DOA: 25-08-1990) (Revalued on 13-04-1992)	21 years	Freehold	4 1/2 storey office building know as Wisma Ekovest for own use	686#	6,000	4,256
Lot 14238, 14239, 14250-14254 in Taman Sri Setapak, Kuala Lumpur. (DOA: 25-08-1990) (Revalued on 15-05-1992)	N/A	Freehold	Vacant land used as car park	1,120#	382	382
MDLD 1448 Lot 8 in Lahad Datu. (DOA: 30-10-1990) (Revalued on 02-06-1992)	21 years	Leasehold 60 years Unexpired 27 years	3-storey light industrial shop house use as branch office	168#	400	400
Parcel No.8 with accessory parcel No.109 of building erected on part of land held under geran No. 10554 for Lot 438 Section 85, town of Kuala Lumpur. (DOA: 22-11-1996)	16 years	Freehold	No.284-06-01 Heritage Condominiums, 3 1/2 Mile Jalan Pahang, 53000 Kuala Lumpur use as staff dwelling	115^	168	168
Part of lands held under Grant 157 Lot 3828, Grant 29293 Lot 23043, CT 1216 Lot 3764 and H.S.(D) 342236 P.T.NO 50687 Mukim Senai - Kulai, District of Johor Bahru, State of Johor. (DOA: 06-12-1996)	9 years	Freehold	4 storey shop office in Mukim of Senai - Kulai , Johor	230#	700	700
Part of lands held under H.S.(D) 257219 P.T. 20704 Bandar Johor Bahru. (DOA: 15-01-2001)	4 years	Leasehold 99 years Unexpired 87 years	8 units of resort apartment in Lot 20704, Batu 4 1/2 Jalan Skudai, 80200 Johor Bahru.	1,598^	4,492	4,492
Part of lands held under H.S.(D) 257219 P.T. 20704 Bandar Johor Bahru. (DOA: 07-02-2002)	4 years	Leasehold 99 years Unexpired 87 years	3 units of resort apartment in Lot 20704, Batu 4 1/2 Jalan Skudai, 80200 Johor Bahru.	1,129^	3,323	3,323

LOCATION	AGE	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
Part of lands held under H.S.(D) 257219 P.T. 20704 Bandar Johor Bahru. (DOA: 24-11-2005)	3 years	Leasehold 99 years Unexpired 87 years	7 units of resort apartment in Lot 20704, Batu 4 1/2 Jalan Skudai. 80200 Johor Bahru	2,112^	6,252	6,252
H.S.(D) 40726 * P.T.NO 1569 Cheras, Mukim Kuala Lumpur. (DOA: 04-02-2000)	N/A	Leasehold 99 years Unexpired 75 years	Vacant Land	21,245#	14,628	13,364
Geran 9106 Lot 41385, * Mukim Kuala Lumpur. (DOA: 31-03-2005)	N/A	Freehold	Vacant Land	2,642#	4,681	4,681
Geran 17376 Lot 51449, * Mukim Kuala Lumpur. (DOA: 31-03-2005)	N/A	Freehold	Vacant Land	4,534#	5,838	5,838
Geran 49665 Lot 54972, * Mukim Kuala Lumpur. (DOA: 31-03-2005)	N/A	Freehold	Vacant Land	17,757#	3,839	3,839
H.S.(D) 110042 PT 7174 * Mukim Kuala Lumpur. (DOA: 31-03-2005)	N/A	Freehold	Vacant Land	2,460#	674	674
Part of lands held under ** H.S. (D) 69562, PT 34444. (DOA: 01-03-2002)	5 years	Leasehold 99 years Unexpired 94 years	24 units of shop office in Mukim of Kajang, Ulu Langat, Selangor	3,474^	2,549	2,549
GM 542, Lot 219, *** Mukim Setapak,Setapak Garden, Kuala Lumpur. (DOA: 12-08-2002)	N/A	Freehold	Vacant Land	9,910#	1,854	1,854
Geran 20722 Lot 297, *** Geran 20723 Lot 298, Geran 20724 Lot 299, Geran 20725 Lot 300 and Geran 20726 Lot 301 Section 85, town of Kuala Lumpur. (DOA: 14-08-2006)	N/A	Freehold	Vacant Land	5,683#	9,700	9,700

PARTICULARS OF PROPERTIES (Cont'd)

for the year ended 30 June 2007

LOCATION	AGE	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
Geran 43451 Lot 923 **** and Geran 94689 Lot 675 Mukim Pulai, Daerah Johor Bahru. (DOA: 03-03-2004)	N/A	Freehold	Vacant Land	101,606#	6,208	6,208
H.S.(D) 30366 ***** P.T 3920 and H.S.(D) 17868 P.T 382 Mukim of Serendah, District of Ulu Selangor, Selangor Darul Ehsan. (DOA: 08-01-1997)	10 years	Freehold	6 units of one and half story terrace factories and a double story terrace house in Mukim of Serendah, Selangor Darul Ehsan	1,690#	840	840
Part of lands held ****** under H.S.(D) 69570, PT 34452, Mukim of Kajang. (DOA: 23-06-2006)	2 years	Leasehold 99 years Unexpired 94 years	19 units of Medium Cost apartment in Mukim of Kajang, Ulu Langat, Selangor Darul Ehsan	1,476^	1,921	1,921

Note: DOA: Date of Acquisition.-Refers to Sales and Purchase Agreement.

The Group has applied the transitional provision of FRS 116 : Property, Plant and Equipment, to retain the revalued amount as if it is at the cost basis. It is not the Croup's policy to carry out regular valuations of its property, plant and equipment. The revaluation carried out on the first 3 stated properties on 13-04-1992, 15-05-1992 and 02-06-1992 respectively was a one off exercise, and the carrying amount of the revalued properties has been retained on the basis of their previous revaluation as surrogate cost. Accordingly, this valuation has not been updated. There were no revaluation done on the other properties.

* Registered under Prompt Capital Sdn Bhd, a wholly owned subsidiary of Ekovest Berhad.

** Registered under Binawani Sdn Bhd, a wholly owned subsidiary of Ekovest Berhad.

*** Registered under Ekovest Properties Sdn Bhd (f.k.a Cherry Court Sdn Bhd), a wholly owned subsidiary of Ekovest Berhad.

**** Registered under Timur Terang Sdn Bhd, a wholly owned subsidiary of Ekovest Berhad.

***** Registered under Saujarena Bina Sdn Bhd, a wholly owned subsidiary of Ekovest Berhad.

****** Registered under Ekovest Construction Sdn Bhd, a wholly owned subsidiary of Ekovest Berhad.

This page has been intentionally left blank.

This page has been intentionally left blank.

EKOVEST BERHAD
(132493-D)
(Incorporated in Malaysia)

Form of Proxy

I/We ____ of

____ being a member of the

abovenamed Company hereby appoint ____ of

____ or failing whom,

____ of

____ or the Chairman of the meeting

as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Monday, 17 December 2007 at 11.00 a.m. and, at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

NO.	RESOLUTIONS		FOR	AGAINST
1.	Adoption of Audited Financial Statements	(Resolution 1)		
2.	Re-election of Directors: i) Y.Bhg. Dato' Lim Kang Hoo ii) Mr. Khoo Nang Seng @ Khoo Nam Seng	 (Resolution 2) (Resolution 3)		
3.	Re-election of Y.Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab	(Resolution 4)		
4.	Approval of Directors' Fees	(Resolution 5)		
5.	Declaration of First and Final Dividend	(Resolution 6)		
6.	Re-appointment of Auditors	(Resolution 7)		
7.	I. Authorisation pursuant to Section 132D II. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature III. Proposed Amendments to the Articles of Association of the Company	(Resolution 8) (Resolution 9) (Special Resolution)		

Dated this ________ day of ______________ 2007.

Number of shares held [ ]

____

Signature (s) of Shareholder (s)

Notes:
1. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. If the appointor is a corporation, this proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, this proxy form, duly completed must be deposited at the Registered Office not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY

EKOVEST BERHAD
33-35, GROUND FLOOR, WISMA EKOVEST,
JALAN DESA GOMBAK 6,
TAMAN SRI SETAPAK,
OFF JALAN GOMBAK,
53000 KUALA LUMPUR.

1st fold here

EKOVEST BERHAD
(132493-D)

33-35, Ground Floor, Wisma Ekovest,
Jalan Desa Gombak 6, Taman Sri Setapak,
Off Jalan Gombak, 53000 Kuala Lumpur.
Tel: 03 - 4021 5948 Fax: 03 - 4021 4027